

Highway to Consistent Value Creation.



Annual
Report
2017-18

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At IRB InvIT Fund, we were not just driven by the desire of becoming India's first and largest infrastructure investment Trust...

Rather, we intended to become India's best and set new benchmarks.



And this is what inspired us to create a unique business model.

A model that:

- Is integrated, robust and effective
- Attracts low-cost funds to acquire income-generating road assets and operate it more profitably
- Facilitates banks to reduce risk exposure and developers to release capital and redeploy it in new projects
- Rewards stakeholders with superior returns and yet have a surplus
- Leverages surplus funds and strong capital structure to acquire more assets and ensure growth and continuity
- Stimulates infrastructure development and contributes towards nation-building

At IRB InvIT Fund, we aggregated these objectives into a powerful vision of consistent value creation. We are speeding ahead on the

Highway to consistent value creation.

Our Value Creation in FY 2017-18**₹ 655.44 Crores**Net distributable cash flows (NDCF)
generated from assets**₹ 10.55**

Total distribution per unit

12.1 %Implied IRR on the issue price of
₹ 102, 1% higher than guidance**₹ 1,550 Crores**Invested to procure an additional
road asset from the sponsor

Our Performance in FY 2017-18

₹ **1,005.16** Crores
Revenue

₹ **232.42** Crores
PAT

₹ **7,500** Crores
Enterprise Value

₹ **819.13** Crores
EBITDA

₹ **719.55** Crores
Cash Profit



Understanding the InvIT Model



What is an InvIT?

InvIT (Infrastructure Investment Trust) is an asset class specifically pertaining to the infrastructure space. It is a collective investment vehicle that pools together funds from long-term investors to acquire income-generating infrastructure assets from developers. Effective fund sourcing enables the Trust to reduce the cost of capital and manage the assets to yield higher profitability. The investors are issued units against which they receive regular and predictable pay-outs.

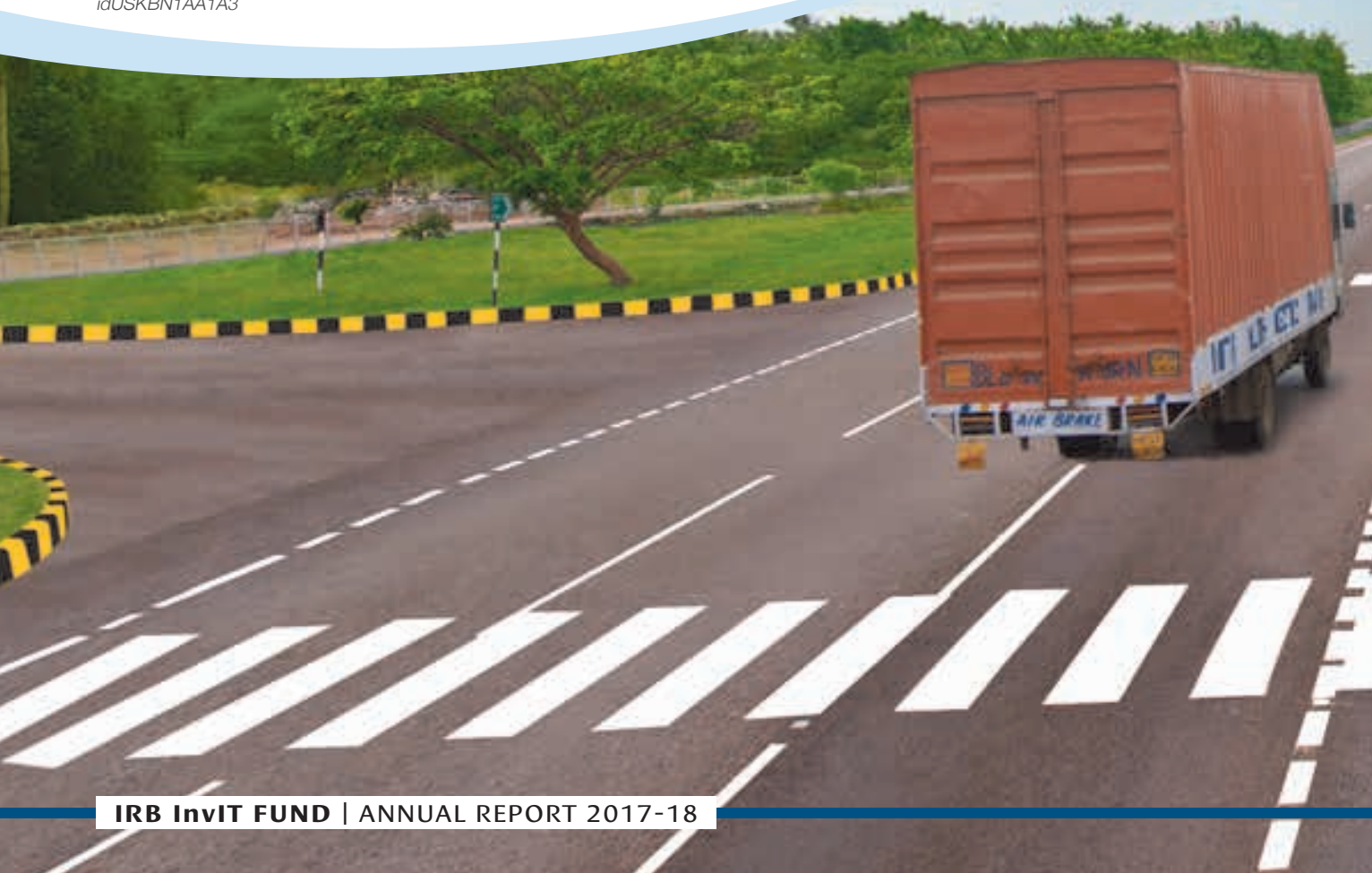
Why will InvIT be relevant?

As per a report by G-20* backed Global Infrastructure Hub, an investment to the

tune of US\$ 94 trillion (US\$ 3.7 trillion annually) will be required globally until 2040 to support global economic growth and fill infrastructure gaps. It estimates that a fifth of this investment will remain unfunded, necessitating global annual infrastructure spending to increase to 3.5% of the global GDP compared to 3% currently.

Innovative means would be needed to support such massive gaps and InvIT can be one of the important tools. Besides, globally, investors are increasingly looking at means to directly invest in the infrastructure segment in return for attractive and consistent returns over the long-term from liquid financial assets.

**<https://www.reuters.com/article/us-global-infrastructure-report/world-needs-94-trillion-spent-on-infrastructure-by-2040-report-idUSKBN1AA1A3>*





US\$ 94 trillion

Funding required until 2040 in the infrastructure segment to support the global economy

This translates into US\$ 3.7 trillion of annual investment, equivalent to the output of Germany

The InvIT model is popular globally because:

It allows infrastructure developers / asset owners to monetise their assets, deleverage balance sheet and invest in new projects

It allows individual investors to directly invest in infrastructure sector

It makes underlying asset more profitable as it enables new asset owners to acquire assets at lower borrowing cost resulting in substantial debt cost savings

Presence of multiple assets having different revenue drivers reduces risk

It facilitates in channelising foreign funding into the infrastructure sector

It enables banks to reduce loan exposure and hence the associated risk

It kickstarts investment cycle that boosts infrastructure development and job creation, resulting in economic growth of the country.

CARE AAA (CARE Ratings Ltd.), we are India's first listed infrastructure investment Trust. Concentrating our efforts on building a portfolio of toll-road assets, we facilitate infrastructure development in the country.

We are IRB InvIT Fund.

Spread	Presence	Prestige	Perpetuity
Seven income-generating road assets with a total of 4,055 lane km having 13 toll plazas	Six states in India connecting important commercial hubs	4 golden quadrilateral road projects	17 years of average residual concession period

Corporate profile

Setup under the Trusts Act, and registered as an infrastructure investment trust with the SEBI, IRB InvIT Fund (the "Trust") is an irrevocable trust. It intends to own, operate and maintain a portfolio of toll-generating road assets in India, which are operated and maintained pursuant to concessions granted by the NHAI.



Vision

To be India's most investor-friendly, trustworthy and perpetual Infrastructure Investment Trust

Mission

- To build a portfolio of high-growth potential road and highway assets in India to consistently create and enhance stakeholders' value
- To establish the Infrastructure Investment Trust in the leadership position by ensuring consistent returns to the investors and continual improvements in operational efficiencies, quality, and services
- To establish the Infrastructure Investment Trust as an alternative investment tool for investors, which is stable, reliable and growth-oriented

Quality Policy

Quality Statement

"The Trust is committed to providing stable, reliable, and well-operated and maintained world-class roads and highways' network to the users to enhance their travel experience and satisfaction level; enhance investors' interest thereupon through a set of well-defined processes and maintaining the highest grade of business ethics in all business operations across the organisation."

- Adopt processes for continual improvements of all operations across the organisation and consistently review and audit the performance of such processes
- Maintain highest standards of business ethics and transparency in systems to keep investors well-informed about the operations and management of the Trust

Quality Principles

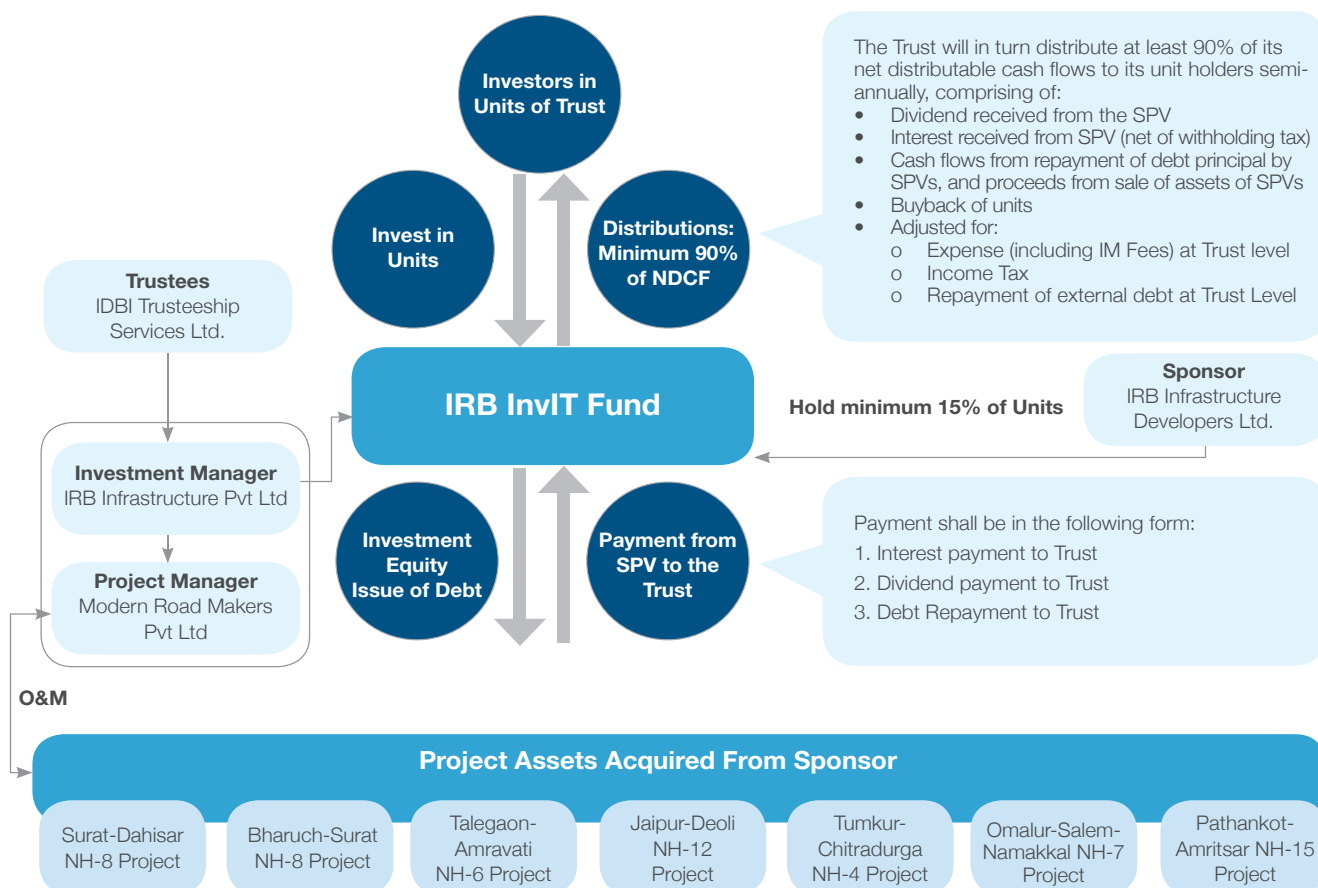
- Strictly comply with the laws and regulations stipulated by the Competent Authorities and abide by the rulings, orders and directives issued by them

Asset portfolio

Name of project	Lane km	Total income in FY 2017-18 (₹ Crores)	Residual concession life (effective from April 1, 2018)
Surat-Dahisar NH-8	1,434	313.23	3 years, 9 months
Tumkur-Chitradurga NH-4	684	207.36	19 years, 2 months
Bharuch-Surat NH-8	390	196.59	3 years, 9 months
Jaipur-Deoli NH-12 [#]	595	106.07	19 years, 4 months
Omalur-Salem-Namakkal NH-7	275	60.51	8 years, 4 months
Talegaon-Amravati NH-6	267	55.19	18 years, 9 months
Pathankot-Amritsar NH-15 [#]	410	61.75	16 years, 9 months

NH – National Highway, [#]The toll revenue for Q3 FY2017-18 of Jaipur-Deoli and Pathankot-Amritsar Project was affected due to lower mining traffic.

Structure of IRB InvIT Fund



Parties involved with the Trust

Sponsor – IRB Infrastructure Developers Limited

It is amongst the largest infrastructure development and construction companies in India in the roads and highways sector. A publicly listed entity since 2008, they have received various industry awards and recognitions for stupendous works. As of March 31, 2018, they have a total of 7 operational, 9 under construction and 1 under development road assets.

Role in the Trust: Obligated to bolster operations of Trust by acting as Project Manager (directly or through Associates) and offer eligible assets for transfer to continue being a responsible stakeholder.

Investment Manager – IRB Infrastructure Private Limited

A wholly-owned subsidiary of the sponsor, they have nearly 18 years of experience in operating a road BOT (Build-Operate-Transfer) project along with developing, operating and maintaining toll plazas.

Role in the Trust: Supervise day-to-day operations and take investment decisions for Trust, distribute NDCF to the unitholders and act as a fiduciary for all unitholders.

Project Manager – Modern Road Makers Private Limited

A wholly-owned subsidiary of the sponsor, they possess more than two decades of experience in construction, operation and maintenance work for roads, highways and other relevant structures. It has a

team of over 3,300 skilled and semi-skilled people and a track record of executing over 2,500 km of roads and highways.

Role in the Trust: Manage operation and maintenance of the road assets.

Trustee – IDBI Trusteeship Services Limited

Jointly promoted by IDBI Bank Limited, Life Insurance Corporation and General Insurance Corporation, they have the experience of providing trusteeship services to a range of corporates and institutions. They are registered as debenture trustee with SEBI.

Role in the Trust: To act as fiduciary for the unitholders and oversee the performance of Investment Manager.

Strategic role of Investment Manager

Possess expertise in the sector, rich O&M experience, and necessary resources to efficiently manage underlying assets

Provide administrative services in accordance with the provisions of Investment Management Agreement and SEBI InvIT Regulations

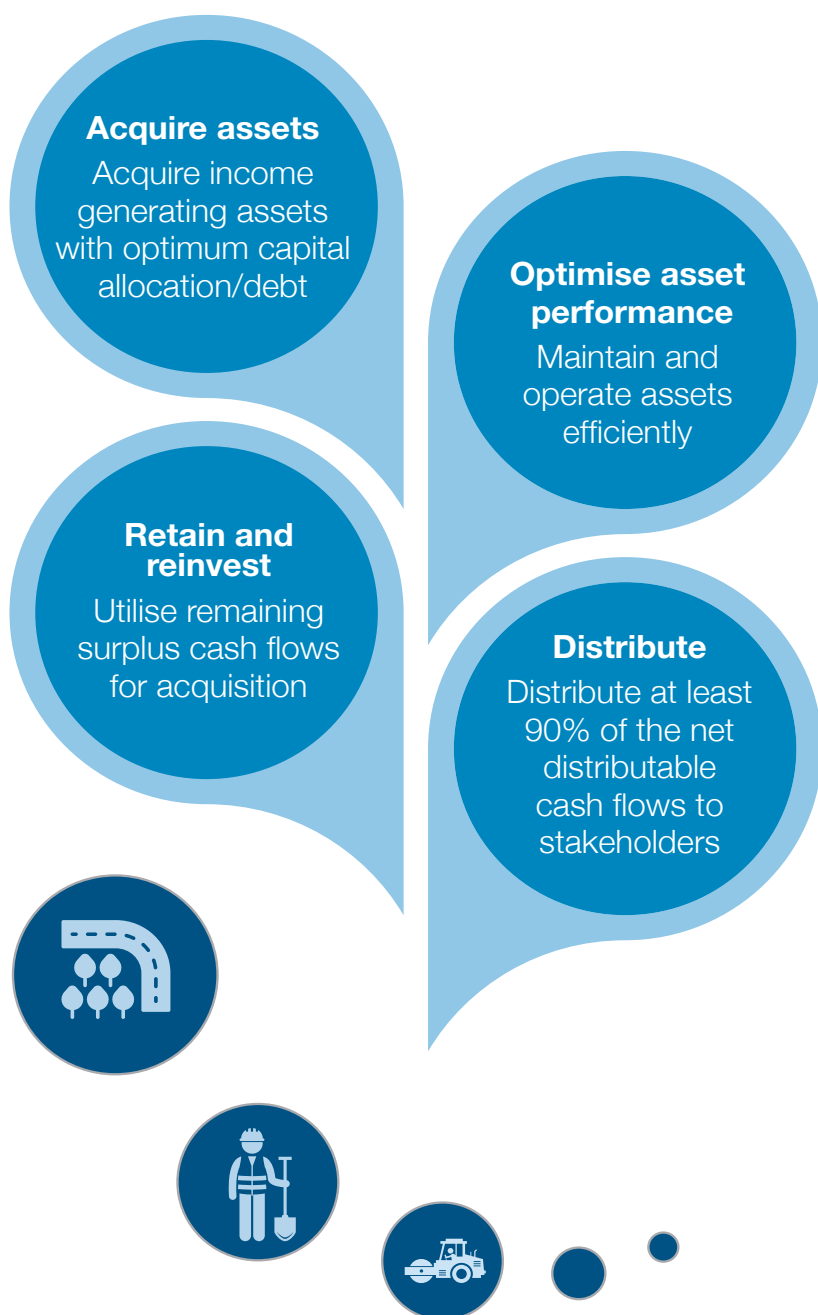
Make prudent investment (asset acquisition and disposal) decisions to ensure growth and perpetuity of the Trust

Make timely distributions to the Unitholders, safeguarding unitholders interests and improving returns from the Trust by building an efficient capital structure

Timely dissemination of statutory and material information and grievance redressal of Unitholders

Understanding Our Business Model

Our business revolves around investing in operating road assets, to minimise costs and maximise margins and make regular distributions to unitholders.



Toll-road acquisition strategy

Organic growth through proactive management

Our principal investment strategy is to acquire the project SPVs and proactively manage the road assets to support growth. Accordingly, we acquire toll-road assets from the Sponsor through a combination of equity and debt. Total 7 SPVs were acquired, 6 by utilisation of IPO proceeds and 1 by debt funding.

Inorganic growth through acquisitions

We intend to expand our initial portfolio by identifying, evaluating and selectively acquiring additional toll road projects that meet the following investment criteria:

- **Yield thresholds:** Its estimated yields should be above our cost of capital to maintain or enhance returns to the Unitholders
- **Traffic characteristics:** It should have the potential for traffic growth
- **Residual concession period:** It should have sufficient residual concession periods to ensure stable and sustained returns over the long-term
- **Geographic diversity:** It should be geographically diversified to mitigate concentration risk and to take advantage of regional growth
- **Operational and other costs:** Its estimated maintenance costs based on technical assessments should have minimal impact on our expected distributions

Sources of income, cash flows and distributions

The Trust has been formed with a primary objective of making distributions to the Unitholders. Our sources of income and distributions thereof are governed by SEBI InvIT Regulation and Income Tax Act. Accordingly, our income comprises three streams – interest received from SPVs, debt repayment from SPVs and dividend payment from SPVs. We endeavour to maximise our income and distributions by optimum combination of income streams and reduce instances of Income Tax.

Interest received from SPVs

We have advanced a total of ₹ 5,021.38 Crores in long-term debt to the SPVs against which we receive interest. For FY 2017-18, we have received ₹ 511.23 Crores as interest from the SPVs.

Debt repayment by SPVs

We have received in aggregate ₹ 219.12 Crores as debt repayment from the SPVs.

Dividend received from SPVs

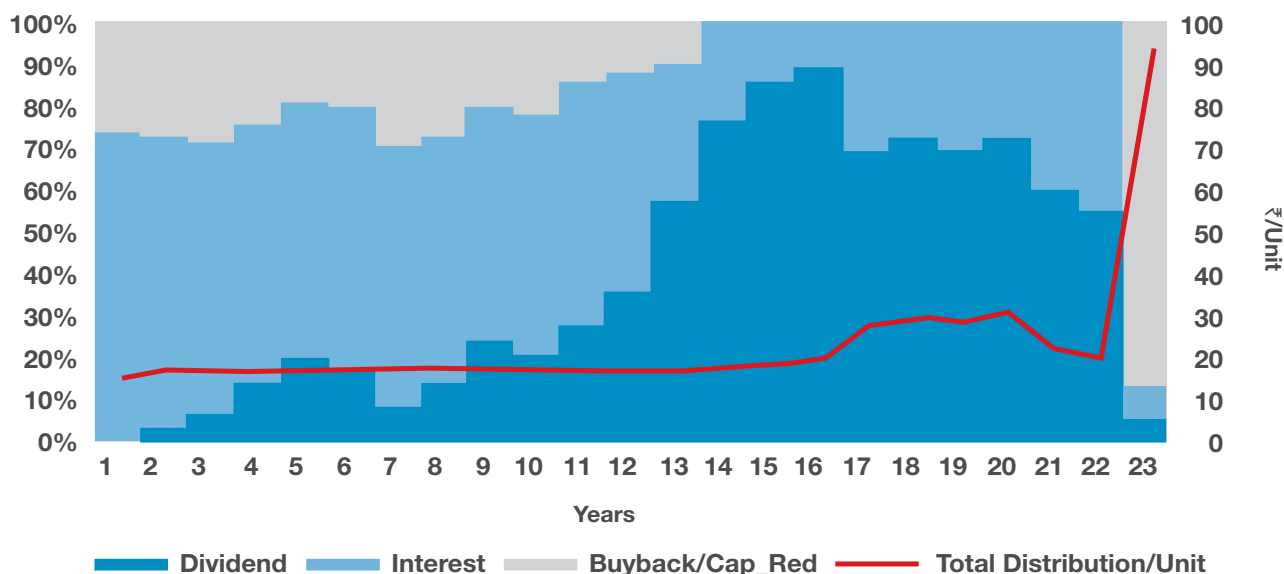
Post meeting all operation and maintenance expense, amortisation and

interest costs against the toll collected, the SPVs pay the balance amount as a dividend, which is reflected as Dividend Income in the P&L.

However, for FY 2017-18, dividend received from SPVs is ₹ Nil.

Following are the projected distributions likely to be made over the life of the Trust based on income from the assets presently held by the Trust.

Projected Distribution over Residual life of the Trust*



*subject to assumptions viz. Current portfolio of 7 assets considered with present capital & financing structure, traffic Growth of 5.5% p.a., WPI of 4.5% p.a., implied revenue CAGR ~10%. Actual results may vary upon performance of the assets.

Our business model is scalable and sustainable

Increasing scope for road assets monetisation*	Increasing pace [#] of road construction	Rising vehicular traffic	Potential to borrow	Availability of sponsor portfolio
<p>India has a vast network of 115,000 km of the operational national highway (NH) and there is a rising trend of the Government monetising these assets. In FY 2017-18, the Government has already monetised nine projects raising US\$ 1.6 bn. It is eyeing to put up for sale another 25 assets to raise another US\$ 3 bn. In addition to this, we have priority access to our Sponsor's road portfolio. This provides provision for future expansion.</p>	<p>There is a clear mandate from the Ministry of Road and Transport to pace up road construction. FY 2017-18 saw a record implementation of nearly 10,000 km of NH construction at an average of 27.5 km every day clocking a 20% growth over last year. The year also saw 17,000 km of the project being awarded. The sector is also witnessing increasing spending with ₹ 1.5 Lakh Crores being invested in FY 2017-18 and an expected ₹ 2 Lakh Crores likely to be invested in FY 2018-19.</p>	<p>Vehicular traffic in India has been growing at an annual rate of ~6% per annum for the past few years. Furthermore, the vehicle sales in India have been growing at a CAGR of 5.59% during the last five years.</p>	<p>Our balance sheet has the potential for raising another ₹ 4,500 Crores debt</p>	<p>In addition to potential assets which can be acquired from the other developers, the sponsor has ₹ 31,522 Crores projects lined up which is accessible to us on the right of first offer and first refusal basis, opening up the potential to grow our enterprise value by 5 times.</p>

*<https://www.bloombergquint.com/business/2018/04/15/government-eyes-3-billion-from-25-projects-in-nine-states>

#<https://economictimes.indiatimes.com/news/economy/infrastructure/highway-construction-hits-record-10000-km-in-fy18/articleshow/63586665.cms>



Things that make IRB InvIT Fund a Contender of Success

Strong support of the Sponsor

Our Sponsor has a track record of delivering some of India's best road and highway projects that have witnessed healthy vehicle traffic and toll collection growth over the years. Our association with them and agreement for right of first offer (RoFO) and first refusal (RoFR)

provides us priority access to their pipeline of projects.

As on March 31, 2018, the sponsor have 10 BoT assets and 3 HAM (Hybrid Annuity Model) assets. This healthy mix of the pipeline from sponsors in terms of geography, size and residual life provides us the potential to grow Enterprise Value by over 5x

(₹ 39,000 Crores) in addition to a pool of assets from other developers. Availability of HAM projects will further strengthen portfolio as it will generate steady annuity cash flows from NHAI.

Besides, the Sponsor being the largest unitholder in the Trust will remain strongly focussed on its growth and perpetuity.

5x

Estimated potential to grow enterprise value with an existing project pipeline of the sponsors



Project line-up on RoFR basis from Sponsor

Project name	Road name	Project cost (₹ Crores)
BOT Project		
IRB Ahmedabad Vadodara Super Express Tollway Pvt. Ltd.*	Ahmedabad Vadodara – NH-8 & Ahmedabad Vadodara Expressway	4,669.80
Solapur Yedeshi Tollway Pvt. Ltd.	Solapur-Yedeshi section of NH-211	1,542.10
Kaithal Tollway Pvt. Ltd.	Kaithal-Rajasthan Border section of NH-152/65	2,347.50
Yedeshi Aurangabad Tollway Pvt. Ltd.	Yedeshi-Aurangabad section of NH-211	3,177.00
AE Tollway Pvt. Ltd.	Agra-Etawah section of NH-2	2,535.00
IRB Westcoast Tollway Pvt. Ltd.	Goa/Karnataka Border to Kundapur – NH-17	2,639.00
Udaipur Tollway Pvt. Ltd.	Udaipur to Gujarat Border of NH-8	2,087.90
CG Tollway Pvt. Ltd.	Gulabpura to Chittorgarh Bypass of NH-79	2,090.00
Kishangarh Gulabpura Tollway Pvt. Ltd.	Kishangarh to Gulabpura of NH-79	1,526.00
IRB Hapur Moradabad Tollway Pvt. Ltd.	Hapur Moradabad of NH-24	3,400.00
HAM Projects		
VK1 Expressway Pvt. Ltd.	Padra to Vadodara section of Vadodara Mumbai EW	2,043.00
IRB PS Highway Pvt. Ltd.	Poondiankuppam-Sattanathapuram on NH-45A	2,169.00
IRB PP Project Pvt. Ltd.	Puducherry-Poondiankuppam on NH-45A	1,296.00
Total		31,522.30

*Under evaluation corresponding to likely scenario on discussion with NHAI with respect to competing state facility

Expertise of Investment Manager

The Investment Manager plays a vital role in enhancing the profitability and sustainability of the Trust. Our Investment Manager possesses 18 years of experience in operating road asset along with developing, operating and maintaining toll plazas. Their ability to acquire the right asset at right valuation, manage operations efficiently and maintain efficient capital structure has enabled the Trust to operate profitably and deliver

promised returns to unitholders. The Trust will continue to leverage their expertise to maintain and operate existing road assets, identify and acquire new assets, grow net asset value per unit, diversify risk across geographies and continue to make distributions.

Portfolio of owned projects

Our road assets are located on some of the busiest sections of the National Highways, connecting various important business districts. Further, lack of quality

alternative road in these sections make roads owned by the Trust as the most viable option for transportation. On an average, these sections of the highway have witnessed overall revenue growth of 10% which includes tariff growth of 3.70% to 6.24%. Besides, the diversification across seven projects and six states reduces reliance on specific region or asset, thereby minimising the impact on cash flows in case of a slowdown in traffic of any region or project.

AAA-rated

IRB InvIT Fund has received the CARE AAA credit rating from CARE Ratings Limited driven by its strong portfolio of project assets, cash flows and ability to service debt. It reflects the combined credit quality of the underlying assets. The rating while enabling us to procure low-cost debt goes on to display the confidence of the investor community. The improved capital structure of the fund further provides it the potential to raise an additional ₹ 4,500 Crores in debt for future acquisitions.

The following are the key drivers of our credit rating:

Established track record of revenue growth of the underlined SPVs coupled with geographical diversification mitigating regional concentration risks:

The Trust owns, operates and maintains a portfolio of six toll-road assets in the Indian states of Maharashtra, Gujarat, Rajasthan, Karnataka and Tamil Nadu. These toll-road projects are Bharuch-Surat NH-8, Jaipur-Deoli NH-12, Surat-Dahisar NH-8, Tumkur-Chitradurga NH-4, Omalur-Salem-Namakkal NH-7 and Talegaon-Amravati NH-6. This diversification significantly mitigates business risk of the InvIT by reducing its reliance on any specific region or project and consequently reducing the potential impact of any force majeure event occurring in any particular region and/or with respect to any particular project. Surat-Dahisar and Bharuch-Surat project has concession period tenure till FY 2022-23 and FY 2021-22 respectively, and Omalur-Salem-Namakkal till FY 2026-27. Other projects have concession tenures extending up to FY 2038-39. Initial portfolio projects have been operational (i.e. collecting toll on the entire stretch) for a period in the range of 3-7 years, an average of ~5 years for the portfolio. Total toll collected was ₹1,184 Crores in FY 2016-17 as against ₹1,252 Crores in FY 2015-16 by the six SPVs, the SPVs received ₹ 33 Crores as compensation from NHAI for the loss of toll during the demonetisation period. Further, ₹ 8.23 Crores is still receivable as compensation from the NHAI along with relevant extensions in the concession agreement. Toll collection was suspended from November 09, 2016 to December 02, 2016 immediately after the demonetisation announcement on November 08, 2016. Pathankot-Amritsar project (proposed to be included in asset portfolio) earned ₹ 108 Crores (excluding the compensation from the NHAI for revenue loss during the demonetisation period) in FY 2016-17 as against ₹ 98.60 Crores in FY 2015-16.

Comfortable debt coverage metrics and healthy capital structure:

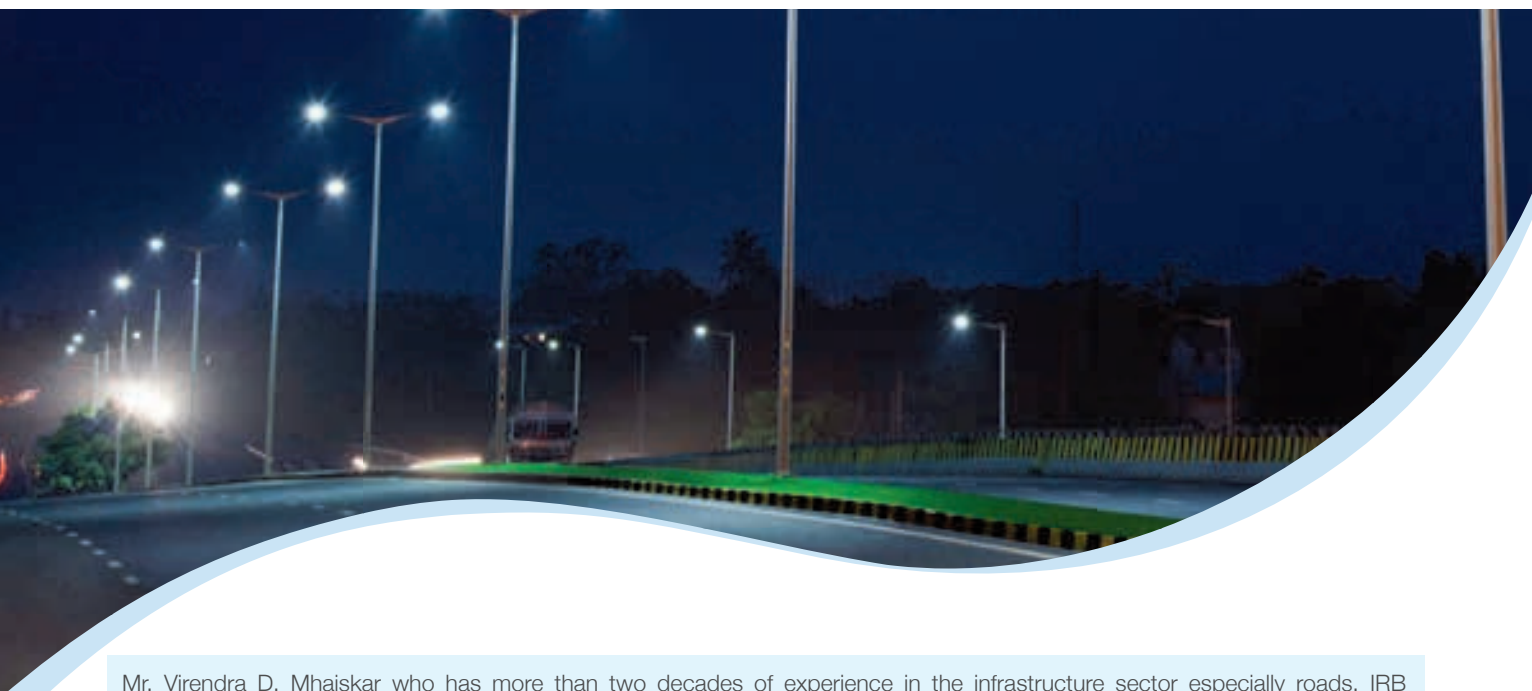
As on March 31, 2017, the combined external debt at the SPV level was ₹ 3,390 Crores. Based on the outstanding balance, ₹ 3,358 Crores was repaid from the IPO proceeds in the month of May 2017 and as at the end of June 30, 2017, there is no external debt outstanding at combined SPV level.

IRB InvIT proposes to raise ₹ 1,550 Crores of debt to complete its acquisition of the 100% stake in Pathankot-Amritsar project, out of ₹ 1,550 Crores, approximately ₹ 950 Crores will be used to repay external debt of the SPV and the balance will be used to replace sub-debt/loans and advances from the sponsor and project manager and towards general business purposes of the Trust Group on a consolidated basis. Thus, the maximum external debt outstanding at IRB InvIT will be ₹ 1,550 Crores as at the end of September 30, 2017, i.e. 17.55% of the existing valuation of ₹ 8,837 Crores.

CARE has assumed maximum combined debt exposure of ₹ 1,550 Crores for the acquisition of the asset. Any adverse change in the debt coverage indicators due to further debt raised by InvIT for the purpose of supporting existing or acquiring additional assets would remain key rating sensitivity.

Established track record in infrastructure, especially road sector of the Sponsor, Investment Manager and Project Manager of the Trust:

The Sponsor, IRB Infrastructure Developers Ltd is one of the largest players in the roads and highways sector in India. The Company has a significantly experienced Management team led by the CMD of sponsor group (i.e. IRB),



Mr. Virendra D. Mhaskar who has more than two decades of experience in the infrastructure sector especially roads. IRB Infrastructure Private Limited (IIPL) is the investment manager of the Trust, and has significant experience in the field of roads and highways infrastructure. It has experience in operating a road BOT basis for a period of approximately 18 years and also in developing, operating and maintaining toll plazas. Modern Road Makers Private Limited (MRM, rated CARE A; Stable/CARE A1) is the Project Manager of the Trust to carry out operations and management of the Project SPVs. MRM has experience in the execution of construction work for roads and highways including National Highways (NHs).

Distribution of surplus to unit holders in Q1FY18: The Trust declared its first distribution of ₹ 1.55/unit to unit holders for Q1FY18. The Trust paid ₹ 90.48 Crores to the unit holders.

Acquisition of Pathankot-Amritsar project: The Board of directors of Investment Manager of the Trust has approved the purchase of 100% stake in Pathankot- Amritsar project of IRB Infrastructure Developers Ltd at a value of ₹ 1,569.33 Crores. Enterprise value of the SPV is ₹ 1,785.83 Crores i.e. at 12% discount. IRB InvIT will acquire the Pathankot-Amritsar project post approval of the unit holders. The Pathankot-Amritsar project has an operational track record of ~2.5 years and earned toll income of ₹ 108 Crores (excluding the compensation receivable for revenue loss during the demonetisation period) in FY 2016-17 as against ₹ 98.60 Crores in FY 2015-16. The project has concession period ending in FY 2034-35 with approx.18 years of toll collection period left.

Robust toll plaza infrastructure

Toll plazas across our road assets leverage advanced technologies to ensure operational efficiency, faster flow of traffic and transparency in toll collection. This includes the use of radio-frequency identification (RFID) technology for electronic toll collection, devices designed to capture axle and gross vehicle weight for weight-based tolling system and use of various automated/semi-automated toll collection system. The toll plazas also have infrared sensors to identify vehicle category and cameras to avoid toll evasion incidents.

Marquee investors

Our strong business model is reflected in the quality of investors invested into the Trust which include—Government of Singapore, Prusik Umbrella UCITS Fund Plc/Prusik Asian Equity Income Fund, Reliance Capital Trustee, Aditya Birla Sun Life Trustee, India Infoline Finance, IIFL Wealth Finance, Monetary Authority of Singapore, Deutsche Global Infrastructure Fund, Nomura Singapore and Schroder Asian Asset Income Fund.

Industry attractiveness

Road and highway construction sector directly corresponds to increased

business activities and hence is extremely crucial for economic growth. The *FY 2017-18 has been a record year for the sector as the ministry achieved a robust highway construction pace of 27.5 km per day constructing a total of 10,000 km and awarded contracts for 17,000 km of road projects. The ministry expects to spend a total of ₹ 2 Lakh Crores on national highways during FY 2018-19 compared to ₹ 1.5 Lakh Crores spent in FY 2017-18.

**<https://economictimes.indiatimes.com/news/economy/infrastructure/highway-construction-hits-record-10000-km-in-fy18/articleshow/63586665.cms>*

Chairman's Message



InvITs as an investment vehicle have, slowly but surely, gathered broader acceptance



Dear Unitholders,

On behalf of the Board of Directors of Investment Manager, it is indeed my pleasure to share the performance and highlights of IRB InvIT Fund ("the Trust"), as we complete our first year post listing.

The Trust is country's first publicly listed Infrastructure Investment Trust, now comprising seven income generating road projects having length of 4,055 lane Kms with four of the road projects forming part of Golden Quadrilateral and one being part of the East-West corridor. The average residual concession period for the Trust is around 17 years. The Trust acquired the Pathankot-Amritsar Project in September 2017 and this acquisition was entirely funded by debt at the Trust level amounting to ₹ 15.5 bn at a competitive rate.

The last financial year saw the introduction of GST; India's biggest tax reform initiative since Independence. The introduction of GST and the resulting withdrawal of Entry tax at check-posts did increase the

pace of inter-State road cargo movement. There was, however, a temporary setback in H1 FY18 in the shape of a drop in commercial vehicle traffic as vendors and suppliers were still in the process of complying with GST and hence hesitant to despatch due to lack of clarity on tax implications. Fortunately, this transitional phase was soon over and the subsequent quarters recorded sharper than expected traffic growth, allowing for the guided 9.58% year-on-year growth in revenues for FY 2017-18.

Going forward, we draw comfort for sustained growth from multiple developments. On one hand, the robust rise in traffic assures strong visibility of performance and growth in distribution on existing portfolio. On the other hand, the new Government initiatives like Bharatmala and a quantum jump in the award of new projects by NHAI and other Govt. agencies throw up huge opportunities to grow multiple-fold from our present size and be a perpetual investment instrument. Our Sponsor, IRB

Infrastructure Developers Ltd. itself has a large portfolio of BOT and HAM projects which will qualify for acquisition over a period of time.

InvITs as an investment vehicle have, slowly but surely, gathered broader acceptance. With another Toll Road InvIT now listed, we expect a deeper understanding of the product by the market, which will ensure reflection of performance and intrinsic strength of the Trust in the valuation.

The total payout for FY 2017-18 (for 318 days) has been at ₹ 10.55 /unit. This translates to an implied IRR of 12.1% on issue price of ₹ 102/unit. The Trust has met the guided payout and on the basis of revenue growth, is confident of improving it consistently, going forward.

Thank you

R. P. Singh

Chairman of the Board,
Investment Manager of the Trust

Surat-Dahisar NH-8 Project

Located on NH-8 between Surat (Gujarat) and Dahisar (Mumbai, Maharashtra), the six-laning of the four-lane highway corridor from 263 km to 502 km was done by IRB Surat Dahisar Tollway Limited. Done on BOT basis in DBFOT format, the project was a part of the ambitious and prestigious Golden Quadrilateral project undertaken by the NHAI and was the first section to be completed. The NH-8, a four to six lane National Highway, connects India's national capital, New Delhi, with its financial capital, Mumbai, and has other important cities like Gurgaon, Jaipur, Ajmer, Udaipur, Ahmedabad, Vadodara and Surat along the way.

What makes the corridor attractive?

- It is located on one of the busiest sections of the NH-8, passing through important business hubs like Surat, Vapi, Navsari, Valsad, and Dahisar
- Delhi-Mumbai Industrial corridor runs parallel to the NH-8 in length



Key statistics

330.57 Lakh

Total vehicle traffic (in FY 2017-18)

5.28 %

Vehicle traffic growth (5-year CAGR)

₹ **313.23** Crores

Total income (in FY 2017-18)

₹ **256.40** Crores

EBITDA (in FY 2017-18)

3 years, **9** monthsResidual concession period
(as on March 31, 2018)

Toll collection history

(₹ in Crores)



Project features

239 kmSix-lane
carriageway**283.369** km

Service road

17

Major bridges

37

Minor bridges

25

Flyovers

2

Railway over bridges

496

Culverts

12Pedestrian
underpasses**16**Vehicular
underpasses**304**

Intersections

4

Toll plaza complexes

Tumkur-Chitradurga NH-4 Project

Located on NH-4 between Tumkur and Chitradurga in Karnataka, the six-laning of the four-lane highway corridor from 75 km to 189 km was done by IRB Tumkur Chitradurga Tollway Limited on a BOT basis in DBFOT format. The NH-4, a four to six lane National Highway, connects Mumbai and Chennai via Pune, Kolhapur and Belgaum. It passes through three states - Maharashtra, Karnataka and Tamil Nadu.

What makes the corridor attractive?

- The Tumkur-Chitradurga NH-4 corridor caters to various types of traffic, including urban, suburban and regional traffic
- The NH-4 connects various major urban centres and state capitals such as Thane, Pune, Kolhapur, Belgaum, Dharwad, Hubli, Chitradurga, Tumkur, Bengaluru and Chennai
- It intersects NH-9 at Pune, NH-4A at Belgaum, NH-63, and NH-218 at Dharwad, NH-13 at Chitradurga, NH-206 at Tumkur, NH-48 and NH-207 at Nelamangala thereby providing highway connectivity to various locations



Key statistics

115.44 Lakh

Total vehicle traffic (in FY 2017-18)

6.32 %

Vehicle traffic growth (5-year CAGR)

₹ 207.36 Crores

Total income (in FY 2017-18)

₹ 188.56 Crores

EBITDA (in FY 2017-18)

19 years, **2** monthsResidual concession period
(as on March 31, 2018)

Toll collection history

(₹ in Crores)



Project features

114.45 kmSix-lane
carriageway**4.2** km

Service road

3

Major bridges

21

Minor bridges

6

Flyovers

147

Culverts

20Pedestrian
underpasses**36**Major
intersections**66**

Entry/exit ramps

38

Bus bays

7

Truck lay bays

2Toll plaza
complexes

Bharuch-Surat NH-8 Project

Located on NH-8 between Bharuch and Surat in Gujarat, the four/six-laning of highway corridor from 198 km to 263 km was done by IDAA Infrastructure Limited on a BOT basis. The project was a part of the ambitious and prestigious Golden Quadrilateral project undertaken by the NHAI and was a part of the first section to be completed. The NH-8, a four to six lane National Highway, connects India's national capital, New Delhi, with its financial capital, Mumbai, and has other important cities like Gurgaon, Jaipur, Ajmer, Udaipur, Ahmedabad, Vadodara and Surat along the way.

What makes the corridor attractive?

- The Bharuch-Surat NH-8 project passes through certain semi-urban and business centres, including Pipodra, Palod and Ankleshwar



Key statistics

83.94 Lakh

Total vehicle traffic (in FY 2017-18)

4.18 %

Vehicle traffic growth (4-year CAGR)

₹ **196.59** Crores

Total income (in FY 2017-18)

₹ **160.92** Crores

EBITDA (in FY 2017-18)

3 years, **9** monthsResidual concession period
(as on March 31, 2018)

Toll collection history

(₹ in Crores)



Project features

47.35 kmSix-lane
carriageway**17.65** kmFour-lane
carriageway**27.5** km

Service road

14

Major bridges

33

Minor bridges

6

Flyovers

3Railway over
bridges**83**

Culverts

10Pedestrian
underpasses**1**Vehicular
underpass**6**Major
intersections**19**

Bus bays

Jaipur-Deoli NH-12 Project

Located on NH-12 between Jaipur and Deoli in Rajasthan, the four-laning of the two-lane highway corridor from 18.70 km to 165 km was done by IRB Jaipur Deoli Tollway Limited on a DBFOT basis. The NH-12, passing through the states of Rajasthan and Madhya Pradesh, connects Jaipur and Jabalpur via Tonk, Kota, and Bhopal.

What makes the corridor attractive?

- It caters to urban, suburban and regional traffic
- It intersects with NH-3 at Biora, NH-7 at Jabalpur, NH-8 at Jaipur, NH-11 at Jaipur, and NH-69 at Bhopal



Key statistics

46.55 Lakh

Total vehicle traffic (in FY 2017-18)

6.98 %

Vehicle traffic growth (5-year CAGR)

₹ **106.07** Crores

Total income (in FY 2017-18)

₹ **84.92** Crores

EBITDA (in FY 2017-18)

19 years, **4** monthsResidual concession period
(as on March 31, 2018)

Toll collection history

(₹ in Crores)



Project features

148.77 kmSix-lane
carriageway**36.76** km

Service road

1

Major bridge

23

Minor bridges

4

Flyovers

124

Culverts

3Pedestrian
underpasses**5**Cattle
underpasses**11**Vehicular
underpass**25**

Major intersections

32

Bus bays

2Toll plaza
complexes

Omalur-Salem-Namakkal NH-7 Project

Located on NH-7, the project involved expansion of 41.575 km two-lane section from Salem to Namakkal into four-lanes and to improve, operate and maintain a 7.85 km section from Omalur to Salem in Tamil Nadu on BOT basis by M.V.R. Infrastructure And Tollways Limited (SPV). The SPV was further awarded an additional 19.20 km section for carrying out operations and maintenance services. The project comprises the sections of NH-7 from 207.05 km to 248.625 km and from 180.00 km to 207.05 km.

What makes the corridor attractive?

- NH-7 is one of the India's busiest traffic routes, connecting the north

and south of India via commercial hubs like Varanasi, Rewa, Jabalpur, Nagpur, Adilabad, Nirmal, Armoor in (Nizamabad), Kamareddy, Hyderabad, Kurnool, Anantapur, Chikkaballapur, Bengaluru, Krishnagiri, Salem, Madurai, Tirunelveli and Kanyakumari

- The project stretching from Omalur to Namakkal passes through Salem and Namakkal districts



Key statistics

64.32 Lakh

Total vehicle traffic (in FY 2017-18)

7.48 %

Vehicle traffic growth (5-year CAGR)

₹ **60.51** Crores

Total income (in FY 2017-18)

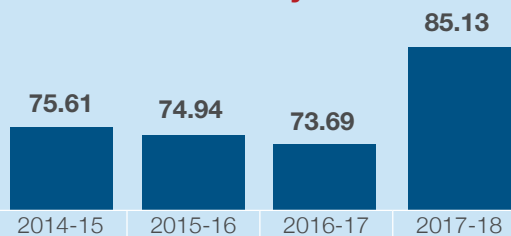
₹ **48.14** Crores

EBITDA (in FY 2017-18)

8 years, **4** monthsResidual concession period
(as on March 31, 2018)

Toll collection history

(₹ in Crores)



Project features

68.625 kmFour-lane
carriageway**23.58** km

Service road

14

Minor bridges

5Flyovers and
railway over bridges**36**

Culverts

8

Underpasses

16Major
intersections**1**Toll plaza
complex

Talegaon-Amravati NH-6 Project

Located on NH-6 between Talegaon and Amravati in Maharashtra, the four-laning of the two-lane highway corridor from 100 km to 166.725 km was done by IRB Talegaon Amravati Tollway Limited on a DBFOT basis. The NH-6 connects Hazira and Kolkata via Surat, Dhule, Amravati, Nagpur, Raipur, and Sambalpur. It passes through the states of Gujarat, Madhya Pradesh, Odisha, Chhattisgarh and West Bengal.

What makes the corridor attractive?

- It caters to urban, suburban and regional traffic
- It intersects with several other national highways, including NH-3 near Dhule, NH-5 near Jharkoparia, NH-7 near Nagpur and NH-8 near Surat



Key statistics

25.04 Lakh

Total vehicle traffic (in FY 2017-18)

5.44 %

Vehicle traffic growth (5-year CAGR)

₹ **55.19** Crores

Total income (in FY 2017-18)

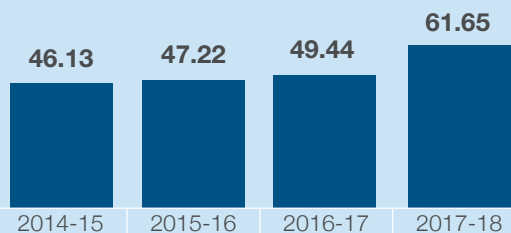
₹ **40.62** Crores

EBITDA (in FY 2017-18)

18 years, **9** monthsResidual concession period
(as on March 31, 2018)

Toll collection history

(₹ in Crores)



Project features

66.725 kmFour-lane
carriageway**26.50** km

Service road

1

Major bridge

25

Minor bridges

2

Flyovers

1

Railway over bridge

86

Culverts

11Pedestrian
underpasses**11**Vehicular
underpass**36**

Major intersections

15

Bus bays

1

Toll plaza complex

Pathankot-Amritsar NH-15 Project

Located on NH-15 between Pathankot and Amritsar in Punjab, the four-laning of the two-lane highway corridor from 6.082 km to 108.502 km was done by IRB Pathankot Amritsar Toll Road Limited on a DBFOT basis. The NH-15, a two to a four-lane highway, is one of the major highways of north-western India, starting at Pathankot in the state of Punjab and traversing through the states of Punjab, Rajasthan and ending at Samakhiali of Gujarat.

- It is a part of the high-density traffic corridor and caters to urban, suburban and regional traffic
- The districts of Amritsar and Gurdaspur are known for the traditional industries of silk goods, pashmina shawls, and carpet weaving among others. The biggest industry in the region is tourism
- No alternative short or long distance routes with comparable riding quality, cost efficiency, and service

What makes the corridor attractive?

- NH-15 passes through important cities and towns of Amritsar, Bhatinda, Ganganagar, Bikaner, Jaisalmer and Barmer, Gurdaspur, Firozpur, Faridkot, Moga, and Mukatsar



Key statistics

46.83 Lakh

Total vehicle traffic (in FY 2017-18)

8.84 %

Vehicle traffic growth (4-year CAGR)

₹ **61.75** Crores

Total income (in FY 2017-18)

₹ **46.46** Crores

EBITDA (in FY 2017-18)

16 years, **9** monthsResidual concession period
(as on March 31, 2018)

Toll collection history

(₹ in Crores)



Project features

104.420 kmFour-lane
carriageway**44.180** km

Service road

4

Major bridge

6

Minor bridges

5

Flyovers

5

Railway over bridge

317

Culverts

14Vehicular
underpass**168**

Intersections

5

Truck lay byes

30

Bus bays

2

Toll plaza complexes

Board of Directors of the Investment Manager

Mr. R. P. Singh*Chairman of the Board*

He is a retired IAS Officer and has wide experience in the field of Finance, Industry, Urban, and Infrastructure Development. He has been a Chairman of the National Highways Authority of India, prior to which he held the position of Chairman and MD of Punjab and Sind Bank. Presently, he holds Directorship at Maruti Suzuki India, Bharti Infratel, and Lodha Developers.

Mr. Sumit Banerjee*Independent Director*

He is a Mechanical Engineering graduate and has completed a Management Education Programme. He is a fellow and a Chartered Engineer (India) of the Institution of Engineers. He has experience in the fields of management. Previously, he served as the Managing Director of ACC Limited. He has been on Investment Manager's Board since August 2016.

Mr. B. L. Gupta*Independent Director*

He is a Commerce graduate, a Master of Business Administration and a certified associate of the Indian Institute of Bankers. He has experience in banking, corporate and project finance. Previously, he was the Chief General Manager of India Infrastructure Finance Company Limited. He has been on Investment Manager's Board since May 2016.

Mr. Vinod Kumar Menon*Executive Director & Chief Executive Officer*

He is a Civil Engineering graduate and has experience in the fields of infrastructure development and management. He currently serves as the vice-president of the National Highway Builder Federation. Prior to this, he was the president (business development) at IRB Infrastructure Developers. He has been on Investment Manager's Board since August 2016.

Executive Team of the Investment Manager

Mr. Vinod Kumar Menon

Executive Director & Chief Executive Officer

He is a Civil Engineering graduate. He has experience in the fields of infrastructure development and management. He currently serves as the vice-president of the National Highway Builder Federation. Prior to this, he was the president (business development) at IRB Infrastructure Developers. He has been on Investment Manager's Board since August 2016.

Mr. Tushar Kawedia

Chief Financial Officer

He is a Commerce graduate and a qualified Chartered Accountant from the ICAI. He has experience in the fields of accounts and finance. He has served as the Deputy Chief Financial Officer of the Sponsor group, prior to which he was Deputy General Manager (Accounts and Finance) at Reliance Infrastructure Limited.

Mr. Urmil Shah

Company Secretary & Compliance Officer

He is a Commerce graduate and an Associate of the Institute of Company Secretaries of India. He has experience in secretarial and compliance functions. He was associated with the Sponsor group since 2011 where he served as an Assistant Company Secretary, prior to which he was a part of the secretarial department of Great Offshore Limited. He has been designated as the Compliance Officer.

Corporate Information

IRB InvIT Fund (Trust)		
Registered Office IRB Complex, Chandivali Farm, Chandivali Village, Andheri (E), Mumbai – 400 072, Maharashtra, India. SEBI Registration Number: IN/InvIT/15-16/0001 Tel: 022 6640 4299 Fax: 022 6640 4274 E-mail: info@irbinvit.co.in Website: www.irbinvit.co.in	Compliance Officer Mr. Urmil Shah Bankers/Lenders State Bank of India IDFC Bank Limited Auditors Suresh Surana & Associates LLP	Securities Information BSE Ltd.: 540526; National Stock Exchange of India Ltd.: IRBINVIT; ISIN: INE183W23014
Investment Manager		
IRB Infrastructure Private Limited CIN: U28920MH1997PTC112628 Registered Office IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072 Tel: +91 22 6640 4299 Fax: +91 22 6640 4274 Email: info@irbfl.co.in Website: www.irbfl.co.in	Board of Directors Mr. R. P. Singh (Chairman of the Board) Mr. Sumit Banerjee (Independent Director) Mr. B. L. Gupta (Independent Director) Mr. Vinod Kumar Menon (Executive Director & CEO)	Key Managerial Personnel Mr. Vinod Kumar Menon (Executive Director & CEO) Mr. Tushar Kawedia (Chief Financial Officer) Mr. Urmil Shah (Company Secretary)
Trustee of the Trust	Registrar & Transfer Agent	Valuer
IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai - 400 001 Tel.: +91 22 4080 7000 Fax: +91 22 6631 1776 E-mail: itsl@idbitrustee.co.in Contact Persons: Mr. Shivaji Gunware / Mr. Naresh Sachwani	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032. Tel.: +91 40 6716 1500 Fax: +91 40 2300 1153	Walker Chandiok & Co LLP L-41, Connaught Circus, New Delhi - 110 001 Tel: +91 11 4278 7070 Fax: +91 11 4278 7071 Firm Registration No.: 001076N/N500013

Report of the Investment Manager

ACTIVITIES OF THE TRUST

IRB InvIT Fund (“the Trust”) has been settled by IRB Infrastructure Developers Limited (the “Sponsor”) pursuant to the Indenture of Trust in Mumbai, India, as an irrevocable trust in accordance with the Trusts Act. The Trust has been registered with SEBI as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (“the InvIT Regulations”) (Registration Number: IN/InvIT/15-16/0001). The object and purpose of the Trust is to carry on the activity of an infrastructure investment trust under the InvIT Regulations, to raise resources in accordance with the InvIT Regulations, and to make investments in accordance with its investment strategy.

The Trust own, operate and maintain a portfolio of seven toll-road assets in the Indian states of Maharashtra, Gujarat, Rajasthan, Karnataka, Tamil Nadu and Punjab. These toll roads are operated and maintained pursuant to concessions granted by the NHAI. The Trust is listed on both the Stock exchanges i.e. National Stock Exchange of India Limited and BSE Limited since May 18, 2017.

FINANCIAL STATEMENTS

The Summary of financial information on Consolidated & Standalone Financial Statement of the Trust as on March 31, 2018 are as follows:

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Total Income	100,515.78	-	51,568.95	-
Total Expenditure	77,239.90	0.02	7,546.97	0.02
Profit before tax	23,275.88	(0.02)	44,021.98	(0.02)
Less: Provision for tax				
Current tax	33.61	-	-	-
Profit after tax	23,242.27	(0.02)	44,021.98	(0.02)
Add: Profit at the beginning of the year	(0.02)	-	(0.02)	-
Profit available for appropriation	23,242.25	(0.02)	44,021.96	(0.02)
Appropriations:				
Unit Issue Expenses	(9,891.70)	-	(9,891.70)	-
Interest Distribution	(31,637.25)	-	(31,637.25)	-
Other comprehensive income/(loss) for the period	6.26	-	-	-
Balance Carried Forward to Balance Sheet	18,280.44	(0.02)	2,493.01	(0.02)

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms a part of the Annual Report.

ASSETS OF THE TRUST

Project wise brief details of the assets of the Trust:

(₹ in lakhs)

Particulars	IDAA Infrastructure Limited (IDAA)	IRB Surat Dahisar Tollway Limited (IRBSD)	IRB Talegaon Amravati Tollway Limited (IRBTA)	IRB Jaipur Deoli Tollway Limited (IRBJD)	IRB Tumkur Chitradurga Tollway Limited (IRBTC)	M.V.R. Infrastructure and Tollways Limited (MVR)	IRB Pathankot Amritsar Toll Road Limited (IRBPA)
Concession period (in years)	15	12	22	25	26	20	20
Concession start date	January 2, 2007	February 20, 2009	September 3, 2010	June 14, 2010	June 4, 2011	August 14, 2006	December 30, 2010
Tolling start date	September 25, 2009	February 20, 2009	April 24, 2013	September 27, 2013	June 4, 2011	August 14, 2006	November 27, 2014
Total project cost (₹ in Lakhs)	140,549.00	252,857.40	89,259.50	177,469.60	114,200.00	30,759.90	144,531.00
No. of Toll plazas	1	4	1	2	2	1	2
Km Length	65.00	239.00	66.73	148.77	114.00	68.63	102.42
Lane Km	390.00	1,434.00	267.00	595.00	684.00	275.00	410.00
State	Gujarat	Gujarat	Maharashtra	Rajasthan	Karnataka	Tamil Nadu	Punjab
National Highway	NH 8	NH 8	NH 6	NH 12	NH 4	NH 7	NH 15

The Trust has not invested in under-construction projects.

During the period, the Trust has acquired seven project assets from its sponsor, IRB Infrastructure Developers Limited and its Associates (six Projects acquired on May 9, 2017 and one Project on September 28, 2017). There was no divestment of assets during the period.

Details of enterprise value and payment to selling shareholders towards equity are as follows:

(₹ in lakhs)

Particulars	Six project assets* acquired through Public Issue
Enterprise value	592,110.00
Consideration (incl. units) to selling shareholders towards Equity	
- IRB Infrastructure Developers Limited (incl. units)	101,795.30
- Modern Road Makers Private Limited	4,706.50
- Ideal Road Builders Private Limited	5,151.10
- Aryan Toll Road Private Limited	2,773.70
- ATR Infrastructure Private Limited	3,169.90

* Details of Project assets are provided above

(₹ in lakhs)

Particulars	Pathankot Amritsar project acquired through debt
Enterprise value (net)	156,933.00
Consideration to selling shareholders towards Equity	
- IRB Infrastructure Developers Limited	8,918.00
- Modern Road Makers Private Limited	991.00

PROJECT-WISE REVENUE FROM THE UNDERLYING PROJECTS

Details of Project wise revenue from the underlying assets are as follows:

(₹ in lakhs)

Particulars	Quarter ended June 30, 2017*	Quarter ended September 30, 2017	Quarter ended December 31, 2017	Quarter ended March 31, 2018	Total
IDAA	2,921.00	5,096.80	5,688.70	5,796.30	19,502.80
IRBSD	8,932.00	14,678.90	16,867.70	16,865.60	57,344.20
IRBTA	894.00	1,394.50	1,609.80	1,591.50	5,489.80
IRBJD	2,032.00	3,157.10	2,854.50	2,486.90	10,530.50
IRBTC	3,165.00	5,533.10	5,907.20	5,977.30	20,582.60
MVR	1,169.00	2,061.60	2,223.50	2,187.10	7,641.20
IRBPA	-	106.60**	3,132.50	2,821.60	6,060.70
Total	19,113.00	32,028.60	38,283.90	37,726.30	1,27,151.80

*Toll collection for Q1 is considered from May 9, 2017 to June 30, 2017.

**Toll collection for IRBPA is considered from September 28, 2017 to September 30, 2017 i.e. date of acquisition.

SUMMARY OF THE VALUATION

The Investment Manager has submitted valuation report for the financial year ended March 31, 2018 as received from Valuer with the Stock Exchanges. The summary of valuation report is provided as “Annexure A”.

The Toll Revenue and O&M Cost Projection Report(s) issued by M/s. GMD Consultants - Technical Consultant, for Project SPVs were submitted to the Stock Exchanges.

VALUATION OF ASSETS AND NAV

Statement of Net Assets at Fair Value as at March 31, 2018

(₹ in lakhs)

Particulars	
A. Assets	15,01,164.49
B. Liabilities	8,29,341.21
C. Net Assets (A-B)	6,71,823.29
D. Outstanding units	5,805.00
E. NAV at Fair Value (Per Unit) (C/D)	115.73

BORROWINGS

Details of Borrowings or repayment of borrowings on standalone and consolidated are as follows:

(Rs. in Lakhs)

Particulars	Opening Balance	Loan availed during the period	Loan repaid during the period	Closing Balance
Secured loan				
Loan from SBI	-	105,000.00	199.50	1,04,800.50
Loan from IDFC Bank	-	50,000.00	190.00	49,810.00
Total	-	155,000.00	389.50	154,610.50

UTILISATION OF IPO PROCEEDS

The total IPO proceeds of ₹ 4,74,513.5 lakhs raised by the Trust is utilised as shown below:

(₹ in lakhs)

Particulars	Amount Outstanding as on December 31, 2016	Amount Proposed to be Repaid/ Prepaid	Actual outstanding as on May 18, 2017	Actual utilisation of fresh issue	Paid out of Over subscription proceeds
Repayment/prepayment, in part, of certain loans/facilities availed by the Project SPVs from their respective senior lenders					
(a) Loans/facilities availed from senior lenders that are not the GCBRLMs and the BRLM, or associates of the GCBRLMs and BRLM	212,142.30	106,071.10	200,368.40	200,368.40	-
(b) Loans/facilities availed from senior lenders that are the GCBRLMs and the BRLM, or associates of the GCBRLMs and BRLM	139,127.80	68,407.90	135,387.40	90,873.90	44,513.50
(c) Prepayment, in full, of the subordinate debt provided to certain Project SPVs by the Sponsor and the Project Manager	69,850.00	69,850.00	69,850.00	69,850.00	-
(d) Prepayment, in full, of certain unsecured loans and advances availed by certain Project SPVs from the Sponsor, the Project Manager and certain members of the Sponsor group	74,174.30	74,174.30	59,040.60	59,040.60	-
(e) Repayment/prepayment, in part, of the balance portion of certain loans/facilities availed by the Project SPVs from their respective senior lenders	Not applicable	101,496.70	-	-	-
	495,294.40	420,000.00	464,646.40	420,132.90	44,513.50
Add: IPO Expenses incurred upto June 30, 2017	10,000.00	10,000.00	(*) 9,867.10	9,724.80	-
Add: IPO Expenses incurred during the quarter ended September 30, 2017	-	-	-	142.30	-
Add: Balance Unutilised Portion	-	-	-	-	-
Total	505,294.40	430,000.00	474,513.50	430,000.00	44,513.50

* The amount includes the amount of provision for IPO expenses.

There are no variations in respect of utilization of net proceeds from the IPO of the Trust as against those stated in the Final Offer Document dated May 12, 2017.

CREDIT RATING

CARE Ratings Limited has assigned "CARE AAA; Stable" to long term bank facilities of ₹ 1,55,000 Lakhs availed by the Trust.

INVESTMENT MANAGER

IRB Infrastructure Private Limited is the Investment Manager (IM) of the Trust, and has been designated as such pursuant to the Investment Management Agreement dated March 3, 2016. The Investment Manager is responsible for making investment decisions with respect to the underlying assets or projects of the Trust (Project SPVs), including any further investment or divestment of its assets, in accordance with Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended (the InvIT Regulations) and the Investment Management Agreement.

The details of the Investment Manager are as follows:

i) Past Experience of the Investment Manager

The Company has adequate net worth, experience, resources and personnel in the development of infrastructure and to perform functions of the Investment Manager. The Board of the Investment Manager comprises of majority of the Independent Directors having extensive experience in Infrastructure Sector and Project financing.

ii) Brief Profiles of the Investment Manager's Directors

a) Mr. Rajinder Pal Singh (DIN : 02943155)

Mr. Rajinder Pal Singh, aged 66 years, is an Independent Director and Chairman of the Board of the Investment Manager. He is a retired I.A.S. Officer and has experience in areas of finance, industry and infrastructure development. Previously, he was the chairman and managing director of Punjab & Sind Bank and the secretary to the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. Further, he was the chairman of National Highways Authority of India for a period of three years starting from June 2012. Currently, he is also a director on the board of directors of Maruti Suzuki India Limited, Bharti Infratel Limited and Lodha Developers Limited.

b) Mr. Vinod Kumar Menon (DIN : 03075345)

Mr. Vinod Kumar Menon, aged 52 years is a whole time director & Chief Executive Officer of the Investment Manager. He holds a Bachelor of Technology degree in Civil Engineering. He

has experience in the fields of infrastructure development and management. Previously, he was the president (business development) of the Sponsor. He currently also serves as the vice-president of the National Highway Builder Federation – a non profit organisation.

c) Mr. B. L. Gupta (DIN : 07175777)

Mr. B. L. Gupta, aged 63 years, is an independent director of the Investment Manager. He holds a Bachelor's degree in commerce and a Master of Business Administration degree. He is a certificated associate of the Indian Institute of Bankers. He has experience in banking, corporate and project finance. Previously, he was the chief general manager of India Infrastructure Finance Company Limited.

d) Mr. Sumit Banerjee (DIN : 00213826)

Mr. Sumit Banerjee, aged 61 years, is an independent director of the Investment Manager. He holds a Bachelor of Technology degree in Mechanical Engineering and has completed a Management Education Programme. He is a fellow and a Chartered Engineer (India) of the Institution of Engineers. He has experience in the fields of management. Previously, he served as the managing director of ACC Limited.

iii) Brief Profiles of the Investment Manager's Key Personnel

a) Mr. Vinod Kumar Menon

For details in relation to Mr. Vinod Kumar Menon, see "ii) Brief Profiles of the Investment Manager's Directors".

b) Mr. Tushar Kawedia

Mr. Tushar Kawedia, aged 38 years, is the chief financial officer of the Investment Manager. Previously, he served as the deputy chief financial officer of the Sponsor group. Mr. Kawedia holds a Bachelor's degree in commerce and is a qualified chartered accountant (ICAI). Prior to joining the Sponsor, he was deputy general manager (accounts and finance) at Reliance Infrastructure Limited. He has experience in the fields of accounts and finance.

c) Mr. Urmil Shah

Mr. Urmil Shah, aged 33 years, is the company secretary of the Investment Manager and has been designated as the Compliance Officer by the Investment Manager with respect to the Trust. Previously, he served as the assistant company secretary of the Sponsor. Mr. Shah holds a Bachelor's degree in commerce and is an associate of the ICSI. Prior to joining the Sponsor group in 2011, he was part of the secretarial department of Great Offshore Limited. He has several years of experience in secretarial and compliance functions.

iv) Details of the Holding by the Investment Manager and its Directors in the Trust

As on March 31, 2018, as per the disclosures received from the Directors of Investment Manager, except Mr. Sumit Banerjee (holding 10,000 Units), none of the Investment Manager's Directors holds any Units of the Trust.

v) Summary of the Standalone Financial Statements of the Investment Manager

The Investment Manager has no subsidiaries. For the summary of the financial statements of the Investment Manager, as derived from the standalone financial statements of the Investment Manager, prepared in accordance with Ind AS and the Companies Act, 2013 as of and for the financial years ended March 31, 2018, please refer website of Investment Manager i.e. www.irbfi.co.in.

During the period, there is no change in the Board of Directors of the Investment Manager.

vi) Codes / Policies

In order to adhere to the good governance practices for the Trust, the Investment Manager has adopted the following policies in relation to the Trust:

Distribution Policy

The Investment Manager has adopted the Distribution Policy as disclosed in Final Offer Document to ensure proper, accurate and timely distribution for the Trust. The Distributable Income of the Trust is calculated in accordance with the Distribution Policy, the InvIT Regulations and any circular, notification or guidance issued thereunder.

Policy on unpublished price-sensitive information and dealing in units by the parties to the Trust (the "UPSI Policy")

The Investment Manager has adopted the UPSI Policy to ensure that the Trust complies with applicable law, including the InvIT Regulations or such other laws, regulations, rules or guidelines prohibiting insider trading and governing disclosure of material, unpublished price sensitive information.

Policy in relation to Related Party Transactions

To ensure proper approval, supervision and reporting of the transactions between the Trust and its Related Parties, the Board of Directors of the Investment Manager has adopted the Policy in relation to Related Party Transactions as disclosed in Final Offer Document, to regulate the transactions between the Trust and its Related Parties.

Representatives on the Board of Directors of each Project SPVs

The Investment Manager, in consultation with the Trustee, has appointed the majority of the board of directors of Project SPVs. Further, the Investment Manager ensures that in every meeting, including annual general meeting of Project SPVs, the voting of the Trust is exercised.

vii) Committees

In compliance with requirement of the Companies Act, 2013 and Rules made thereunder, Investment Manager's Board of Directors constituted the following Committees:

- i) Audit Committee;
- ii) Nomination and Remuneration Committee; and
- iii) Borrowing Committee

The Chairman of the Board, in consultation with the Company Secretary and the respective Chairman of these Committees, determines the frequency of the meetings of these Committees. The recommendations of the Committees are submitted to the Board for approval.

(i) Audit Committee

The chairperson of the Audit Committee is an independent director. All members of the Audit Committee are financially literate and Chairman

of the Committee have accounting and related financial management expertise.

The Composition of Audit Committee as on March 31, 2018 consists of the following members viz.:

- 1) Mr. B. L. Gupta, Chairman
- 2) Mr. Sumit Banerjee, Member
- 3) Mr. Vinod Kumar Menon, Member

The Company Secretary acts as the Secretary of the Audit Committee.

The composition, role, terms of reference as well as powers of the Audit Committee are in accordance with the Section 177 of the Companies Act, 2013 and InvIT Regulations, as applicable.

The brief terms of reference of the Audit Committee, inter alia, includes overseeing of the Company's financial reporting process, reviewing the financial statements with the Management, recommending appointment / re-appointment of auditors, fixation of audit fees, reviewing the adequacy of internal audit function, holding periodic discussions with auditors about their scope and adequacy of internal control systems, discussing on any significant findings made by Internal Auditor's and following it up with action. The Audit Committee also reviews the financials of the Trust and matters related thereto.

(ii) Nomination & Remuneration Committee

The Composition of Nomination & Remuneration Committee as on March 31, 2018 consists of the following members viz.:

- 1) Mr. Sumit Banerjee, Chairman
- 2) Mr. B. L. Gupta, Member
- 3) Mr. R. P. Singh, Member
- 4) Mr. Vinod Kumar Menon, Member

The Company Secretary acts as the Secretary of the Nomination and Remuneration Committee.

The brief terms of reference of the Nomination and Remuneration Committee are as follows:

To determine, persons who are qualified to become directors and who may be appointed in senior

management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance, formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Remuneration Policy

The Nomination and Remuneration Committee has laid down the criteria for determining qualifications, positive attributes and independence of a person proposed to be appointed as a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The Policy ensures –

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(iii) Borrowing Committee

The Borrowing Committee was constituted to deal with issues related to raising debt for acquisition of Pathankot Amritsar Project and matters connected thereto. This Committee was dissolved on April 30, 2018.

The Composition of Borrowing Committee as on March 31, 2018 consisted of the following members viz.:

- 1) Mr. Vinod Kumar Menon, Chairman
- 2) Mr. Sumit Banerjee, Member

The Company Secretary acts as the Secretary of the Borrowing Committee.

The brief terms of reference of the Borrowing Committee were as follows:

- 1) To borrow money for the purposes of, and for matters connected to, the Trust's proposed acquisition of IRB Pathankot Amritsar Toll Road Limited from the Sponsor (including its nominee shareholders) and the Project Manager, and finalize the terms and conditions of such borrowings, in consultation with the relevant banks and/or financial institutions, in the best interest of the Trust and the Unitholders, up to an aggregate sum of ₹ 1,55,000 lakhs and/or equivalent thereto in any foreign currency;
- 2) To determine, the manner of utilization of the funds borrowed, including but not limited to the prepayment/repayment, in part or full, of the outstanding loans/facilities availed by IPATRL from its senior lenders; prepayment, in full, of the subordinate debt provided by the Sponsor and the Project Manager to IPATRL to fund project costs; prepayment, in full, of the unsecured loans and advances provided by the Sponsor and its subsidiary companies; and other expenses, payments and/or charges incurred or required to be incurred in connection with the Trust's proposed acquisition of IRB Pathankot Amritsar Toll Road Limited; on such terms and conditions as the Committee thinks fit at its sole discretion, and in the best interest of the Trust and the Unitholders;
- 3) To create mortgage, hypothecate, provide guarantees and/or undertakings, pledge and/or create charge any of the assets of the Trust Group (comprising the Trust and the Project SPVs owned by the Trust), including the movable and/or immovable properties of the Trust and/or the Project SPVs, including any securities issued/proposed to be issued, or the whole, or substantially the whole, of the undertaking or undertakings of the Trust Group, on such terms and in such manner as the Committee may think fit, together with power to take over the management of the business or concern of the Trust Group in certain event(s), including for securing any loan(s) obtained/to be obtained by the Trust Group from Bank(s), Financial or other Institution(s), Debenture

Trustees, Mutual Fund(s), Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether Unitholder of the Trust or not (hereinafter collectively referred to as "lenders"), for an amount not exceeding ₹ 1,55,000 lakhs and/or equivalent thereto in any foreign currency, together with any interests, fees, compound/ additional interest, commitment charges, costs, expenses and all other monies payable by the Trust Group to the concerned lenders;

- 4) To authorise Key Managerial Personnel of the Investment Manager to execute, for and on behalf of the Investment Manager (acting in its capacity as the investment manager of the Trust), all such agreements, applications, deeds, documents and any other writings in connection with, and to give effect to, the aforesaid resolution, and if required, to issue Power of Attorney in favour of such persons for this purpose; and
- 5) To authorize affixation of common seal on such documents as may be required.

viii) Functions, Duties and Responsibilities of the Investment Manager

The functions, duties and responsibilities of the Investment Manager are in accordance with the Investment Management Agreement and the InvIT Regulations. The Board of the Investment Manager comprises of majority of the Independent Directors having extensive experience in Infrastructure Sector and Project financing. The business operations of the Investment Manager are managed by a team of professionals with experience in the road infrastructure sector.

Sponsor

IRB Infrastructure Developers Limited (the Sponsor) is Sponsor of the Trust. The Sponsor is one of the largest infrastructure development and construction companies in India in terms of net worth in the roads and highways sector according to the NHAI's annual prequalification for public private partnerships in national highway projects report for 2016. The Sponsor has been listed on the Indian Stock Exchanges since 2008.

As of March 31, 2018; the Sponsor has 17 road projects, of which 11 are being tolled and balance are under various phases of development. The Sponsor has a large project portfolio of 8,745 Lane Kilometres of roads and highways in operation, under construction or under development as of March 31, 2018.

During the period, there is no change in the Board of Directors of the Sponsor.

For more details about the Sponsor, please refer their website www.irb.co.in

TRUSTEE

The Sponsor has settled the Trust pursuant to the Indenture of Trust dated October 16, 2015, as amended on February 17, 2017, and appointed IDBI Trusteeship Services Limited (the “Trustee”) in accordance with the provisions of the InvIT Regulations.

The details of the Trustee are as follows:

Details of Trustee’s Registration with SEBI

The Trustee registered with SEBI as a debenture trustee under the Debenture Trustees Regulations, having SEBI registration number IND000000460. The Trustee’s SEBI registration certificate is valid unless it is suspended or cancelled by the SEBI.

Background of the Trustee

The Trustee is a trusteeship company, which has been registered with SEBI as a debenture trustee, and has been jointly promoted by IDBI Bank Limited, Life Insurance Corporation and General Insurance Corporation for providing corporate and other trusteeship services.

The Trustee is permitted to engage in the following activities:

- i) Debenture / bond trustee;
- ii) Security trustee/ facility agent;
- iii) Securitization trustee;
- iv) Share pledge trustee / share monitoring agent;
- v) Escrow agent;
- vi) VCF trustees/ AIF Trustees;
- vii) Safe keeping / lockers services;
- viii) Management of private trusts / execution of wills; and

- ix) Special corporate services (e.g. provision of nominee directors)

The Trustee has experience in providing trusteeship services to a range of corporates and institutions.

The Trustee is not an Associate of the Sponsor or the Investment Manager. Further, Trustee (i) is not debarred from accessing the securities market by the SEBI; (ii) is not a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust which is debarred from accessing the capital market under any order or directions made by the SEBI; or (iii) is not in the list of the willful defaulters published by the RBI.

To the best of the knowledge of the Trustee, none of the promoters or directors of the Trustee (i) is debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) is in the list of willful defaulters published by the RBI.

The Board of Directors of the Trustee as on March 31, 2018 is as follows:

Sr. No.	Name	Designation	DIN
1.	Mr. G. M. Yadwadkar	Chairman	01432796
2.	Ms. Sashikala Muralidharan	Director	08036523
3.	Mr. Ravishankar G. Shinde	Director	03106953
4.	Ms. Madhuri J. Kulkarni	Director	07787126
5.	Mr. Swapan Kumar Bagchi	Managing Director and CEO	07743570

Functions, Duties and Responsibilities of the Trustee

a) Change in Control of the Trustee

The Trustee shall obtain the prior approval of the Unitholders in the event of a proposed change in control of the Trustee or change in the Trustee, in accordance with the InvIT Regulations and applicable law.

b) Change in Control of the Investment Manager

The Trustee shall obtain the prior approval of the Unitholders in the manner specified under Regulation 22 of the InvIT Regulations (where the votes cast in favour of a resolution shall not be less than one and

a half times the votes cast against such resolution) in the event of a proposed change in control of the Investment Manager.

c) Change in Control of the Project Manager

The Trustee is required to obtain the prior approval of the relevant concessioning authority, where applicable, and such other person as may be required under the InvIT Regulations.

d) Change or Removal of the Investment Manager

The Trustee is required to ensure that a new investment manager of the Trust is appointed within such period as may be prescribed under the InvIT Regulations. Further, the Trustee is required to ensure that all the conditions in connection with removal of an investment manager and appointment of a new investment manager as prescribed under the InvIT Regulations are adhered to.

e) Change or Removal of the Project Manager

The Trustee is required to do all such acts and take all such steps as may be prescribed in the InvIT Regulations in the event of any change in the Project Manager for removal or otherwise.

f) Interests of the Unitholders

The Trustee shall at all times exercise due diligence in carrying out its duties and protect the interests of the Unitholders. The Trustee shall make distributions and ensure that the Investment Manager makes declarations of distributions to the Unitholders in a timely manner, in accordance with Regulation 18 of the InvIT Regulations.

g) Income Due to the Trust

The Trustee shall ensure that the Investment Manager undertakes prompt and proper collection of the income due to the Trust. The Trustee shall also ensure that the Investment Manager provides the Trustee with a certificate on a quarterly basis detailing such income.

Any receipt signed by the Trustee for any monies, stocks, funds, shares, securities investment or property, paid, delivered or transferred to the Trustee under or by virtue of the Indenture of Trust or in exercise of the duties, functions and powers of the Trustee shall effectively discharge the Trustee or the person or persons paying, delivering or transferring the same therefrom or from being bound to see to the application thereof, or being answerable for the loss or misapplication thereof, provided that the Trustee and such persons shall have acted in good faith, without negligence and shall have used their best efforts in connection with such dealings and matters.

h) Transactions by Certain Persons

The Trustee shall ensure that all transactions executed and the activities carried out by the Investment Manager and any service provider to whom the Trustee has delegated any powers or duties, subject to the InvIT Regulations, are done in accordance with the Indenture of Trust, the Investment Management Agreement, the Project Implementation Agreements and any agreement executed with such service provider.

i) Trust Fund

The Trustee shall hold the Trust Fund in the name of the Trust and for the benefit of the Unitholders and shall also be responsible for opening and operating bank accounts on behalf of the Trust. The Trustee must ensure that the Trust Fund is held in a bank account opened in the name of the Trust.

j) Trust Assets

The Trustee shall hold the Trust Assets in the name of the Trust and for the benefit of the Unitholders and shall also be responsible for opening and operating bank accounts in the name of the Trust.

k) Subscription amounts

The Trustee shall ensure that the subscription amounts are kept in a separate bank account in the name of the Trust and are only utilised for adjustment against Allotment of Units or refund of money to the applicants till the time such Units are listed.

l) Books of Accounts

The Trustee shall ensure that the Investment Manager shall cause to be maintained, the books of accounts of the Trust in accordance with the Indenture of Trust and the InvIT Regulations.

m) Valuation of the Trust Assets

The Trustee shall ensure that the Investment Manager shall ensure that a detailed valuation is undertaken of the Trust Assets by the valuers at such intervals and in the manner as may be prescribed under the InvIT Regulations. The Trustee shall ensure that the remuneration of the Valuers is not linked to or based on the value of the Trust Assets being valued.

n) Statutory charges or levies payable by the Trust

The Trustee shall ensure that the Investment Manager shall pay all taxes, duties and any other statutory charges or levies that may be payable by the Trust or on behalf of the Unitholders from the Trust Fund.

o) Reports to be filed by the Trust

The Trustee shall, and shall ensure that Investment Manager does, from time to time file such reports as may be required by the SEBI or other governmental agency under applicable law, with respect to the activities carried on by the Trust.

p) Documents and information to be provided to Unitholders

The Trustee shall, and shall ensure that Investment Manager shall, from time to time provide such documents and information to the Unitholders, as may be required under applicable law, with respect to the activities carried on by the Trust.

q) Confidentiality

The Trustee and its directors, officers, employees and agents shall at all times maintain confidentiality with respect to all the investments and all matters connected with the investments, and shall not disclose any confidential information to any person or use such information in a manner prejudicial to the interest of the Trust, subject to disclosure of information to any court or tribunal or regulatory, supervisory, governmental or quasi-governmental authority where so required under applicable law.

r) Segregation of assets and liabilities

The assets and liabilities of the Trust shall at all times be segregated from, the assets and liabilities of any other trusts managed by the Trustee. The assets held in the name of the Trust shall be held for the exclusive benefit of the Unitholders of the Trust and such assets shall not be subject to the claims of any creditor or other person claiming under any other trust administered by the Trustee or managed by the Investment Manager, as the case may be.

s) Attainment of Objects of the Trust

The Trustee shall ensure that all acts, deeds and things are done with a view to attain the objects of the Trust in compliance with the Trust's investment strategy, applicable law, Indenture of Trust, Investment Management Agreement and Project Implementation Agreements in order to secure the best interests of the Unitholders.

t) Winding up of the Trust

The Trustee shall wind up the Trust only as set out in the Indenture of Trust and in accordance with applicable law. Upon winding up of or dissolution the Trust, the Trustee shall surrender the certificate of registration to the SEBI.

u) Investments by the Trustee

The Trustee shall not invest in the Units unless permitted to do so under applicable law.

v) Grievance redressal

The Trustee shall periodically review the status of Unitholders' complaints and their redressal undertaken by the Investment Manager in accordance with the InvIT Regulations.

w) Delegation to Investment Manager

The Trustee shall delegate all such powers to the Investment Manager as may be required by the Investment Manager to carry out its obligations under the Investment Management Agreement and under applicable law.

The Trustee shall delegate all such powers to the relevant Project Manager as may be required by such Project Manager to carry out its obligations under the relevant Project Implementation Agreement and under applicable law.

x) Related Party Transactions

The Trustee shall review the transactions carried out between the Investment Manager and its Associates and obtain a certificate from a practising chartered accountant or valuer, as applicable, with respect to any related party transactions involving the Investment Manager and its Associates, where the Investment Manager has advised that there may be a conflict of interest, stating that such transactions have been done at an arms-length basis.

y) Monitoring

The Trustee may require the Investment Manager to set up such systems and procedures and submit such reports to the Trustee, as may be necessary for the effective monitoring or the functioning of the Trust. The Trustee shall oversee activities of the Investment Manager in the interest of the Unitholders, shall ensure that the Investment Manager is in compliance Regulation 10 of the InvIT Regulations at all times and shall obtain a compliance certificate from the Investment Manager. Further, the Trustee shall ensure that the Investment Manager complies with reporting and disclosure requirements in accordance with the InvIT Regulations and in case of any delay or discrepancy, the Trustee will ensure that the Investment Manager rectifies such delay or discrepancy on an urgent basis.

The Trustee shall also oversee the activities of the Project Manager with respect to compliance with the InvIT Regulations and the Project Implementation Agreement. The Trustee shall obtain a compliance certificate from the Project Manager in this regard, as specified under the InvIT Regulations.

z) Unitholders Meeting

The Trustee shall ensure that the Investment Manager convenes meetings of the Unitholders in accordance with the InvIT Regulations. The Trustee shall also oversee the voting by the Unitholders at such meetings. The Trustee shall ensure that the Investment Manager convenes meetings of Unitholders not less than once every year and the period between such meetings shall not exceed 15 months. In issues pertaining to the Investment Manager such as change in the Investment Manager, including removal of the Investment Manager or change in control of the Investment Manager, the Trustee shall convene and handle all activities pertaining to the conduct of such meetings. In respect of issues pertaining to the Trustee, including any change in the Trustee or change in control of the Trustee, the Trustee will not be involved in any manner in the conduct of such meetings. The Trustee may take up with the SEBI and/or the Stock Exchanges, any matter which has been approved in any meeting of the Unitholders, if the matter requires such action.

aa) Others

The Trustee shall ensure that the activity of the Trust is operated in accordance with the Indenture of Trust, the InvIT Regulations, the Final Offer Document and Offer Document. In the event, any discrepancy is noticed by the Trustee, then the Trustee shall promptly inform the SEBI in writing. The Trustee shall provide to the SEBI and Stock Exchange such information as may be sought by the SEBI or the Stock Exchanges pertaining to the activity of the Trust.

The Trustee shall promptly inform the SEBI about any act which is detrimental to the interest of the Unitholders.

bb) Compliance Certificate

The Trustee shall obtain a compliance certificate in the form and manner prescribed under applicable law on a quarterly basis, from each of the Investment Manager and the Project Manager.

cc) Power to appoint the Investment Manager

The Trustee shall have the power to appoint the Investment Manager as the investment manager of the Trust. The Trustee shall have the power to execute the Investment Management Agreement or any other agreement or arrangement, from time to time, with the Investment Manager in this regard.

dd) Power to appoint the Project Manager

The Trustee shall in consultation with the Investment Manager have the power to appoint the Project Manager. The Trustee shall have the power to execute the Project Implementation Agreement or any other agreement or arrangement, from time to time, with the Project Manager and the Project SPV in this regard.

VALUER

As per confirmation received from the Valuer, the details of the Valuer is as follows:

WALKER CHANDIOK & CO LLP

L-41, Connaught Circus,

New Delhi – 110 001

Tel: +91 11 4278 7070

Fax: +91 11 4278 7071

Firm Registration No.: 001076N/N500013

GENERAL DISCLOSURES

Except as stated otherwise in this report and in any other public disclosures, during the period under review:

- 1) there are no changes in the clauses of trust deed, investment management agreement or any other agreement pertaining to activities of the Trust.
- 2) there are no material regulatory changes that had impacted or may impact cash flows of the underlying projects.
- 3) there is no change in material contracts or any new risk in performance of any contract pertaining to the Trust.
- 4) there were no legal proceedings which may have significant bearing on the activities or revenues or cash flows of the Trust.
- 5) there were no material changes, events or material and price sensitive information to be disclosed for the Trust.

UNIT PRICE PERFORMANCE OF THE TRUST

Particulars	BSE (₹)	NSE (₹)
Unit price quoted on the exchange at the beginning (Closing price of May 18, 2017)	101.79	101.80
Unit price quoted on the exchange at the end (Closing price of March 28, 2018)	82.05	82.04
Highest unit price (May 18, 2017)	105.00	105.00
Lowest unit price (March 19, 2018)	75.25	74.99

MONTHLY HIGHEST AND LOWEST UNIT PRICE

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
May, 2017	105.00	97.77	105.00	97.76
June, 2017	100.49	94.21	100.00	94.20
July, 2017	99.15	92.76	99.25	92.71
August, 2017	100.00	95.00	100.00	95.05
September, 2017	99.90	93.66	96.75	93.51
October, 2017	95.00	92.50	95.00	92.45
November, 2017	95.85	89.50	95.79	89.50
December, 2017	93.00	86.31	89.75	86.55
January, 2018	89.99	85.75	89.80	85.75
February, 2018	86.80	83.42	86.80	83.05
March, 2018	84.50	75.25	84.50	74.99

AVERAGE DAILY VOLUME TRADED

Month	Average daily volume	
	BSE	NSE
May, 2017	26,88,500	1,13,28,500
June, 2017	11,47,619	19,23,864
July, 2017	14,60,000	9,08,571
August, 2017	1,90,476	5,27,857
September, 2017	14,42,143	7,74,048
October, 2017	2,32,105	6,93,250
November, 2017	85,909	3,98,182
December, 2017	5,38,000	6,62,750
January, 2018	12,16,591	9,65,227
February, 2018	65,000	2,16,842
March, 2018	9,20,526	13,68,947

DISTRIBUTIONS

The Investment Manager on behalf of the Trust has made four distribution(s) aggregating to ₹ 10.55/- per Unit for the period ended March 31, 2018 to the Unitholders of the Trust (₹ 7.65/- per Unit in the form of Interest & ₹ 2.90/- per Unit in the form of Return of Capital). The Distribution

was paid to Unitholders within time period stipulated in the InvIT Regulations.

INVESTOR COMPLAINTS

The status of investor complaints as received from Registrar & Transfer Agent is reported to the Board on a quarterly basis. During period ended March 31, 2018, the investor complaints received by the Company were general in nature, which were responded in time to the unitholders. Details of unitholders' complaints on quarterly basis are also submitted to stock exchanges within stipulated time period.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web based complaints redress system.

The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Your Trust has been registered on SCORES and Investment Manager makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

GREEN INITIATIVE

Investment Manager is concerned about the environment and utilises natural resources in a sustainable way. The InvIT Regulations allows the Trust to send official documents to their Unitholders electronically.

In terms of the InvIT Regulations, Investment Manager propose to send documents like the Notice convening the general meetings, Financial Statements, Auditor's Report and other documents to the email address provided by you with the relevant depositories.

We request you to update your email address with your depository participant to ensure that the Annual Report and other documents reach you on your preferred email.

ISSUE AND BUYBACK OF UNITS

During the Period, the Trust has not issued any additional Units. Further, during the period, the Trust has not bought back any Units.

MATERIAL LITIGATIONS AND REGULATORY ACTIONS

Brief details of material litigations and regulatory actions, which are pending, against the Trust, sponsor(s), Investment Manager, Project Manager(s), or any of their associates and the Trustee if any, as at the end of the period are provided as “Annexure B”.

RISK FACTORS

(In this section “We”, “Our”, “InvIT” means “the Trust and/or Project SPVs owned by the Trust”)

Risks Related to our Organization and the Structure of the Trust

1. The debt financing provided by the Trust to each of the Project SPVs comprises of certain unsecured, interest-free and interest-bearing loans as well as loans that is secured by a subordinate charge on (i) the cash flows deposited in the escrow account and (ii) the escrow account of such Project SPV. The payment obligations of the respective Project SPVs in relation to such debt financing will be subordinated to all existing and future obligations of the Project SPVs towards any secured senior lenders.
2. Any payment by the Project SPVs, including in an event of termination of the relevant concession agreement, is subject to a mandatory escrow arrangement which restricts their flexibility to utilise the available funds.
3. The regulatory framework governing infrastructure investment trusts in India is untested and the interpretation and enforcement thereof involve uncertainties, which may have a material, adverse effect on the ability of certain categories of investors to invest in the Units, our business, financial condition and results of operations and our ability to make distributions to Unitholders.
4. We must maintain certain investment ratios, which may present additional risks to us.
5. The Valuation Report, and any underlying reports, are not opinions on the commercial merits of the Trust or the Project SPVs, nor are they opinions, expressed or implied, as to the future trading price of the Units and the valuation contained therein may not be indicative of the true value of the Project SPVs’ assets.
6. Certain of the Project SPVs have experienced losses in prior years and any losses in the future could adversely affect our business, financial condition and results of

operations, our ability to make distributions to the Unitholders and the trading price of our Units.

7. We may not be able to make distributions to Unitholders or the level of distributions may fall.
8. We expect to derive a substantial amount of our revenues from the operation of the Surat–Dahisar NH 8 Project, the Tumkur–Chitradurga NH 4 Project and the Bharuch–Surat NH 8 Project. Any factors adversely affecting these projects could have a material, adverse effect on our business, financial condition and results of operations.

Risks Related to Our Business and Industry

9. Our failure to extend applicable concession agreements or our inability to identify and acquire 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.
10. The Project SPVs’ toll-road concessions may be terminated prematurely under certain circumstances.
11. A decline in traffic volumes would materially and adversely affect our business prospects, financial condition and results of operations and our ability to make distributions to Unitholders.
12. Certain investigations are pending against the Related Parties of the Sponsor, the outcome of which may materially and adversely affect the Sponsor / our reputation, business and financial condition.
13. IRB Tumkur Chitradurga Tollway Limited (ITCTPL) and M.V.R. Infrastructure And Tollways Limited (MITPL) are required to pay annual premiums / negative grants in consideration for being granted the right to build and operate their respective projects. Failure to make such payments could result in the termination of the relevant concession agreement by the NHAI.
14. Changes in the policies adopted by governmental entities or in the relationships of any member of the Trust Group with the Government or State Governments could materially and adversely affect our business, financial performance and results of operations.
15. Certain provisions of the standard form of concession agreement may be non-negotiable or untested, and the concession agreements may contain certain restrictive terms and conditions which may be subject to varying interpretations.

16. We may be subject to increases in costs, including operation and maintenance costs, which we cannot recover by increasing toll fees under the concession agreements.
17. Certain actions of the Project SPVs require the prior approval of the NHAI, and no assurance can be given that the NHAI will approve such actions in a timely manner or at all.
18. Leakage of the toll fees on the Project SPVs' roads may materially and adversely affect our revenues and financial condition.
19. We will depend on certain directors, executive officers and key employees of the Investment Manager, the Project Manager and the Project SPVs, and such entities may be unable to retain such personnel or to replace them with similarly qualified personnel, which could have a material, adverse effect on the business, financial condition, results of operations and prospects of the Trust Group.
20. There can be no assurance that we will be able to successfully undertake future acquisitions of road assets or efficiently manage the infrastructure road assets we have acquired or may acquire in the future.
21. The Project SPVs' concessions are illiquid in nature, which may make it difficult for us to realise, sell or dispose of our shareholdings in the Project SPVs.
22. The Project SPVs may be required to undertake certain development of the Road Assets owned by the Trust, which may present additional risks to us.
23. The Project SPVs may not be able to comply with their maintenance obligations under the concession agreements, which may result in the termination of the concession agreements, the suspension of the Project SPVs' rights to collect tolls or the requirement that the Project SPVs pay compensation or damages to the NHAI.
24. Our insurance policies may not provide adequate protection against various risks associated with our operations.
25. The Project SPVs, the Sponsor, the Investment Manager, the Project Manager and the Trustee are involved in certain legal and other proceedings, which may not be decided in their favour.
26. ISDTPL has filed claims before the NHAI and governmental entities in relation to certain disputes arising out of the Surat–Dahisar NH 8 Project, which are still pending and may not be decided in IRB Surat Dahisar Tollway Limited's (ISDTPL) favour.
27. We do not own the "IRB" trademark and logo. Our license to use the "IRB" trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired.
28. We will depend on various third parties to undertake certain activities in relation to the operation and maintenance of the Initial Road Assets. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to effectively operate or maintain the Initial Road Assets.
29. The Project SPVs may be held liable for the payment of wages to the contract labourers engaged indirectly in our operations.
30. Our contingent liabilities could adversely affect our results of operations, cash flows and financial condition.
31. Our actual results may be materially different from the expectations expressed or implied in the Revenue, Profit and Cash Flow Projections and the assumptions 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.
32. Our business will be subject to seasonal fluctuations that may affect our cash flows.
33. Certain Project SPVs' operations and revenue are, currently, geographically concentrated in Gujarat, Maharashtra and other Indian states and consequently we will be exposed to certain risks emanating therefrom.
34. The Road Assets are concentrated in the infrastructure sector and toll-road industry in India, and our business could be adversely affected by an economic downturn in that sector or industry.
35. 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.
36. The cost of implementing new technologies for collection of tolls and monitoring our projects could materially and adversely affect our business, financial condition and results of operations.

- 37. We may be unable to renew or maintain the statutory and regulatory permits and approvals required to operate the Initial Road Assets.
- 38. Compliance with, and changes in, safety, health and environmental laws and regulations in India may materially and adversely affect our business.
- 39. The Project SPVs' financing agreements entail interest at variable rates, and any increases in interest rates may adversely affect our results of operations, financial condition and cash flows.
- 40. The Project SPVs are subject to restrictive covenants under their financing agreements that could limit our flexibility in managing our business or to use cash or other assets.
- 41. We have obtained a credit rating of CARE AAA from CARE Ratings Ltd for long term bank facilities of ₹ 1,550 crores availed by the Trust. Any downgrade of our credit rating may restrict our access to capital and materially and adversely affect our business, financial condition and results of operations.
- 42. We will enter into related-party transactions. There can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with third parties.

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

- 43. The Sponsor, whose interests may be different from the other Unitholders, will be able to exercise significant influence over certain activities of the Trust.
- 44. The ROFO/ROFR Deed and the Future Assets Agreement will terminate in certain circumstances and shall be subject to the terms of the concession agreement and applicable law.
- 45. The Sponsor is a listed company and operates other road assets, and anything that impacts the business, results of operations and trading price of the Sponsor's equity shares may have a material, adverse effect on the Trust and the trading price of the Units.
- 46. The Investment Manager may not be able to implement its investment or corporate strategies and the fees payable to the Project Manager are dependent on various factors.

- 47. Parties to the Trust are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. The Trust may not be able to ensure such ongoing compliance by the Sponsor, the Investment Manager, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Trust.
- 48. The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust. There can be no assurance that the Investment Manager will be able to comply with such requirements.

Risks Related to Tax

- 49. Changes in legislation or the rules relating to tax regimes could materially and adversely affect our business, prospects and results of operations.
- 50. Some of our roads assets enjoy certain benefits under Section 80-IA of the Income Tax Act and any change in these tax benefits applicable to us may materially and adversely affect our results of operations.
- 51. Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations.
- 52. 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.
- 53. Investors may be subject to Indian taxes arising out of capital gains on the sale of Units.

INFORMATION OF THE CONTACT PERSON OF THE TRUST

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Compliance Officer

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Annexure A

Summary of Valuation Report

I. Summary of Valuation

I. a) Background & Scope

IRB Infrastructure Developers Limited (hereinafter referred to as “IRB”) is a listed infrastructure development company, undertaking development of various infrastructure projects via the Public Private Partnership (“PPP”) model in the toll road sector.

IRB has sponsored and floated an Infrastructure Investment Trust (“Trust”) which has been registered as IRB InvIT Fund (hereinafter referred to as the “InvIT”) under the SEBI (Infrastructure Investment Trusts) Regulations, 2014 and subsequent amendment (“SEBI InvIT Regulations, 2014”). The Units issued by the InvIT got listed on both the BSE Limited and the National Stock Exchange of India Limited on 18 May 2017.

Based on the discussions with the management of InvIT, we understand that as per chapter V and regulation 21(4) of the SEBI InvIT Regulations, 2014, an annual valuation of the assets of the Trust shall be conducted by an independent valuer at the end of the financial year ending as on 31 March for a publicly offered InvIT.

For this purpose, the InvIT and IRB Infrastructure Private Limited (“Investment Manager”) (hereinafter both together referred to as “Client”) has requested for the assistance of the Firm to act as the “Valuer of the InvIT” and carry out fair valuation of the InvIT in accordance with the SEBI InvIT Regulations, 2014 as on 31 March 2018 (“Valuation Date”).

The Firm declares that:

- It is competent to undertake the valuation
- It is independent and has prepared the Report on a fair and unbiased basis

- It has valued the SPVs based on the valuation standards as specified under sub-regulation 10 of regulation 21 of SEBI InvIT Regulation, 2014

I. b) Valuation Approach & Assumptions

We have estimated the fair value of the InvIT using Sum of the Parts method by adding the individual Enterprise Value of each SPV and adjusting with below the line items of the consolidated unaudited financials of the InvIT as on 31 March 2018. Enterprise Value of each SPV has been estimated using Discounted Cash Flows (“DCF”) method under the Income Approach.

For the purpose of this valuation exercise, the Firm has been provided with the financial projections of the SPVs under Indian Accounting Standard (IND AS) by the management of Investment Manager of IRB InvIT Fund (hereinafter referred to as the “Management”) as on the Valuation Date. The projections are based on the best judgement of the Management on the future cash flows supported by the traffic surveys conducted by an independent traffic consultancy firm GMD Consultants, i.e. the technical report consultant.

In addition to the aforementioned financial projections, the following approach and assumptions have been considered for the valuation exercise:

- The Free Cash Flows to Firm under the Discounted Cash Flow Method has been used for the purpose of the valuation of each of the SPVs.
- The Weighted Average Cost of Capital for each of the SPVs has been considered as the discount rate for respective SPVs for the purpose of valuation.

I. c) Conclusion of Value

Based on the methodology and assumptions discussed above, we have arrived at the Fair Enterprise Value (“EV”) of all the 7 SPVs as on the Valuation Date.

**Table 1.1: Fair Enterprise Value of all the 7 SPVs
as on the Valuation Date (INR Lakhs)**

Name of the SPV	Fair Enterprise Value
IRB Surat Dahisar Tollway Limited	125,709.00
IDAA Infrastructure Limited	62,574.00
IRB Jaipur Deoli Tollway Limited	195,088.00
IRB Tumkur Chitradurga Tollway Limited	136,897.00
IRB Talegaon Amravati Tollway Limited	77,489.00
MVR Infrastructure & Tollways Limited	41,321.00
IRB Pathankot Amritsar Toll Road Limited	164,517.00
Total Fair Enterprise Value of all the 7 SPVs	803,596.00

The Fair Enterprise Value of all the 7 SPVs have further been adjusted for net debt, working capital and net impact of other long term assets/ liabilities based on the

consolidated unaudited financial statements of the InvIT as on 31 March 2018 to arrive at the Fair Value of the InvIT as on the Valuation Date.

**Table 1.2: Fair Value of IRB InvIT Fund
as on the Valuation Date (INR Lakhs)**

Particulars	Fair Equity Value
Total Fair Enterprise Value of all the 7 SPVs	803,596.00
Less: Net Debt	(140,645.00)
Add/(Less): Net Working Capital adjustments	8,596.00
Add/(Less): Net Impact of other long term assets/liabilities	121.00
Fair Value of the InvIT	671,668.00

Annexure B

Material Litigation and Regulatory Action

Except as stated in this section, there is no material litigation or regulatory action, pending immediately preceding the date hereof, against (i) the Trust, the Sponsor, the Investment Manager, the Project Manager, the Trustee, and (ii) the Associates of the Trust, the Sponsor, the Project Manager and the Investment Manager.

Due to the nature and extent of their operations, the aforesaid entities may be involved in proceedings, both threatened and actual, which individually involve an amount which is not considered material by such entity or in which the amount is not determinable but where the proceeding is not considered material by such entity, such proceedings have not been disclosed. All terms defined in a particular litigation are for that particular litigation only.

Further, due to the nature and extent of their operations, the Sponsor, the Project Entities, the Project SPVs and the Project Manager, are and may be routinely required to file complaints and/or register first information reports against various persons, on account of such persons, inter alia, refusing to pay toll, causing injury to the employees or contract labour of such entities and damage to the properties of such entities, which have been not been disclosed. Additionally, there have been various criminal complaints, compensation claims and first information reports filed against the employees and contract labour of the Sponsor, the Project Entities, the Project SPVs and the Project Manager, wherein such entities themselves are not implicated, which have been not been disclosed.

With respect to the Trustee, all the pending litigation and regulatory actions immediately preceding the date hereof, that the Trustee has determined to be material have been disclosed.

The details pertaining to the material litigations and regulatory actions against the trust, Project SPV's owned by the Trust, Sponsor, Investment Manager, Project Manager, or any of their associates and the Trustee, if any, were disclosed under Section "Material Litigation and Regulatory Action" in the Final Offer Document dated 12 May 2017 filed with the SEBI and Stock Exchanges. The short gist of the material litigations and regulatory actions with material updates, if any, as on 31st March, 2018 are mentioned below:

Further, it would be pertinent to note that the Investment Manager has relied upon confirmations from the Sponsor

& the Trustee for relevant update on the information pertaining to material litigation & regulatory action in relation to the Sponsor, its Associates & the Trustee.

Material Litigation and Regulatory Action against the IRB Infrastructure Developers Limited (Sponsor)

Pending Civil Litigation against the IRB Infrastructure Developers Limited

1. Shaikh Rafiq and certain others (the "Petitioners") have filed a writ petition before the Aurangabad Bench of the High Court of Bombay against the District Collector (Beed), the IRB Infrastructure Developers Limited and certain others (the "Respondents"). The Petitioners have inter alia alleged that a proposed change to the existing alignment of the proposed road-widening of the Solapur-Aurangabad highway, which passes through the Petitioners' villages, would cause direct loss and hardship to the Petitioners. The Petitioners have sought that the Respondents be restrained from proceeding further with any changes in the existing alignment of the aforesaid road-widening project. IRB Infrastructure Developers Limited has filed its reply in this matter. The matter is currently pending.
2. Panditrao Chausalkar and another (the "Petitioners") have filed a writ petition before the Aurangabad Bench of the High Court of Bombay against the Collector (Beed), IRB Infrastructure Developers Limited and certain others (the "Respondents"). The Petitioner is seeking inter alia (a) a writ of mandamus or any other appropriate writ of like nature be passed to quash or set aside the order passed by the Deputy Collector (Beed); (b) that the Respondents be directed to implement the alignment of the road as finalized vide notification for NH-21 dated August 23, 2013 in respect of NH-211 passing through Chausala; and (c) that the Respondents be restrained from acquiring the lands belonging to the Petitioners pending hearing and final disposal of the aforementioned writ petition filed by the Petitioners before the Aurangabad Bench of the High Court of Bombay. The said relief has been sought on inter alia the alleged ground that the Respondents had not followed the due process of law to take the land belonging to the Petitioners. The matter is currently pending.

Change in Litigation against the Sponsor's Promoters

In the Final Offer Document dated 12/05/2017 a disclosure had been made under the caption "Pending Criminal Litigation against the Sponsor's Promoters". There has

been a material change in the said litigation cases during this year. The CBI completed the re-investigation in the matter of alleged illegal purchase of governmental land. On 6/12/2017 CBI filed a charge sheet against several accused in this matter including Mr. Deepak D. Gadgil, Mr. Virendra D. Mhaiskar, IRB Infrastructure Developers Limited and Aryan Infrastructure Investments Pvt. Ltd., before the Special Judge CBI – ACB Pune for the offences under sections 120B, 420 r/w 511 of IPC. In the said case Mr. Deepak D. Gadgil, Mr. Virendra D. Mhaiskar, IRB Infrastructure Developers Limited and Aryan Infrastructure Investments Pvt. Ltd. filed an Application for Discharge on the ground that no case / offence whatsoever was made out against them and after final hearing of the said Application, the Hon'ble Court has by Order dated 28/3/2018 allowed the Application and discharged Mr. Deepak D. Gadgil, Mr. Virendra D. Mhaiskar, IRB Infrastructure Developers Limited and Aryan Infrastructure Investments Pvt. Ltd. from the charges alleged in the said charge sheet. We further understand that in the case/matter relating to the murder of an RTI Activist, the CBI has filed an Application before the Hon'ble Court closing the case.

Pending Regulatory Action involving the IRB Infrastructure Developers Limited

1. SEBI's Integrated Surveillance Department, vide an e-mail (the **"SEBI E-mail"**), advised the Sponsor to provide certain information under Section 11 of the SEBI Act. The SEBI E-mail referred to an announcement made by the Sponsor to the stock exchanges pertaining to the receipt of a letter of award from NHAI for the project of four-laning of Kaithal to Rajasthan section of NH 152/65. The SEBI E-Mail requested for the (i) names, designations, PAN numbers, addresses and DIN of the persons in the Sponsor who were, directly or indirectly, aware of the aforesaid announcement made to the stock exchanges; and (ii) names, designations, PAN numbers, addresses and DIN, of the dependents of the persons mentioned at point (i) above. The Sponsor vide its e-mail provided the said information as required by SEBI through the SEBI E-mail. No further communication has been received in this regard.
2. The RoC, Maharashtra at Mumbai issued a show cause notice to the Sponsor and certain of its directors in relation to the alleged violation of Section 211, read with Clause 3(xi) (c) Part-II of Schedule VI, of the Companies Act, 1956. The aforesaid notice alleged that the Sponsor had shown the receipt of interest from long term investment of ₹ 26,678 lakhs under schedule of income and had not shown the tax deduction at source in the profit and loss account of the balance sheets as at March 31, 2011. The Sponsor replied to the aforesaid notice denying the above allegations and stated that it had fully complied with the above mentioned provisions by providing the required information. No further communication has been received in this regard.
3. The RoC, Maharashtra at Mumbai vide its letter to the Sponsor, sought comments/clarification and explanations in relation to a complaint by Sadashivrao Mandlik regarding alleged corrupt practices adopted by the Sponsor in relation to the award of the IRB Kolhapur Project. The Sponsor replied to the aforesaid letter and stated that the claims and contentions raised by the complainant were uncorroborated and misleading. No further communication has been received in this regard.
4. The RoC, Maharashtra at Mumbai vide its letter to the Sponsor, sought comments/clarifications and explanations in relation to the complaint filed by Mr. Sanjay Dave regarding the alleged violation of Section 123 (3) of the Companies Act, 2013. The aforesaid notice alleged that the Sponsor had declared interim dividend for financial year 2014-15 after the end of the financial year. The Sponsor replied to the aforesaid letter clarifying that the Sponsor had fully complied with the above mentioned provisions by providing the required information. No further communication has been received in this regard.
5. The RoC, Maharashtra at Mumbai vide its letter to the Sponsor sought information under Section 234 of the Companies Act, 1956 with respect to its balance sheet as at March 31, 2011, details along with documentary evidence with respect to the loans given by the Sponsor to certain of its wholly owned subsidiaries along with terms and conditions, details of compliance of Section 299, 300 and 301 of the Companies Act, 1956, and information relating to the initial public offer of the Sponsor. The Sponsor submitted the aforesaid information. No further communication has been received in this regard.
6. The RoC, Maharashtra at Mumbai vide its letter to the Sponsor called for information under Section 234 of the Companies Act, 1956, with respect to its balance sheet as at March 31, 2008, certificates from banks/ financial institutions to prove repayment of loans, status of certain complaints as per statement of investor grievance report, details regarding compliance of Section 78 of the Companies Act, 1956, details of related party transactions with private

limited companies as provided in initial public offer utilization statement, and compliance with AS-18 and Section 297 of the Companies Act, 1956. The Sponsor submitted the aforesaid information.

7. SEBI, vide its letter had sought comments from the Sponsor in relation to a complaint that it had received, which alleged that the Sponsor had carried out certain sub-standard work in Kolhapur and had adopted illegal and corrupt practices to be awarded the said project. The Sponsor replied to SEBI vide a letter and submitted that the allegations were uncorroborated and misleading. No further communication has been received in this regard.
8. NHAH has issued a notice to the Sponsor asking to pay damages of ₹ 0.3 lakhs in relation to the toll plaza Krishnavaram. The Sponsor has replied vide its letter. As on date, no legal proceedings have been initiated in relation to the aforesaid notice.
9. National Stock Exchange vide its letter to the Sponsor sought explanation in relation to the alleged non-compliance with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Sponsor has replied to the said letter. No further communication has been received in this regard.

Aryan Hospitality Private Limited (“AHPL”)

Pending Civil Litigation against AHPL

1. Mr. Jaykumar Govindrao Nikam and others (the **“Plaintiffs”**) have filed a suit before the Civil Judge, Senior Division, Kolhapur against Aryan praying for a permanent injunction against AHPL restraining them from encroachment and carrying out any construction on the property of the Plaintiffs along with directing AHPL to remove the construction from the property of the Plaintiffs. The Plaintiffs have alleged that AHPL had started illegal construction on the self-acquired property of the Plaintiffs, over which AHPL has no rights. AHPL has filed its reply. The Plaintiff had also filed an application before the Joint Civil Judge, Junior Division, Kolhapur, seeking an amendment of the plaint. AHPL has filed its reply. The Joint Civil Judge, Junior Division, Kolhapur has allowed the Plaintiffs application for amendment of the plaint. Accordingly the Plaintiff has amended its plaint to add the prayer of possession of the suit property. The matter is currently pending.

IRB Goa Tollway Private Limited (“IGTPL”)

Pending Civil Litigation against IGTPL

1. IGTPL (**“Claimant”**) initiated arbitration proceedings against NHAH (**“Respondent”**) for wrongful termination of contract by the Respondent with respect to Goa/Karnataka to Panaji-Goa section of NH-4A in the State of Goa. The Claimant filed the statement of claim claiming an amount of approximately ₹ 26,712.00 lakhs towards 150% of adjusted equity of ₹ 17,808.0 lakhs arising out of termination of contract on account of the Respondent. Further, the Claimant claimed an amount of ₹ 471.0 lakhs for damages on account of delay in fulfilment of conditions of the contract and an interest on the above amounts. The Respondent has filed its reply. Further, the Claimant has filed an application under Section 23 of the Arbitration and Conciliation Act, 1996 before the arbitral tribunal for reduction of the amounts claimed to the tune of ₹ 21,207.0 lakhs claimed from the Respondent on the grounds of miscalculation, and have sought to replace certain pages of the statement of claim due to such change. The arbitral tribunal in its order indicated that one more meeting of the arbitral tribunal would take place to finalise the award. The arbitral tribunal after hearing the statement of defence of the Respondent passed an award allowing the claims for inter alia the (a) amount of approximately ₹ 19,638 lakhs towards 50% of adjusted equity of ₹ 13,092.0 lakhs arising out of termination of contract on account of the Respondent, (b) an amount of ₹ 471.0 lakhs for damages on account of delay in fulfilment of the conditions of the contract and (c) interest on the above amounts. The aggregate amount involved is ₹ 30,398.0 lakhs. The NHAH has filed a petition before the High Court of Delhi for setting aside the award passed by the arbitral tribunal and stay of the operations of the award. IGTPL has filed its reply in the matter. The matter is currently pending.

ATR Infrastructure Private Limited (“ATRIPL”)

Pending Civil Litigation against ATRIPL

1. Mr. Kishore Dyanoba Shevkari (the **“Petitioner”**) has filed a writ petition before the High Court of Bombay, against ATRIPL and others. The Petitioner has claimed that due to widening of Pune-Nashik National Highway, an existing water outlet meant for drawing out surplus water was affected and the water was getting accumulated in the service road and in the premises of the Petitioner. The Petitioner further contended that there was substantial accumulation of water because of which the public was unable to

use the service road and there was an apprehension of spreading of diseases due to accumulation of water. The Petitioner claimed that no appropriate actions had been taken by the authorities and sought a direction that arrangements for draining of the sewage and natural water on both sides of the Pune – Nashik National Highway should be provided by ATRIPL and the other respondents. ATRIPL has filed its reply in the matter. The matter is currently pending.

Other Matters

Gram Panchayat, Chandoli has issued a property tax demand notice to Modern Road Makers Private Limited in relation to Pune-Nasik Highway toll plaza. ATRIPL has replied to the notice stating that the property tax is not applicable on the toll plaza. As on date, no legal proceedings have been initiated in relation to the aforesaid notice. Further, ATRIPL has received certain notices from the Pimpri Chinchwad Municipal Corporation in relation to demands for payment of property tax. ATRIPL has replied stating that property tax is not applicable to build – operate – transfer projects.

Ideal Road Builders Private Limited (“IRBPL”)

Pending Criminal Litigation against IRBPL

1. K.N. Patil (the **“Complainant”**) has filed a complaint before the Judicial Magistrate First Class, Thane, against IRBPL, Mr. Dattatraya Mhaikar, Mr. Virendra Mhaikar and two others (the **“Accused Persons”**) alleging the Accused Persons for an offence under the Private Security Guards (Regulation and Employment) Scheme, 1981, read with section 3(3) of the Maharashtra Private Security Guards (Regulation and Employment) Act, 1981. The matter is currently pending.

Pending Civil Litigation against IRBPL

1. Mr. Shamshuddin Miyalal Mushriff (the **“Petitioner”**) has filed a public interest litigation before the High Court of Bombay, against IRBPL and others (the **“Respondents”**), alleging that the action of the Respondents to collect tolls on the route between Pune to Kagal as illegal and against rules of law. The Petitioner has sought to declare certain provisions of the National Highways Act 1956 and the National Highways (Collection of Fees by any person for the use of section of National Highways/Permanent Bridge/Temporary/Bridge on National Highway) Rules, 1997 and the National Highways (Fees for the use of National Highway Section and Permanent Bridge –

Public Funded Project) Rules, 1997 as being contrary to and in violation of the provisions of the Constitution of India and to declare the said provisions as illegal. The Petitioner has also sought direction from the court to restrain the Respondents from collecting toll for the use of public funded projects and that the Respondents be ordered not to collect toll unless another common road has been provided. Further, the Petitioner has also sought a direction against the Central and State governments to stop BOT projects, other than highways and bridges, that have been given to private parties without crediting the amount collected to the public account of India or the State accounts. IRBPL has filed its reply in the matter. The High Court of Bombay passed an order deciding against the grant of any interim relief and has admitted the public interest litigation for final hearing. The matter is currently pending.

2. Mr. Pratap Sarnaik (the **“Petitioner”**) has filed a public interest litigation before the High Court of Bombay against IRBPL (the **“Respondent”**) and others, alleging that the action of the Respondents of collecting toll at the Thane-Ghodbunder Road (the **“Road”**) is illegal and against the provision of the Tolls Act, 1851. The Petitioner has sought a direction restraining the Respondent from collecting toll at the Road and to submit the accounts to the Court showing cost incurred in construction, repair and maintenance of the Road and account of total toll collected from the Road. The Respondent has filed its reply in the matter. The matter is currently pending.
3. Mr. Srinivas Anant Ghanekar and Advait Arun Bapat (the **“Petitioners”**) have filed a public interest litigation before the High Court of Bombay, against IRBPL (the **“Respondent”**) and others, alleging that (a) the action of the Respondent to collect tolls in respect of Chena Toll Naka located at Thane Ghodbunder Road is illegal and against rules of law and (b) construction in the jurisdiction of Kalyan-Dombivali Municipal Corporation being carried out is unauthorised. The Petitioner has sought to declare the agreement entered into between the Respondent and the State of Maharashtra as illegal, ultra vires in so far it relates to collection of toll beyond the amount of capital outlay and the agreement be set aside for the limited purpose as above. The Petitioner has also sought for the quashing of the Government Notification no. PSP-2003/Cr.167/Road-8 dated November 25, 2005 after examination of the validity, legality and propriety thereof. The matter is currently pending.

4. Mr. Srinivas Anant Ghanekar and Mr. Eknath Shinde (collectively the **"Petitioners"**) have filed a public interest litigation before the High Court of Bombay, against IRBPL, Thane Ghodbunder Toll Road Private Limited (**"TGTRPL"**), Aryan Toll Road Private Limited (**"Aryan"**) and others (collectively the **"Respondents"**), alleging that the agreements entered into between the MSRDC, IRBPL, TGTRPL and Aryan are entered in the arbitrary, unreasonable and illegal manner and because of that the general public had to suffer financial losses. IRBPL, TGTRPL and Aryan have filed their reply in the matter. The matter is currently pending.
5. Mr. Nitin Sardesai and another (the **"Petitioners"**) have filed two public interest litigations before the High Court of Bombay, against MIPL and IRBPL (**"Respondents"**) alleging unlawful and arbitrary imposition of toll charges on road transport specifically on Yashwantrao Chavan Mumbai-Pune Expressway (**"Expressway"**) and sections of NH 4 Mumbai Pune Expressway. It was alleged that the Respondents have relied on certain notification issued by Ministry of Road and Transport and Highways, which ignores the basic base fee formulae on the basis of which toll fee is decided and thus, have illegally recovered the toll fee from vehicles. The Petitioners sought the directions that the Respondents to install devices on the Expressway, appoint independent agency to monitor the traffic data and deposit excess toll fees recovered from the vehicles passing through the expressway in a separate account till the toll fee is decided as per the rules made under the National Highway Act, 1956. In one of the public interest litigation, the Petitioners have sought the direction to comply with the provisions of Manual of Specifications and Standards for Four Laning of National Highways issued by Government of India and to deposit toll fees received from the vehicles passing through the Expressway in separate account till the time prescribed facilities are provided by the Respondents and also directed to the Respondents to maintain and repair the damaged roads on the Expressway. The Respondents have filed their reply in both the public interest litigation. The matter is currently pending.
6. Malabhai Vastabhai Katara (the **"Applicant"**) filed a workmen's compensation application against Ankitbhai Pravin Bhai Shah, IRBPL and others (the **"Defendants"**) before the Commissioner, Workmen Compensation, Ahmedabad, under Section 10 of Workmen Compensation Act, 1923 for negligence of the Defendants to prevent and mitigate the accidental

injury caused to the Applicant while working on the site on duty. The Applicant has sought inter alia medical costs, compensation for permanent total disability and initiation of criminal suit against the Defendants. IRBPL filed a separate written statement denying the allegations and averments of the workmen's compensation application filed by the Applicant.

Other Proceedings involving IRBPL

1. IRBPL, Thane Ghodbunder Toll Road Private Limited and Mr. Virendra Mhaikar (the **"Petitioners"**) have filed a writ petition before the High Court of Bombay against the State of Maharashtra (the **"Respondent-1"**) and the MSRDC (the **"Respondent-2"**) seeking inter alia (a) the quashing and setting aside of the notification dated May 26, 2015 issued by the Respondent-1 (**"Impugned Notification"**) and (b) a stay on the effects, execution and implementation of the Impugned Notification pending disposal of the final petition. The said reliefs have been sought on inter alia the alleged grounds that, (a) the Impugned Notification issued by the Respondent-1 partially modifying the toll collection notification dated November 25, 2005 is completely arbitrary and colourable and malafide exercise of power and (b) the Impugned Notification has been passed without any authority and in contravention of the provisions of Section 20 of the Bombay Motor Vehicles Tax Act, 1958 and the concession agreement dated December 9, 2005 entered into between the Petitioners and Respondent-2 (on behalf of Respondent-1). The matter is currently pending.
2. IRBPL, NKTRTPL and Mr. Virendra Mhaikar (the **"Petitioners"**) have filed a writ petition before the High Court of Bombay against the State of Maharashtra (the **"Respondent-1"**) and the Executive Engineer, Public Works Circle, Solapur (the **"Respondent-2"**) seeking inter alia (a) the quashing of the notification dated May 26, 2015 issued by the Respondent-1 (**"Impugned Notification"**), (b) a stay on the effects, execution and implementation of the Impugned Notification until the disposal of the final petition and (c) passing of an appropriate writ, order and direction directing the Respondent-1 to withdraw and/or de-notify the Impugned Notification. The said reliefs have been sought on inter alia the alleged grounds that, (a) the Impugned Notification issued by the Respondent-1 rescinding the toll collection notification dated June 30, 2014 bearing No. PSP.2003/CR.135e/Road-9 is completely arbitrary and colourable and malafide exercise of power and (b)

the Impugned Notification has been passed without any authority and in contravention of the provisions of Section 20 of the Bombay Motor Vehicles Tax Act, 1958 and the concession agreement dated November 28, 2001 entered into between the Petitioners and Respondent-2 (on behalf of Respondent-1). The matter is currently pending.

3. IRBPL, MMK Toll Road Private Limited and Mr. Virendra Mhaikar (the **"Petitioners"**) have filed a writ petition before the High Court of Bombay against the State of Maharashtra (the **"Respondent-1"**) and the Executive Engineer, Public Works Department, Solapur (the **"Respondent-2"**) seeking inter alia (a) the quashing of the notification dated May 26, 2015 issued by the Respondent-1 (**"Impugned Notification"**), (b) a stay on the effects, execution and implementation of the Impugned Notification pending disposal of the final petition and (c) passing of an appropriate writ, order and direction directing the Respondent-1 to withdraw and/or de-notify the Impugned Notification. The said reliefs have been sought on inter alia the alleged grounds that, (a) the Impugned Notification issued by the Respondent-1 rescinding the toll collection notification bearing No. PSP.2003/CR-223/Road-9 is completely arbitrary and colourable and malafide exercise of power and (b) the Impugned Notification has been passed without any authority and in contravention of the provisions of Section 20 of the Bombay Motor Vehicles Tax Act, 1958 and the concession agreement dated May 29, 2002 entered into between the Petitioners and Respondent-2 (on behalf of the Respondent-1). The matter is currently pending.

Pending Regulatory Action involving IRBPL

1. The RoC by letter called upon IRBPL, amongst other things, to furnish information such as details of investments, e-form 2 and unsecured loans raised by it, under section 234 of the Companies Act, 1956, in respect of balance sheet as at March 31, 2011. Reply to the above letter was sent on behalf of IRBPL by a letter giving the requisite details. No further communication has been received in this regard.
2. The Collector of Stamps (Thane) and Assistant District Collector (Class I), Thane issued a demand notice against IRBPL demanding a payment of ₹ 675 lakhs as stamp duty payable for the agreement dated November 27, 2002 between MSRDC, IRBPL and MEP Toll Road Private Limited (the **"Parties"**). In addition to the deficit stamp duty, the Parties have been ordered to pay a penalty of 2% per month on the deficient amount of stamp duty.

3. The Office of the Assistant District Registrar and District Collector of Stamps, Raigad, issued a notice to IRBPL requesting IRBPL to submit their reply as to why for the agreement for recovery of toll given on the principles of BOT, a stamp duty of ₹ 39.7 lakhs and also fine at 2% of stamp duty or not more than the double of the stamp duty from the date of execution of document, which is ₹ 79.4 lakhs, aggregating to a total amount of ₹ 119.2 lakhs should not be recovered from them. IRBPL had replied to the said notice.
4. The Superintending Engineer, Maharashtra State Electricity Distribution Company Limited, Nodal office, Bhiwandi, issued a notice to IRBPL regarding non-payment of monthly electricity charges and outstanding arrears and demanding a payment of ₹ 15.0 lakhs as arrears plus interest. Reply to the above notice was sent by IRBPL. No further communication has been received in this regard.

Taxation Proceedings

There are two indirect tax proceedings pending against IRBPL, which involve an aggregate amount of ₹ 138.7 lakhs.

Other Matters

IRBPL has received certain notices from the various local and municipal bodies, including inter alia, the Thane Municipal Corporation, Dapoda Gram Panchayat and Office of Tehsildar, Kurla, in relation to inter alia demands for payment of property tax and increase in land revenue. Further, IRBPL has been issued certain notices demanding payment of deficit stamp duty along with penalty by various stamp authorities during the years 2005-2007. IRBPL has responded to these notices. As on date, no legal proceedings have been initiated in relation to the aforesaid notices.

IRB Ahmedabad Vadodara Super Express Tollway Private Limited ("IAVTPL")

Other Proceedings involving IAVTPL

1. IAVTPL (**"Claimant"**) initiated arbitration proceedings against NHAI (**"Respondent"**) regarding issuance of return tickets, monthly passes and discounted tickets to frequent travellers and local vehicles on Ahmedabad Vadodara Expressway. The Claimant made a claim of ₹ 1,456.0 lakhs, which would be further accumulated up to final hearing. The Respondent has filed a supplementary counter claim before the arbitral tribunal on the alleged grounds that (a) the Claimant has collected excess

amounts for not providing return trip passes to frequent users, (b) the Claimant has collected excess amounts for not providing multiple trip passes to frequent users, and (c) the Claimant has collected excess amounts for not providing monthly passes to frequent users. The arbitral tribunal passed an award allowing the claims for (a) the authority to issue single journey pass without any discounts on the Ahmedabad Vadodara Expressway, (b) an amount of ₹ 2,489.5 lakhs for losses incurred from July, 2013 to April, 2015 by the Claimant on account of forced issuance of concession passes to the vehicles, (c) the payment of the recurring losses incurred by the Claimant from May, 2015 till effective steps to restore the issuance of single journey pass and cancellation of concessions to locals are implemented and (d) interest on the above amounts. The Respondent filed a petition before the High Court of Delhi for setting aside the award passed by the arbitral tribunal. The High Court of Delhi has vide its judgement set aside the award passed by the arbitral tribunal and, inter alia, stated that discounts on the return trips should be reinstated from March, 2017. The Claimant has filed an appeal before the divisional bench of the High Court of Delhi challenging the judgement to set aside the award passed by the single judge of the High Court of Delhi. The matter is pending.

Taxation Proceedings

There is one direct tax proceeding pending against IAVTPL, which involves an aggregate amount of ₹ 31.5 lakhs.

Pending Regulatory Action involving IAVTPL

1. Chief Labour Commissioner, Ministry of Labour and Employment (Central) issued a notice to IAVTPL directing IAVTPL to obtain Form V and other necessary documents from the NHAI for obtaining fresh labour license and show cause as to why their registration certificate dated October 10, 2014 should not be revoked under Section 8 of the Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition), Central Rule, 1971. IAVTPL has replied vide its letter stating that IAVTPL had obtained the official labour license number ALC/ADI/46(4)/ 2013 on January 15, 2013 and has further requested to cancel the registration certificate which was issued to IAVTPL as a principal employer in respect of NHAI under Contract Labour (Regulation and Abolition) Act, 1970.

IRB Kolhapur Integrated Road Development Company Private Limited ("IKIRDCPL")

Pending Civil Litigation against IKIRDCPL

1. New Shivaji Timber Market Association through its members (the "**Petitioner**") have filed a writ petition before the High Court of Bombay against IKIRDCPL, Kolhapur Municipal Corporation ("**KMC**") and others, (collectively the "**Respondents**"). The Petitioner had alleged that the plot given to IKIRDCPL for commercial purposes on lease was earlier reserved to be allotted to the Petitioner for timber market business. The Petitioner has inter alia sought that (a) the purported de-reservation and/or allotment of land to IKIRDCPL be struck down, (b) Resolution No. 559 dated April 20, 2007, Resolution No. 102 dated March 19, 2013, Resolution No. 79 dated March 1, 2014 and Resolution No. 184 dated March 20, 2015 be quashed, (c) to allot each of the member of the Petitioner an alternative plot of land to pursue their said business in timber trade and (d) to recover the plot allotted to IKIRDCPL through MSRDC. The matter is currently pending.
2. Mr. Jairaj Koran Wellayan (the "**Plaintiff**") has filed a civil suit before the Court of Civil Judge (Senior Division), Kolhapur, against IKIRDCPL and six others (the "**Defendants**") for a mandatory injunction against IKIRDCPL directing them to remove the illegal construction of their toll booth on the northern side of Shahu Naka on the old Pune-Bangalore highway and thus give access through 50' east-west road to the society of the Plaintiff, i.e., Vaibhav Corporation Housing Society. The Plaintiff has alleged that IKIRDCPL has not obtained any appropriate legal permission from the concerned departments for carrying out the construction to close the 50' east-west road. IKIRDCPL has filed its reply. The matter is currently pending.
3. IKIRDCPL and Dhananjay K. Joshi (collectively the "**Petitioners**") have filed a writ petition before the High Court of Bombay against the State of Maharashtra, Maharashtra State Road Development Corporation Limited ("**MSRDC**"), Kolhapur Municipal Corporation and Public Works Department seeking inter alia that (a) a writ of mandamus or in the nature of mandamus or any other writ, order and/or direction be passed to quash or set aside the notification dated January 22, 2015 constituting the committee for suggesting alternative to toll and all actions taken by the said committee and (b) a writ of mandamus or in the nature of mandamus or any other writ, order and/or direction be passed to quash or set aside the notification dated February 9, 2015 constituting the

committee for re-valuation of the IKIRDCPL project and all actions taken by the said committee. The said relief has been sought inter alia on the alleged ground that the notification dated January 22, 2015 and notification dated February 9, 2015 constitute an unlawful and illegal interference with the Petitioner's statutory right to collect toll under the toll collection notification dated December 17, 2011 for the duration of 30 years.

4. Mr. Bhagwan Shankarrao Patil (the **"Plaintiff"**) has filed a suit the Court of Civil Judge (Senior Division) Kolhapur, against Commissioner (Kolhapur Municipal Corporation), IRB Kolhapur and others (the **"Defendants"**) for issuing a permanent injunction against the Defendants from entering into the premises of the Plaintiff and carrying out any drainage work. The Plaintiff has alleged that the Defendants have demolished the compound wall and the gate of the compound of the Plaintiff's house illegally and forcefully without paying heed to the objection of the Plaintiff's wife which caused her a mental shock. The Plaintiff has prayed that the Defendants be ordered to reinstate the compound wall at their own cost. IRB Kolhapur has filed its reply. The Court of Civil Judge (Senior Division) Kolhapur passed an order dismissing suit. Further, the Plaintiff has preferred an appeal before the Court of Principal District Judge, Kolhapur seeking that the order passed be set aside on inter alia the alleged grounds that, (a) the appreciation of the oral and documentary evidence is grossly faulty and (b) there is sufficient evidence that the compound wall allegedly demolished by the Respondent had been standing within the eastern boundary limits of the suit property from the beginning without any complaints. The Plaintiff has also filed an application for injunction. IRB Kolhapur has filed its reply to the injunction application dismissing the averments made by the Plaintiff. The matter is pending.

Pending Regulatory Action involving IKIRDCPL

1. The Deputy Commissioner, Kolhapur Municipal Corporation, has sent ten demand notices involving an amount of ₹ 423.4 lakhs to IKIRDCPL inter alia in relation to the payment of property tax for the land bearing Land Survey No. 18 A/1 and 18 A/2 which was leased to IKIRDCPL for commercial purposes. IKIRDCPL has replied to the same.

Mhaiskar Infrastructure Private Limited ("MIPL")

Pending Civil Litigation against MIPL

1. Ms. Juilee Dipak Patil (the **"Plaintiff"**) has filed a suit before the Court of Civil Judge (Junior Division) at Khalapur, Raigad, against MIPL (the **"Defendant"**) for perpetual injunction, for removal encroachment and for other consequential relief, and also filed separate application for temporary injunction. The Plaintiff has alleged that the contractors of the Defendant forcefully entered the property that belongs to the Plaintiff and started removing and carrying the soil and draining sewage water in the property belonging to the Plaintiff. The Civil Judge (Junior Division), Khalapur vide its order has partly allowed the application for temporary injunction and restrained the Defendant or any person on its behalf from draining sewage water in the property belonging to the Plaintiff and obstructing the possession and enjoyment of the Plaintiff over the said property till further orders. MIPL has filed an appeal against the order before the District Judge, Raigad at Alibaug. The matter is pending.
2. Pravin P. Wategaonkar and certain others (the **"Petitioners"**) have filed a public interest litigation before the High Court of Bombay against the Chief Minister of the State of Maharashtra, MIPL, the Anti-Corruption Bureau and certain others (the **"Respondents"**) seeking, inter alia, that (a) an appropriate writ, order and/or direction be issued to the effect of revoking MIPL's right to collect toll on the Mumbai-Pune Expressway till August 2019; (b) an appropriate writ, order and/or direction be issued to the effect of calling for the documents and records in respect of closing 12 toll plazas and granting exemption to Light Motor Vehicles (**"LMV"**) from payment of toll at 53 other toll booths and after examining the legality, validity and propriety thereof, declaring that the procedure followed in granting exemption to LMVs from payment of toll is violative of the mandate of Article 14 read with Article 19(1) (g) and Article 21 of the Constitution of India and is therefore illegal and void; (c) to issue appropriate writ, order and/or direction to the Anti-Corruption Bureau to register a case under the Prevention of Corruption Act, 1988, the Indian Penal Code, etc. for wrongful gain in excess of contracted cash-flow income on the Mumbai-Pune Expressway; and (d) pending hearing and final disposal of the said petition, an appropriate writ, order and/or direction be issued to appoint a court receiver to supervise toll collection on Mumbai-Pune Expressway and deposit it in an escrow account. The said relief has been sought on, inter alia,

the alleged grounds of (a) wrongful gain in excess of contracted cash flow income and (b) under reporting of toll income. The matter is pending.

Other Proceedings involving MIPL

1. MIPL (the **"Petitioner"**) has filed a writ petition before the High Court of Bombay, against Maharashtra State Road Development Corporation (**"MSRDC"**). The Petitioner had entered into an agreement with MSRDC in the year 2004, wherein it was required to act as an agent of MSRDC for the purpose of expansion of roads and construction of bridges on NH No. 4. The Petitioner was required to pay MSRDC upfront amount of Rs. 91,800 lakhs on or before August 15, 2008. The Collector of Stamps and other authorities called upon the Petitioner to pay the deficit stamp duty of Rs. 2,754 lakhs along with the penalty of Rs. 495.7 lakhs levied from the date of the execution of the agreement to the date of issuance of the notice by the Collector of Stamps, under the Bombay Stamp Act, 1958. An order was passed by the High Court of Bombay wherein it placed the petition to be heard along with similar petitions before the Chief Justice for further appropriate orders. The matter is currently pending.

Other Matters

MIPL has received certain notices from the various local and municipal bodies, including inter alia, the Pimpri Chinchwad Municipal Corporation, the Khopoli Municipal Council and the Lonavala Municipal Council, in relation to demands for payment of property tax. Further, MIPL has received one tax payment receipt from MSRDC with respect to a demand for payment of property tax. As on date, no legal proceedings have been initiated in relation to the aforesaid notice. MIPL has also received notices from the sub-divisional office, Irrigation Department, Raigad, offices of the Tehsildar, Khalapur, Circle Officer, Vavoshi, Range Forest Officer, Khalapur and Maharashtra Pollution Control Board, inter alia in relation to failure to provide adequate treatment plant and disposal arrangement, tree cutting by miscreants and approach to agricultural land and temple.

NKT Road and Toll Private Limited (**"NKTRTPL"**)

Other Proceedings involving NKTRTPL

1. IRBPL, NKTRTPL and Mr. Virendra Mhaikar (the **"Petitioners"**) have filed a writ petition before the High Court of Bombay against the State of Maharashtra (the **"Respondent-1"**) and the

Executive Engineer, Public Works Circle, Solapur (the **"Respondent-2"**) seeking inter alia (a) the quashing of the notification dated May 26, 2015 issued by the Respondent-1 (**"Impugned Notification"**), (b) a stay on the effects, execution and implementation of the Impugned Notification until the disposal of the final petition and (c) passing of an appropriate writ, order and direction directing the Respondent-1 to withdraw and/or de-notify the Impugned Notification. The said reliefs have been sought on inter alia the alleged grounds that, (a) the Impugned Notification issued by the Respondent-1 rescinding the toll collection notification dated June 30, 2014 bearing No. PSP.2003/CR.135e/Road-9 is completely arbitrary and colourable and malafide exercise of power and (b) the Impugned Notification has been passed without any authority and in contravention of the provisions of Section 20 of the Bombay Motor Vehicles Tax Act, 1958 and the concession agreement dated November 28, 2001 entered into between the Petitioners and Respondent-2 (on behalf of Respondent-1). The matter is currently pending.

Pending Regulatory Action involving NKTRTPL

1. The Collector of Stamps, Solapur sent a demand notice to NKTRTPL demanding a sum of ₹ 3.23 lakhs as deficit stamp duty and penalty on the agreement dated November 28, 2001 executed between the Maharashtra State Road Development Corporation, IRBPL and NKTRTPL. NKTRTPL replied by denying the payment of deficit stamp duty on the alleged grounds that (a) the purported demand of deficit amount of stamp duty was made payable by citing the provisions included in section 63 of the Bombay Stamp Act, 1958 vide amendment 12 of 2006 which came into effect on May 1, 2006 and whereas the agreement was already executed prior to the amendment and (b) section 63 of the Bombay Stamp Act, 1958 does not have a retrospective effect.

MMK Toll Road Private Limited (**"MMKTRPL"**)

Other Proceedings involving MMKTRPL

1. IRBPL, MMK Toll Road Private Limited and Mr. Virendra Mhaikar (the **"Petitioners"**) have filed a writ petition before the High Court of Bombay against the State of Maharashtra (the **"Respondent-1"**) and the Executive Engineer, Public Works Department, Solapur (the **"Respondent-2"**) seeking inter alia (a) the quashing of the notification dated May 26, 2015 issued by the Respondent-1 (**"Impugned Notification"**), (b) a stay on the effects, execution

and implementation of the Impugned Notification pending disposal of the final petition and (c) passing of an appropriate writ, order and direction directing the Respondent-1 to withdraw and/or de-notify the Impugned Notification. The said reliefs have been sought on inter alia the alleged grounds that, (a) the Impugned Notification issued by the Respondent-1 rescinding the toll collection notification bearing No. PSP.2003/CR-223/Road-9 is completely arbitrary and colourable and malafide exercise of power and (b) the Impugned Notification has been passed without any authority and in contravention of the provisions of Section 20 of the Bombay Motor Vehicles Tax Act, 1958 and the concession agreement dated May 29, 2002 entered into between the Petitioners and Respondent-2 (on behalf of the Respondent-1). The matter is currently pending.

Pending Regulatory Action involving MMKTRPL

1. The Collector of Stamps, Solapur sent a demand notice to MMKTRPL demanding a sum of ₹ 1.52 lakhs as deficit stamp duty and penalty on the agreement dated May 29, 2002 executed between the Maharashtra State Road Development Corporation, IRBPL and MMKTRPL. MMKTRPL filed a reply denying the payment of deficit stamp duty on the alleged grounds that (a) the purported demand of deficit amount of stamp duty was made payable by citing the provisions included in Section 63 of the Bombay Stamp Act, 1958 vide amendment 12 of 2006 which came into effect on May 1, 2006 and whereas the agreement was already executed prior to the amendment and (b) section 63 of the Bombay Stamp Act, 1958 does not have a retrospective effect. The Collector of Stamps passed a final order directing MMKTRPL and IRBPL to pay the deficit stamp duty and penalty. The order also stated that failure to deposit the aforementioned amount within seven days would result in the initiation of the recovery action of the said amount as per the Maharashtra Land Revenue Code, 1966 and the toll would be sealed.

Thane Ghodbunder Toll Road Private Limited ("TGTRPL")

Pending Civil Litigation against TGTRPL

1. Mr. Srinivas Anant Ghanekar and Mr. Eknath Shinde (collectively the **"Petitioners"**) have filed a public interest litigation before the High Court of Bombay, against IRBPL, Thane Ghodbunder Toll Road Private Limited (**"TGTRPL"**), Aryan Toll Road Private Limited (**"Aryan"**) and others (collectively

the **"Respondents"**), alleging that the agreements entered into between the MSRDC, IRBPL, TGTRPL and Aryan are entered in the arbitrary, unreasonable and illegal manner and because of that the general public had to suffer financial losses. IRBPL, TGTRPL and Aryan have filed their reply in the matter. The matter is currently pending.

Other Proceedings involving TGTRPL

1. IRBPL, Thane Ghodbunder Toll Road Private Limited and Mr. Virendra Mhaikar (the **"Petitioners"**) have filed a writ petition before the High Court of Bombay against the State of Maharashtra (the **"Respondent-1"**) and the MSRDC (the **"Respondent-2"**) seeking inter alia (a) the quashing and setting aside of the notification dated May 26, 2015 issued by the Respondent-1 (**"Impugned Notification"**) and (b) a stay on the effects, execution and implementation of the Impugned Notification pending disposal of the final petition. The said reliefs have been sought on inter alia the alleged grounds that, (a) the Impugned Notification issued by the Respondent-1 partially modifying the toll collection notification dated November 25, 2005 is completely arbitrary and colourable and malafide exercise of power and (b) the Impugned Notification has been passed without any authority and in contravention of the provisions of Section 20 of the Bombay Motor Vehicles Tax Act, 1958 and the concession agreement dated December 9, 2005 entered into between the Petitioners and Respondent-2 (on behalf of Respondent-1). The matter is currently pending.

Kaithal Tollway Private Limited

Pending Civil Litigation against Kaithal Tollway Private Limited

1. Mr. Azad Singh has filed Public Interest Litigation in Punjab and Haryana High Court against Kaithal Tollway Private Limited (**"Respondent No. 5"**). The petitioner have alleged that the concession granted by the way of provisional certificate is ultimately affecting and causing loss / inconvenience to the public at large and respondents are not justified in issuing the same. The petitioner have further alleged that Respondent No. 5 has not completed construction work including the major works of bridges, lanes and diversions, etc. and 21.589 Km of work is still under construction/ not yet started. The petitioner has prayed that writ of certiorari be issued in public interest to quash and set aside the provisional certificate dated 6/9/2017 whereby Respondent No. 5 has been authorised to collect the

toll plaza fees, during the pendency of the present petition, Respondent No. 6 should be restrained from collecting the toll plaza fees from the passengers, any other appropriate writ. The Respondent No. 5 has filed reply in the matter. The matter is pending.

IRB Infrastructure Private Limited

Pending Civil Litigation against the IRB Infrastructure Private Limited

1. Anishaben (“**Appellant**”) preferred an appeal before the Additional District Judge of Nadiad against Special Land Acquisition Officer, the IRB Infrastructure Pvt. Ltd., NHAI and Collector, Kheda (“**Respondents**”) seeking that the order (“**Order**”) passed by the Additional Senior Civil Judge, Nadiad be dismissed on account of erroneous assessment of documental proofs and other proofs. Pursuant to the Order, the Appellant’s tentative stay order under Order 39 Rule 1 of the CPC was rejected by the Additional Senior Civil Judge, Nadiad on the grounds that the public interest would be hampered if the stay was imposed. The Appellant had originally filed a civil case bearing No. 168 of 2015 before the Principal Senior Civil Judge, Nadiad against the Respondents seeking that the Respondents be prohibited from constructing, farming, entering the Appellant’s land or constructing any illegal structure on the ground that the alleged construction by Respondents resulted in causing damage to the crops of the Appellant and was done without completing the procedure for land acquisition. The matter is currently pending.

Pending Regulatory Action against the IRB Infrastructure Private Limited

1. The Assistant Conservator of Forests, Forest Department, Pune, has issued notice to the Investment Manager directing to show cause as to why no legal proceedings should be initiated against the Investment Manager under the provisions of the Indian Wildlife Protection Act, 1972, for negligence on the part of the Investment Manager in the installation and repairing of the compound adjoins the Mumbai – Pune Expressway which is meant to prevent wild animals from entering the highway. Such negligence resulted in the death of 1 (one) male leopard. The notice demands the Investment Manager to record its statement personally in the offices of the Assistant Conservator of Forests, Forest Department, Pune. MIPL has replied to the said notice. No further communication has been received in this regard.

Modern Road Makers Private Limited

Pending Criminal Litigation against the Modern Road Makers Private Limited (Project Manager)

1. Shiraben Sandipbhai Mistry and another (the “**Applicants**”) have lodged a claim application before the Motor Accident Claim Tribunal at Patan against the Modern Road Makers Private Limited and others (the “**Respondents**”) seeking an amount of Rs. 400 lakhs as compensation and reserving the right to increase the amount of the claim to ₹ 1,016 lakhs. The Applicants have sought the said relief on the alleged grounds that the Modern Road Makers Private Limited had negligently parked a roller on the newly constructed bridge opposite to Swaminarayan Park which resulted in the death of Sandipbhai Dineshchandra Mistry. The Modern Road Makers Private Limited has filed its written statement. The matter is currently pending.

Pending Civil Litigation against the Modern Road Makers Private Limited

1. Mr. Arjun Rama Ghatal has filed a complaint against the IRB Infrastructure Developers Limited and the Modern Road Makers Private Limited (the “**Opponents**”) before the office of Tahasildar and Executive Magistrate, Palghar, for payment of land cess and compensation for possession of land by installing tar plant machine of the IRB Infrastructure Developers Limited at land situated at Mauje Wada the IRB Infrastructure Developers Limited has filed its replies. The matter is currently pending.
2. The Modern Road Makers Private Limited and another (the “**Appellants**”) had filed an appeal before the Senior (Upper) Collector, Palghar against the order passed by the Sub-Divisional Officer, Vasai demanding the payment of penalty amounting to ₹ 505.4 lakhs in relation to allegedly paying insufficient royalty for the earth mining carried on by them for construction of certain bridges. The Appellants had sought inter alia the quashing and setting aside of the order passed by the Sub-Divisional Officer, Vasai on inter alia the following grounds that (a) the Sub-Divisional Officer, Vasai had not considered the payment of royalty made by the Appellants to the Collector, Palghar, Sub-Divisional Officer, Bhiwani and Tahsildar, Bhiwandi, respectively and (b) the Sub-Divisional Officer, Vasai had ignored the facts that the Appellants could not be owners of all the lands from which they are taking mud, murum, etc. for construction and hence in the alternative they were paying royalty to private person from whom such mud has been obtained. The

Appellants had also filed an application for interim stay before the Collector, Palghar seeking to stay the operation of the order and judgement passed by the Sub-Divisional Officer, Vasai pending hearing and final disposal of the appeal. The (Upper) Collector, Palghar vide its order had allowed the application and granted stay to the order passed by the Sub-Divisional Officer, Vasai, till the final disposal of the appeal. Further, the (Upper) Collector, Palghar vide its order had partly allowed the appeal filed by the Appellants and cancelled the order passed by the Sub-Divisional Officer and directed the Sub-Divisional Officer to re-decide the matter after considering the observations made in the order passed by the (Upper) Collector, Palghar. The matter is currently pending.

Taxation Proceedings

There are eleven indirect tax proceedings pending against the Modern Road Makers Private Limited, which involve an aggregate amount of ₹ 158 lakhs.

Pending Regulatory Action against the Project Manager

1. The Registrar, District Court, Ahmedabad, has issued a show cause notice to the Project Manager to show cause as to why no legal proceedings should be initiated against the Project Manager for carelessness and negligent driving on the part of driver of the motor vehicle belonging to the Project Manager which resulted in the death of one, Ramjibhai Senma. The Project Manager has filed its written statement in this matter.
2. Collector, Mahisagar Office, Lunawada issued a notice to the Project Manager alleging that the Project Manager used agricultural land at Othwad having Survey No. 1403, 1404, 1391/1, 1392, 1384, 1385 for constructing quarry without taking the prior approval of the Gram Panchayat. The notice demands an explanation for such non-agricultural use of land within 7 days of receipt of the said notice and production of evidence of approval of the Gram Panchayat, if taken. The Project Manager sent a letter to the Collector, Mahisagar Office, Lunawada requesting permission to operate the quarry and guaranteeing rectification of the errors. Collector, Mahisagar Office, Lunawada has granted permission.
3. The Regional Labour Commissioner, Baroda issued a show cause notice to the Project Manager to show cause as to why legal action should not be initiated

for contravention of Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the "Act") and Rules made thereunder, further to the occurrence of an accident causing loss of life of Meshubhai V. Kharediya on February 11, 2015 at the building and construction site of the Project Manager at Dumad Chokdi flyover. The aforesaid notice alleged that the Project Manager did not report an accident within four hour hours of its occurrence. The Project Manager vide its letter replied to the Regional Labour Commissioner, Baroda submitting the form XIV under the Act. No further communication has been received in this regard.

4. The Labour Department, Government of Karnataka has issued a notice to the Project Manager in relation to registration of labourers of contractors and migrant workers. The Project Manager has replied to the said notice.
5. The Assistant Director (Cost Audit Branch), Ministry of Corporate Affairs, has vide its email to the Project Manager, sought certain clarifications in relation to the cost auditor's report and the annexure thereto, as submitted by the Project Manager for financial year 2015-2016. The Project Manager has responded to the aforesaid email by way of its letter setting out the relevant details. No further communication has been received in this regard.

Other Matters

The Project Manager has received eight notices from the various local and municipal bodies, including inter alia, the Chandoli Gram Panchayat, the Kasurdi Gram Panchayat and the Kadamvakvasti Gram Panchayat in relation to demands for payment of property tax, involving an aggregate amount of Rs. 5.5 lakhs. ATRPL has replied to these notices stating that property tax is not applicable on toll plazas.

VCR Toll Services Private Limited ("VTSP")

Pending Civil Litigation against VTSP

1. VTSP (the "**Petitioner**") has filed a writ petition before the High Court of Bombay against the Executive Engineer of the Public Works Project Division, Public Works Department and others (the "**Respondents**") challenging the notification dated May 26, 2015 whereby the Petitioners are completely prevented from collection of toll at Indori Toll Plaza at Vadgaon Chakan Shikrapur Road. The Petitioner has inter alia sought (a) that the notification dated May 26, 2015 be quashed and set aside and (b) that the operation of

the notification dated May 26, 2015 and letter dated May 29, 2015 be stayed pending the disposal of the petition. The matter is currently pending.

2. VT SPL (the **"Petitioner"**) has filed a writ petition before the High Court of Bombay against the Executive Engineer of the Public Works Project Division, Public Works Department and another (the **"Respondents"**) challenging the orders dated September 14, 2012 and November 29, 2010 preventing the Petitioners from collecting the toll at the Talegaon Chakan state highway. The Petitioner inter alia sought that (a) the orders dated September 14, 2012 and November 29, 2010 be quashed and set aside and (b) the operation, implementation and execution of the orders dated September 14, 2012 and November 29, 2010 be stayed pending the final disposal of the writ petition. The matter is currently pending.

Material Litigations against the Trustee

Pending Civil Litigations against the Trustee

1. Hubtown Limited (the **"Plaintiff"**) had filed a case before the High Court of Bombay against the Trustee and its directors (the **"Defendants"**) for having informed the bankers of the Plaintiff regarding the defaults committed by the Plaintiff. The Trustee has stated that the Plaintiff is a guarantor for the debt for which the Trustee is acting as a debenture trustee and in case of defaults, the relevant documents authorize the Trustee to share information about such default to CIBIL/RBI and other creditors. The aggregate amount claimed is ₹ 30,000 lakhs. The matter is currently pending.
2. SBI Cap Trustee (the **"Plaintiff"**) had filed a suit before the City Civil Court, Bangalore against the Trustee and others (the **"Defendants"**) requiring sale of pledged shares for a particular price by SREI Fund/Investors, for whom the Trustee was acting as the share pledge trustee. The Plaintiff was acting for a consortium of lenders and has residual interest. The aggregate claim amount is ₹ 15,503 lakhs. The matter is pending.
3. Balmer Lawrie and Company Limited and another (the **"Plaintiffs"**) had filed a petition before the Calcutta High Court against the Trustee and certain others (the **"Defendants"**) challenging the validity of the sale transaction of 1,48,20,000 shares in Transafe Services Limited by the Defendant to the Plaintiff. The Plaintiffs have inter alia sought (a) the recovery of consideration received by the Defendants for the allegedly void contract being ₹ 2,371.2 lakhs and (b) interest at the

rate of 18% per annum on the decretal amount. The matter is currently pending.

IRB Jaipur Deoli Tollway Ltd. (**"IJDTPL"**)

Pending Criminal Litigation against IJDTPL

1. Pradeep Sogani, Shankar Lal Sharma and certain others (collectively the **"Complainants"**) have lodged 10 first information reports against Virendra Mahiskar, Managing Director, IRB Infrastructure Developers Limited, Vivek Chouhan (the project manager and the authorised signatory of the Sponsor) and certain others (collectively the **"Accused"**) with the Chaksu Police Station. The aforesaid first information reports were lodged on the alleged ground that there was delay in the release of payments on the part of the Accused towards the purchase of various materials from the Complainants. The matter is currently pending.
2. Pradeep Sogani (the **"Applicant"**) has filed an application for temporary injunction before the Court of Metropolitan Magistrate, Chaksu against Virendra Mahiskar, Managing Director, IRB Infrastructure Developers Limited, Vivek Chouhan (the project manager and the authorised signatory of the Sponsor) and certain others (the **"Respondents"**) seeking a temporary prohibition restricting the Respondents from using and selling the material and machinery kept in the project office in Chaksu, Jaipur till the time the payments aggregating to an amount of ₹ 210.5 lakhs along with interest for the same are made to the Applicant and certain other firms which had supplied material to the Respondent. The matter is currently pending.

Pending Civil Litigation against IJDTPL

1. Mr. Sitaram Sharma and Mr. Jagdish (the **"Petitioners"**) had filed a complaint with the Metropolitan Magistrate, Jaipur Metropolitan (Chaksu) against IJDTPL and others (collectively the **"Respondents"**). The Petitioners have alleged that the Respondents had illegally encroached upon the Petitioners' land situated at Chaksu, Jaipur and had made it unfit for the purpose of agriculture by placing iron rods, machines, cement and other material on the said land. The complaint was dismissed at the stage of cognizance by the Metropolitan Magistrate, Jaipur Metropolitan (Chaksu) vide its order. The aggrieved Petitioners filed a revision petition before the Additional Session Judge, Jaipur Metropolitan, seeking that the order passed by the Metropolitan Magistrate,

Jaipur Metropolitan (Chaksu) be dismissed inter alia on the alleged grounds that (a) the court had ignored the facts regarding encroachment established by the Petitioner and had added facts on its own whim, (b) the court had committed error of law and (c) the order had not been passed on merits after taking into consideration the facts and evidence available on record and was against the principles of natural justice. Additional Session Judge, Jaipur Metropolitan, passed an order accepting the revision petition filed by the Petitioners and has further dismissed the order passed by the Metropolitan Magistrate, Jaipur Metropolitan (Chaksu) and the matter is remanded to the trial court to decide the same on merits. The matter is currently pending.

2. Jagannath University (the **“Petitioner”**) had filed a writ petition before the Rajasthan High Court against the project manager of IJDTP and certain others (the **“Respondent”**) seeking that the Respondents be directed to issue monthly pass to the buses/ vehicles of the Petitioner for the toll fee of ₹ 215 per month as per the notification dated April 8, 2013 and (b) any other appropriate relief in favour of the Petitioner which the court deems fit. The said relief has been sought on the alleged grounds that the Respondents had previously issued a monthly pass of a higher denomination without taking into consideration the non-commercial nature of the vehicles of the Petitioner, which was in violation of Clause 3 of the notification dated April 8, 2013. Further, the Petitioner has also filed a stay application before the Rajasthan High Court seeking that during the pendency of the writ petition, the Respondents be directed to permit the vehicles of the Petitioner on the toll fee of ₹ 215 per month. The project manager of IJDTP has filed its reply denying the averments made by the Petitioner. The matter is currently pending.

IRB Pathankot Amritsar Toll Road Limited (“IPATRPL”) Pending Regulatory Action involving IPATRPL

1. Employees’ State Insurance Corporation, sub-regional office Marol (**“ESI”**) issued a notice to IPATRPL demanding payment of ₹ 0.84 lakhs towards pending employers’ contributions and employees’ contributions required to be paid by IPATRPL, in its capacity as the principal employer, under Section 40 read with Section 39 of the Employees’ State Insurance Act, 1948. Further, ESI has also directed IPATRPL to show cause as to why the assessment of an amount of

₹ 58.3 lakhs towards contributions payable in respect of the employees should not be recovered from IPATRPL. IPATRPL has replied to the aforementioned notice. No further communication has been received in this regard.

IRB Surat Dahisar Tollway Ltd. (“ISDTPL”) Pending Civil Litigation against ISDTPL

1. Mr. Vasantra Harilal Gohil and Mr. Vijay Vasantra Gohil (the **“Plaintiffs”**) have filed a special civil suit before the Court of the Civil Judge (Senior Division) at Vasai, against the Sponsor, certain directors of the Sponsor and the Project Manager and certain employees of the Sponsor. The Plaintiffs have alleged that on January 5, 2011, certain employees of the Sponsor acted violently and forcefully with them when they could not provide a money change at the toll plaza at Khanivade, Taluka Vasai. The Plaintiffs have alleged that they were chased, threatened and beaten by the employees of the Sponsor which resulted in serious injuries. The Plaintiffs have sought a direction that the Sponsor and its directors be directed to pay the medical expenses of ₹ 5 lakhs incurred by the Plaintiffs along with damages of ₹ 500 lakhs with interest. The Plaintiffs have also sought a direction from the court requiring the Sponsor and the directors to disclose on oath, their respective movable and immovable property and to record charge of Rs. 505 lakhs over such property until the decretal amount is paid. The Plaintiffs have filed an application for adding ISDTPL as a necessary party in the suit. The ISDTPL, its directors and employees have filed their reply in the matter. The matter is currently pending.
2. Jimmy Gonsalves and another (the **“Petitioners”**) have filed a public interest litigation before the High Court of Bombay against the MoRTH, NHAI, ISDTPL and Ideal Road Builders Private Limited and certain others (the **“Respondents”**). The Petitioners have inter alia alleged that commuters are facing hardship and inconvenience due to traffic at Varsova Creek bridge and that ISDTPL has denied its duty to build a new bridge on Varsova Creek, and have sought inter alia, that MoRTH be directed to take steps for the construction of a third bridge on Varsova Creek and that all vehicles travelling from Khaniwade toll on NH-8 and Ghodbunder Road toll on the state highway be exempt from toll till the completion of said new bridge. ISDTPL and Ideal Road Builders Private Limited are yet to file their respective replies in this matter. The matter is currently pending.

Other proceedings of ISDTPL

1. IRB Surat Dahisar Tollway Limited has initiated arbitration proceedings against National Highways Authority of India, in the Arbitration Tribunal Consisting of Mr. S. S. Agarwal, Presiding Arbitrator, Mr. M. K. Agarwal, Arbitrator and Mr. A. B. Desai Arbitrator. The concession agreement allows Concessionaire (IRB Surat Dahisar Tollway Limited) to design optimally as per specifications. Accordingly, Concessionaire had designed the longitudinal drains to carry peak hours run-off. Indicative Typical cross section show covered drains. When Concessionaire had submitted his design to Independent Engineer, there were no comments. Hence, Concessionaire constructed the drains. Subsequently, Independent Engineer claimed that provision of earthen drains in lieu of covered drains (RCC type as interpreted by Independent Engineer) amounted to negative COS. This has been disputed and matter is before the Arbitral Tribunal.

Pending Regulatory Action involving ISDTPL

1. ISDTPL has received certain notices from NHAI alleging short recovery of revenue share (annual traffic count) for the period between the years 2009 and 2013 and as per the latest notice a payment of ₹ 3,289.1 lakhs was demanded from ISDTPL. Subsequently, an assessment was carried out by an independent engineer appointed by NHAI and the liability of ISDTPL was assessed to the extent of ₹ 83.8 lakhs. While ISDTPL has paid such amount under protest, it has invoked conciliation proceedings for an amicable settlement under the relevant provisions of the concession agreement entered into between ISDTPL and NHAI. The matter is currently pending.

M.V.R. Infrastructure and Tollways Ltd. ("MITPL")

Pending Civil Litigation against MITPL

1. Certain colleges in Salem (the "**Petitioners**") have filed 25 writ petitions before the High Court of Madras, against MITPL and others (collectively the "**Respondents**") alleging the legality of act of collecting entry fee at increased rates from college buses. The Petitioners have sought the directions against Respondents to collect entry fee at toll plaza for educational institution vehicles at par with that of school buses. An order was passed by the High Court of Madras, which took into consideration various petitions filed against MITPL regarding the abovementioned issue and held that the discounted rates were only applicable to school buses carrying school students and not to college buses. However, the High Court of Madras passed an order granting an interim stay and ordered MITPL to collect entry fee from the college buses of the Petitioners at par with the rates applicable to school buses. The matter is currently pending.

Taxation Proceedings involving MVRITPL

1. There are one direct tax proceedings pending against MVR, which involve an aggregate amount of ₹ 94.6 lakhs.

IDAA Infrastructure Ltd. ("IDAAIPL")

Taxation Proceedings involving IDAAIPL

1. There are one direct tax proceedings pending against IDAAIPL, which involve an aggregate amount of ₹ 93.7 lakhs.

Management Discussion and Analysis

The Project Special Purpose Vehicles' (SPVs') financial years end on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 for that respective year.

Pursuant to the Share Purchase Agreement(s) dated May 9, 2017, the IRB InvIT Fund ("the Trust") has acquired the six subsidiary companies (Project SPVs) (IRB Surat Dahisar Tollway Limited (IRBSD), IDAA Infrastructure Limited (IDAA), IRB Talegaon Amravati Tollway Limited (IRBTA), IRB Jaipur Deoli Tollway Limited (IRBJD), M.V.R. Infrastructure and Tollways Limited (MVR) and IRB Tumkur Chitradurga Tollway Limited (IRBTC)). Accordingly, the revenue and corresponding expenses in these companies have been included from May 09, 2017 to March 31, 2018 in the financial statements.

Pursuant to the Share Purchase Agreement dated September 28, 2017, the Fund has acquired the subsidiary company (Project SPV) IRB Pathankot Amritsar Toll Road Limited (IRBPA). Accordingly, the revenue and corresponding expenses of the Subsidiary has been included from September 28, 2017 to March 31, 2018 in the financial statements.

Overview

IRB InvIT Fund ("the Trust") is an infrastructure investment trust registered under the InvIT Regulations. It is operated and maintained with a portfolio of seven toll-road assets in the Indian states of Maharashtra, Gujarat, Rajasthan, Karnataka, Tamil Nadu and Punjab. These toll roads are operated and maintained pursuant to concessions granted by the NHAI. This is the first infrastructure investment trust focused on toll-road assets in India listed on both the Stock Exchanges.

The Sponsor of the Trust i.e. IRB Infrastructure Developers Limited, is one of the largest infrastructure development

and construction companies in India in terms of net worth in the roads and highways sector. The Sponsor has been listed on the Stock Exchanges since 2008. As of March 31, 2018, the Sponsor has 17 road projects, under various stages of development and operations. Whenever the Sponsor intends to transfer its assets, the Trust has the option to acquire these assets.

Consequent to the Formation Transactions, on May 9, 2017, the Trust acquired an initial portfolio comprising the six Project SPVs, all of which were wholly owned by the Sponsor and its subsidiaries. On September 28, 2017, the Trust further acquired its seventh project "Pathankot Amritsar" on NH 15 in the state of Punjab from the Sponsor and its subsidiary. The project was acquired on the basis of favourable voting to the tune of over 83% of the votes cast by the unit-holders of the Trust.

Distribution

The InvIT regulations require the Trust to distribute minimum 90% of the cash flow, once in half year.

The InvIT Regulations provide that not less than 90% of net distributable cash flows of the Trust shall be distributed to the Unitholders. Such distributions shall be declared and made not less than once every six months in every financial year and shall be made not later than fifteen days from the date of such declaration.

For FY 18, the Net Distributable Cash flow (NDCF) of the Trust was ₹ 655 crores, out of which the Trust has distributed ~94%. The Total pay-out from the NDCF for FY 18 was ₹ 10.55 per unit bringing it to 12.11% annualised cash yield to the unit holders. Despite the initial impact of Demonetisation and GST, the Trust has comfortably met the initial guidance of 12% yield and is slated to continue the same for FY 19 as well.

Statement of Net Distributable Cash Flows (NDCFs) of IRB InvIT Fund

Sr. No.	Particulars	Year ended March 31, 2018 (Amt. in Lakhs)
1	Cash flows received from Project SPVs in the form of Interest	51,122.81
2	Cash flows received from Project SPVs in the form of Dividend	-
3	Any other income accruing at the Trust level and not captured above, including but not limited to interest/return on surplus cash invested by the Trust	446.14
4	Cash flows received from the project SPVs towards the repayment (Net) of the debt issued to the Project SPVs by the Trust	21,911.71
5	Total cash inflow at the Trust level (A)	73,480.66
	Less:	
6	Any payment of fees, interest and expense incurred at the Trust level, including but not limited to the fees of the Investment Manager	(7,546.97)
7	Income tax (if applicable) at the Standalone Trust Level	-
8	Repayment of external debt	(389.50)
9	Total cash outflows / retention at the Trust level (B)	(7,936.47)
10	Net Distributable Cash Flows (C) = (A+B)	65,544.19

Factors affecting Operations

The business of Project Special Purpose Vehicle (SPVs'), prospects, results of operations and financial condition are affected by a number of factors including the following key factors:

Terms of the Concession Agreements for tariff revision

Toll fees are pre-determined by the relevant government entities and cannot be modified to reflect the prevailing circumstances other than the annual adjustments to account for inflation as specified in the Concession Agreements. For the current seven projects, the tariff revision structure and details of the last revision are as follows:

Company Name	Tariff rate revision	Revision date	FY 18 (%)
IRB Surat Dahisar Tollway Limited (IRBSD)	Linked to WPI* (as an average for preceding year)	September 1st, every year	3.70
IDAA Infrastructure Limited (IDAA)	Linked to WPI	July 1st, every year	6.24
M.V.R. Infrastructure & Tollways Limited (MVR)	Linked to WPI	September 1st, every year	6.24
IRB Jaipur Deoli Tollway Limited (IRBJD)	3% + 40% of WPI	April 1st every year	4.36
IRB Tumkur Chitradurga Tollway Limited (IRBTC)	3% + 40% of WPI	April 1st every year	4.36
IRB Talegaon Amravati Tollway Limited (IRBTA)	3% + 40% of WPI	April 1st every year	4.36
IRB Pathankot Amritsar Toll Road Limited (IRBPA)	3% + 40% of WPI	April 1st every year	4.36

*Wholesale Price Index

Growth in Traffic Volumes

The other growth driver for the Toll Road assets is growth in Traffic volumes. Historically, these assets have witnessed double digit revenue CAGRs, however two back to back external developments impacted the traffic momentum adversely during

FY17 and FY18. In November 2016, Demonetisation was announced that kept the traffic growth slow even during Q1FY18. Just when the economy was almost recovering from the impact of Demonetisation, GST was implemented on a nationwide basis. While it was an excellent structural reform, it led to a temporary slowdown in commercial traffic for H1FY18 as new production and cargo movement was halted briefly. Meanwhile vendors and suppliers learnt and complied with GST norms. With the onset of Festive season as well as clarity on GST process and impact, Q3FY18 witnessed a robust pick up in traffic volumes and the trend continued in Q4FY18 as well. Further, we have seen that the traffic in IRBJD as well as IRBPA was impacted by sand mining ban. IRBJD and IRBPA are in the process of filing claim with NHAI against such losses under the relevant clause of the Concession Agreement.

On the whole, the Trust's target Portfolio revenue CAGR of 9.5-10% can be achieved with tariff revision of 4.5-5% combined with traffic growth of 5-5.5%. Going by historical performance, the intrinsic potential as well as current performance of the projects owned by the Trust, it is envisaged that the Trust will achieve its targets.

O & M cost

The Concession Agreement spells out significant costs during the concession period including operating and maintenance expenses, such as periodic maintenance required to be performed. Periodic maintenance involves the repair of wear and tear of roads, including overlaying the surface of the roads, if required.

The O&M of seven Project SPVs is managed by the Modern Road Makers Pvt. Ltd., (Project Manager), as per the fixed price agreements/contracts executed by respective Project SPVs. The O & M cost covers routine and periodic maintenance; details for FY18 are as follows:

Project Name	Maintenance Cost (₹ in Lakhs)
IDAA	2,395.25
IRBSD	3,878.00
IRBJD	490.05
IRBTA	792.92
IRBTC	58.23
MVR	38.00
IRBPA	656.37
Total	8,308.82

Regulatory Commitments

As per the Concession Agreements, some of the Project SPVs are required to pay revenue share/premium to the NHAI.

Tumkur – Chitradurga and Omalur – Salem projects are obligated to pay fixed amount of premium / negative grant to the NHAI. As per the supplementary agreement with NHAI, in the case of Tumkur – Chitradurga project, part of the premium obligation is shown as Premium Deferment and balance amount is paid to NHAI during the year.

In case of the Surat – Dahisar project, revenue share is paid to the NHAI at a fixed rate per annum which was 46% for FY18 set to increase by 1% every year.

Interest Rates Scenario

Interest rates impact both growth and inflation. Higher the interest rate, higher is the cost of capital, which reflects on the slowdown of investments in the economy. Interest rate is a significant factor affecting any new acquisition of asset. Banks and Financial institutions provide the debt under floating or fixed rate depending on the asset class, Cash flow generation and the credit rating of the borrower.

The new acquisition of Pathankot Amritsar project was funded through 100% debt from a Bank at a floating rate of interest with annual reset. The interest rates are linked to MCLR of the bank with a spread margin of 15 basis points. It is perceived that any change in the interest rate on the reset date would affect the Cash flows of the Fund. However rising interest rate will have a direct impact on inflation which results into higher tariff revision for the projects, thus mitigating the risk of higher interest rate on cash flows of the Fund.

General economic conditions in India - level of investment and activity in infrastructure development sector

The Government and State Governments have renewed their focus on the infrastructure, which is evident from the fact that the budgetary allocations for construction and augmentation of roads and highways in India have increased significantly. This increased budgetary allocation, when complemented by the private sector participation would generally result in large infrastructure projects in India. Innovative bidding structures like Hybrid Annuity Model (HAM) and Toll Operate Transfer (ToT) provide scope for increase in portfolios of highway developers, which in turn would provide huge scope for future acquisitions for the Trust and thereby enhance Stakeholders' value.

Project acquisitions

The Trust plans to acquire toll/annuity road assets so as to expand its portfolio over the next several years from the Sponsor as well as other players in the industry. Pursuant to the agreement with the Sponsor, the Trust has potential to grow to 4 times its current size, viz. ₹ 75 billion.

Project Line-up on RoFR basis from Sponsor

₹ in Mn

Project Name	Type	Project Cost	
IRB Ahmedabad Vadodara Super Express Tollway Pvt Ltd*	BOT	46,698	Potential to grow EV to over 5x (over ₹ 390 bn) with the existing project pipeline of Sponsor on RoFR basis
Solapur Yedeshi Tollway Private Limited	BOT	15,421	
Kaithal Tollway Private Limited	BOT	23,475	Healthy mix of Projects available – in terms of size, geography, residual life as well as operational visibility (5 projects on 4 to 6 laning and 3 projects on HAM basis)
Yedeshi Aurangabad Tollway Private Limited	BOT	31,770	
AE Tollway Private Limited	BOT	25,350	Availability of HAM projects to further strengthen the portfolio with stable Annuity cashflows from NHAI
IRB Westcoast Tollway Private Limited	BOT	26,390	
Udaipur Tollway Private Limited	BOT	20,879	- Multiple options to source debt at lowest cost, with SPVs being AAA rated
CG Tollway Private Limited	BOT	20,900	
Kishangarh Gulabpura Tollway Private Limited	BOT	15,260	- To be cash yield accretive from day 1
IRB Hapur Morarabad Tollway Private Limited	BOT	34,000	
VK1 Expressway Private Ltd.	HAM	20,430	
IRB PS Highway Private Ltd.	HAM	21,690	
IRB PP Project Private Ltd.	HAM	12,960	
Total		3,15,223	

Further, the Trust can acquire ₹ 45 Billion worth of assets, without diluting capital, through debt funding.

Critical Accounting Policies:

The preparation of financial statements in conformity with applicable accounting standards and the Companies Act, 2013 requires the Trust management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations at the end of the reporting period. By their nature, these judgments are subject to a degree of uncertainty. Although these estimates are based upon the best knowledge of the Trust's management of current events and actions, the actual results could differ from these estimates.

While all aspects of the Financial Statements should be read and understood in assessing their current and expected financial condition and results, the Trust believes that the following critical accounting policies warrant particular attention:

Intangible assets

Toll Collection Rights:

Toll collection rights are stated at cost net of accumulated amortisation and impairment losses. Cost includes:

- Toll Collection Rights awarded by the grantor against construction service rendered by the Project SPV on DBFOT basis - Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.
- Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as per Exemption provided in Ind AS 101. Under this method, the carrying value of the rights is amortised in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the economic benefits of the assets will be used. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortisation of toll collection rights is changed prospectively to reflect any variations in the estimates.

- Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.
- Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Premium Obligation

As per the service concession agreement, some of the SPVs are obligated to pay the annual fixed amount of premium to National Highway Authorities of India (NHAI). This premium obligation has been capitalized as Intangible Asset since it is paid towards getting the right to earn revenue by constructing and operating the roads during the concession period. Hence, total premium payable as per the service concession agreement is upfront capitalized at fair value of the obligation at the date of transition.

Besides, gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset of the Trust and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation

Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as per exemption provided in Ind AS 101. Under this method, the carrying value of the rights is amortised in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the Trust. If there is any change in the projected revenue from previous estimates, the amortisation of toll collection rights is changed prospectively to reflect any changes in the estimates.

Premium Deferment

The Balance Sheet of the Trust reflects Premium Deferral (i.e. premium payable less paid after adjusting premium deferment) as aggregated under premium deferred obligation. Interest payable on the above is aggregated under premium deferral obligation. Interest on premium

deferral is capitalised during the construction period and thereafter charged to the statement of profit and loss.

Provisions

Generally, provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation amount. When the Fund expects some or the entire provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursement.

Provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Principal Components in the Consolidated Statement of Profit and Loss

Income items

The Project SPVs income consists of revenue from operations and other income. Revenue from operations primarily consists of income from toll collection. Further, during the construction period of a project, the NHAI may ask the Project SPVs to carry out utility shifting work (which is incidental to the construction of the toll road and typically involves the shifting of utilities that are located at the construction site) or may award the Project SPVs additional scope of work, which is separately paid by the NHAI. Revenue from such utility shifting or change in scope contract and the sale of materials, among others, also forms part of the Project SPVs operating revenue. However, this is not significant as compared to toll revenue.

The term Other income includes: interest income on bank deposits, interest on an income tax refund, interest unwinding on loan given, dividend income, gains on sale of property, plant and equipment, gain on sale of investments and certain miscellaneous income. Other income also includes any gain on sale of investments and fixed assets.

Expense items

Expenses are made up of: (i) road work and site expenses, (ii) employee benefits expense and (iii) depreciation and amortisation expenses, (iv) finance cost, and (v) other expenses.

Road work and site expenses

This expenditure includes: contract expenses relating to utility shifting or change in scope contracts, operation and maintenance expenses, road works expenses, cost of material sold, independent engineer fees, sub-contracting and security expenses, and site and other direct expenses.

Employee benefits expenses

This nomenclature include salaries, wages and bonus paid to the Trust employees, contribution towards provident fund and other funds, gratuity expenses and staff welfare expenses.

Depreciation and amortisation

Depreciation and amortisation account shows depreciation on property, plant and equipment and amortisation of intangible assets of the Trust.

Finance costs

Finance costs of the Trust include interest on loans from banks/financial institutions, interest loss on derivative contracts, interest on premium deferment, interest on loan from group companies, other borrowing costs, interest unwinding on loan taken and interest unwinding on premium obligations.

Other expenses

The day to day working of the Trust involves a number of administrative expenses which are listed as Other expenses. These include various administrative costs such as power and fuel costs, rent, rates and taxes, water charges, repairs and maintenance, travel and conveyance expenses, vehicle expenses, printing and stationery expenses, director sitting fees, advertisement expenses, legal and professional expenses, payments to the SPVs auditor, bank charges, insurance and other miscellaneous expenses.

CAUTIONARY STATEMENT

The terms “IRB InvIT Fund”, and “the Trust” are interchangeably used and mean IRB InvIT Fund and its Project SPVs’ as may be applicable.

This Annual Report contains certain forward-looking statements, and may contain certain projections. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, “seek to” or other words or phrases of similar import. Similarly, statements that describe strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements and projections are subject to risks, uncertainties and assumptions. Actual results may differ materially from those suggested by forward-looking statements or projections due to risks or uncertainties associated without expectations with respect to, but not limited to, regulatory changes pertaining to the infrastructure sector in India and the Trust’s ability to respond to them, the Trust’s ability to successfully

implement the its strategy and objectives, the Trust’s growth and expansion plans, technological changes, the Trust’s exposure to market risks, general economic and political conditions in India which have an impact on the Trust’s business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the infrastructure sector. Certain important factors that could cause the Trust’s actual results to differ materially from expectations include, but are not limited to, the following:

- the business and investment strategy of the Trust;
- expiry or termination of the Project SPVs’ respective concession agreements;
- future earnings, cash flow and liquidity;
- potential growth opportunities;
- financing plans;
- the competitive position and the effects of competition on the Trust’s investments;
- the general transportation industry environment and traffic growth; and
- regulatory changes and future Government policy relating to the transportation industry in India.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated. Forward-looking statements and projections reflect current views as of the date hereof and are not a guarantee of future performance or returns to investors. These statements and projections are based on certain beliefs and assumptions, which in turn are based on currently available information.

Although the Investment Manager believes the assumptions upon which these forward-looking statements and projections are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements and projections based on these assumptions could be incorrect. None of the Trust, the Trustee, the Investment Manager and their respective affiliates/advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

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

Independent Auditors' Report

To,
The Unit holders of IRB InvIT Fund

Report on Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of IRB InvIT Fund (hereinafter referred to as "the Fund") and its subsidiaries (the Fund and its subsidiaries together referred to as "the Group"), comprise the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Changes in Unit Holders' Equity and the consolidated Statement of Cash Flow for the year then ended and the consolidated Statement of Net Assets at fair value as at March 31, 2018, the consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the Fund and each of its subsidiaries for the year then ended, and a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Management of IRB Infrastructure Private Limited ('Investment Manager'), is responsible for the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position as at March 31, 2018, consolidated financial performance including other comprehensive income, consolidated cash movements and the consolidated movement of the unit holders' funds for the year ended March 31, 2018, the consolidated net assets as at March 31, 2018, the consolidated total returns of the Fund and the net distributable cash flows of the Fund and each of its subsidiaries in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended read with the Securities and Exchange Board of India (Infrastructure

Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "InvIT Regulations").

The management of the Fund and respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the management of the Fund, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the InvIT Regulations, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the InvIT Regulations. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal financial control relevant to the Fund's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Fund has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the InvIT Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, its consolidated profit including other comprehensive income, its consolidated cash movements and its consolidated movement of the unit holders' funds for the year ended March 31, 2018, its consolidated net assets as at March 31, 2018, its consolidated total returns and the net distributable cash flows of the Fund and each of its subsidiaries for the year ended March 31, 2018.

Other matters

We did not audit the financial statements and other financial information of 7 subsidiaries, whose financial statements reflect total assets of ₹ 1,353,980.78 Lakhs and net assets of ₹ 177,061.57 Lakhs as at March 31, 2018, total revenues of ₹ 100,069.64 Lakhs and net cash outflows amounting to ₹ 10,309.45 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements before giving effect to elimination

of intra-group transactions. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of InvIT regulations, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our reports on the Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

Report on Other Legal and Regulatory Requirements

Based on our audit and as required by InvIT Regulations, we report that;

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) The Consolidated Balance Sheet, and the Consolidated Statement of Profit and Loss are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements; and
- c) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm's Reg. No. 121750W/W-100010

(Ramesh Gupta)

PARTNER

Membership No.:102306

Place: Mumbai

Dated: 30 April 2018

Consolidated Balance Sheet

as at March 31, 2018

(₹ in lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	114.62	-
Capital work-in-progress	4	278.16	-
Intangible assets	4	1,362,633.43	-
Financial assets			
i) Investments	5	5,027.68	-
ii) Other financial assets	7	122.33	-
Deferred tax assets (net)	8	3,223.02	-
Other non-current assets	9	0.06	-
Total non-current assets		1,371,399.30	-
Current Assets			
Financial assets			
i) Investments	5	16,432.80	-
ii) Trade receivables	10	55.41	-
iii) Cash and cash equivalents	11	9,316.90	0.08
iv) Bank balances other than (iii) above	12	57.53	-
v) Loans	6	441.10	-
vi) Other financial assets	7	1,134.03	-
Income tax assets (net)	13	830.83	-
Other current assets	14	793.52	-
Total current assets		29,062.12	0.08
Total assets		1,400,461.42	0.08
EQUITY AND LIABILITIES			
Equity			
Initial settlement amount	15	0.10	0.10
Unit capital	15	579,919.50	-
Other equity	16	(18,280.44)	(0.02)
Total Equity		561,639.16	0.08
Non-current liabilities			
Financial liabilities			
i) Borrowings	17	173,858.66	-
ii) Other financial liabilities	18	604,322.38	-
Provisions	19	18,833.74	-
Total non-current liabilities		797,014.78	-
Current liabilities			
Financial liabilities			
i) Trade payables	20	12,192.47	-
ii) Other financial liabilities	18	25,487.73	-
Other current liabilities	21	71.79	-
Provisions	19	4,055.49	-
Total current liabilities		41,807.48	-
Total liabilities		838,822.26	-
Total equity and liabilities		1,400,461.42	0.08
Summary of significant accounting policies	3		

See accompanying notes to the consolidated financial statements

As per our report of even date

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)
For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W /W-100010

Vinod Kumar Menon
Wholtime Director
DIN 03075345

Bajranglal Gupta
Director
DIN: 07175777

Ramesh Gupta
Partner
Membership No.: 102306

Tushar Kawedia
Chief Financial Officer

Urmil Shah
Company Secretary

Place : Mumbai
Date : April 30, 2018

Place : Mumbai
Date : April 30, 2018

Consolidated Statement of Profit & Loss

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	22	99,200.84	-
Other income	23	1,314.94	-
Total income		100,515.78	-
Expenses			
Operating expenses	24	6,057.66	-
Employee benefits expense	25	2,026.64	-
Insurance and security expenses		1,062.58	-
Project manager fees (refer note no 38)		6,790.77	-
Investment manager fees (refer note no 38)		1,053.36	-
Repairs and maintenance expenses		362.94	-
Other expenses	28	1,248.36	0.02
Depreciation and amortisation expenses	26	48,712.88	-
Finance costs	27	9,924.70	-
Total expenses		77,239.90	0.02
Profit/ (loss) before tax		23,275.88	(0.02)
Tax expenses			
Current tax		33.61	-
Deferred tax		-	-
Total tax expenses		33.61	-
Profit/ (loss) after tax (A)		23,242.27	(0.02)
Other comprehensive income			
(Other comprehensive income not to be reclassified to profit or loss in subsequent periods)			
Re-measurement gains/ (losses) on defined benefit plans (net of tax)		6.26	-
Other comprehensive income/(loss) for the year, net of tax (B)		6.26	-
Total comprehensive income/(loss) for the year, net of tax: (A+B)		23,248.53	(0.02)
Profit/(loss) for the year		23,242.27	(0.02)
Attributable to:			
Unit holders		23,242.27	(0.02)
Non-controlling interests		-	-
Earnings per unit	29		
- Basic		4.00	-
- Diluted		4.00	-
Summary of significant accounting policies	3		

See accompanying notes to the consolidated financial statements

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W /W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place : Mumbai
Date : April 30, 2018

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Wholetime Director
DIN 03075345

Tushar Kawedia
Chief Financial Officer

Place : Mumbai
Date : April 30, 2018

Bajranglal Gupta
Director
DIN: 07175777

Urmil Shah
Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities		
Profit / (loss) before tax	23,275.88	(0.02)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	48,712.88	-
Resurfacing expenses	3,624.39	-
Gain on sale of property, plant and equipment (net)	(38.73)	-
Fair value gain on mutual funds	(100.77)	-
Gain on sale of Investment (net)	(883.04)	-
Finance costs	9,924.71	-
Interest income on fixed deposits	(99.85)	-
Operating profit before working capital changes	84,415.47	(0.02)
Movement in working capital:		
Increase/(decrease) in trade payables	109.94	-
Increase/(decrease) in provisions	5.38	-
Increase/(decrease) in other financial liabilities	(1,089.88)	-
Increase/(decrease) in other liabilities	20.90	-
Decrease/(increase) in trade receivables	802.04	-
Decrease/(increase) in loans	(379.77)	-
Decrease/(increase) in other financial assets	789.67	-
Decrease/(increase) in other current assets	857.96	-
Cash generated from/(used in) operations	85,531.71	(0.02)
Taxes paid (net)	(54.99)	-
Net cash flow from operating activities (A)	85,476.72	(0.02)
Cash flows from investing activities		
Acquisition of property, plant and equipment *	(174.60)	-
Acquisition of intangible assets *	(663,155.43)	-
Acquisition of other assets / (liabilities) (net) *	94,723.01	-
Purchase of property, plant and equipment including capital work-in progress	(1.33)	-
Proceeds from property, plant and equipment	1.47	-
Purchase of intangible assets	(18,746.84)	-
Purchase of non-current investments	(5,027.28)	-
Purchase of current investments	(12,391.82)	-
Redemption of bank deposits (having original maturity of more than three months) (net)	10,555.34	-
Interest received	98.36	-
Net cash flow (used in) investing activities (B)	(594,119.12)	-
Cash flows from financing activities		
Proceeds from unit capital #	503,293.50	-
Unit issue expenses	(9,891.70)	-
Acquisition of borrowings *	529,918.05	-
Distribution to unitholders	(43,827.75)	-
Proceeds from non-current borrowings	155,000.00	-
Repayment of non-current borrowings	(389.50)	-
Repayment of current borrowings (net)	(618,558.48)	-
Finance costs paid	(9,177.79)	-
Net cash flows from/(used in) financing activities (C)	506,366.33	-

Consolidated Statement of Cash Flows

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(2,276.07)	(0.02)
Cash and cash equivalents at the beginning of the year	0.08	0.10
Acquisition of cash and cash equivalents *	11,592.89	-
Cash and cash equivalents at the end of the year (refer note 11)	9,316.90	0.08

* Pertains to projects acquired during the year (refer note 39)

The Group has issued 87,080,000 units to the Sponsor as against part consideration towards acquisition of Projects. The same being non-cash transaction is not reflected in the consolidated cash flow statement.

Notes:

1. All figures in bracket are outflow.
2. The Consolidated cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".
3. Effective May 09, 2017, the Fund adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

Summary of Significant accounting policies (refer note 3)

The accompanying notes are an integral part of the financial statement.

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W /W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place : Mumbai
Date : April 30, 2018

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Wholetime Director
DIN 03075345

Tushar Kawedia
Chief Financial Officer

Place : Mumbai
Date : April 30, 2018

Bajranglal Gupta
Director
DIN: 07175777

Urmil Shah
Company Secretary

Disclosures pursuant to SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20- Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT regulations)

A. Consolidated statement of net assets at fair value as at March 31, 2018

(₹ in lakhs)		
Particulars	Book value	Fair value
A. Total assets	1,400,461.42	1,501,164.49
B. Total liabilities	838,822.26	829,341.21
C. Net Assets (A - B)	561,639.16	671,823.29
D. Number of units (in lakhs)	5,805	5,805
E. NAV (C/D)	96.75	115.73

Project wise break up of fair value of total assets as at March 31, 2018 :

(₹ in lakhs)	
Name of the project	Fair Value
IDAA Infrastructure Limited (IDAA)	63,094.17
IRB Talegaon Amravati Tollway Limited (IRBTA)	77,833.98
IRB Jaipur Deoli Tollway Limited (IRBJD)	198,392.26
IRB Surat Dahisar Tollway Limited (IRBSD)	136,484.49
IRB Tumkur Chitradurga Tollway Limited (IRBTC)	797,424.82
M.V.R Infrastructure and Tollways Limited (MVR)	42,519.78
IRB Pathankot Amritsar Toll Road Limited (IRBPA)	167,981.53
Subtotal	
Assets in IRB InvIT Fund	17,433.46
Total assets	1,501,164.49

B. Consolidated statement of total returns at fair value as at March 31, 2018 :

(₹ in lakhs)	
Particulars	Year ended March 31, 2018
Total comprehensive income (As per the statement of profit and loss)	23,248.53
Add/Less: other changes in fair value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in total comprehensive income	100,703.07
Total Return	123,951.60

Note:

Fair value of assets as at March 31, 2018 and other changes in fair value for the year then ended as disclosed in the above tables are derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations.

As per our report of even date

For Suresh Surana & Associates LLP

Chartered Accountants
Firm's Reg. No. 121750W /W-100010

Ramesh Gupta

Partner
Membership No.: 102306

Place : Mumbai
Date : April 30, 2018

For and on behalf of IRB Infrastructure Private Limited (Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon

Wholetime Director
DIN 03075345

Tushar Kawedia

Chief Financial Officer

Place : Mumbai
Date : April 30, 2018

Bajranglal Gupta

Director
DIN: 07175777

Urmil Shah

Company Secretary

Statement of Net Distributable Cash Flows (NDCFs) of IRB InvIT Fund

(₹ in lakhs)

Sr. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1	Cash flows received from Project SPVs in the form of Interest	51,122.81	-
2	Cash flows received from Project SPVs in the form of Dividend	-	-
3	Any other income accruing at the Trust level and not captured above, including but not limited to interest/return on surplus cash invested by the Trust	446.14	-
4	Cash flows received from the project SPVs towards the repayment (Net) of the debt issued to the Project SPVs by the Trust	21,911.71	-
5	Total cash inflow at the Trust level (A)	73,480.66	-
	Less:		
6	Any payment of fees, interest and expense incurred at the Trust level, including but not limited to the fees of the Investment Manager	(7,546.97)	-
7	Income tax (if applicable) at the Standalone Trust Level	-	-
8	Repayment of external debt	(389.50)	-
9	Total cash outflows / retention at the Trust level (B)	(7,936.47)	-
10	Net Distributable Cash Flows (C) = (A+B)	65,544.19	-

Statement of Net Distributable Cash Flows (NDCFs) of underlying SPVs

IRB Talegaon Amravati Tollway Limited (IRBTA)

(₹ in lakhs)

Sr. No.	Description	Year ended March 31, 2018	Year ended March 31, 2017
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(2,073.80)	-
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	780.53	-
3	Add/less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	5,216.69	-
5	Add : Provision for Resurfacing Expenses	283.10	-
6	Less : NHAI Premium	-	-
7	Less : Principal repayment	-	-
8	Total Adjustments (B)	6,280.32	-
9	Net Distributable Cash Flows (C) = (A+B)	4,206.52	-

Statement of Net Distributable Cash Flows (NDCFs) of underlying SPVs
IRB Surat Dahisar Tollway Limited (IRBSD)

(₹ in lakhs)

Sr. No.	Description	Year ended March 31, 2018	Year ended March 31, 2017
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(4,014.61)	-
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	21,291.40	-
3	Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	7,964.43	-
5	Add : Provision for Resurfacing Expenses	(183.35)	-
6	Less : NHAI Premium	-	-
7	Less : Principal repayment	-	-
8	Total Adjustments (B)	29,072.48	-
9	Net Distributable Cash Flows (C) = (A+B)	25,057.87	-

M.V.R Infrastructure and Tollways Limited (MVR)

(₹ in lakhs)

Sr. No.	Description	Year ended March 31, 2018	Year ended March 31, 2017
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	252.97	-
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	1,588.14	-
3	Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add : Interest paid to the Fund	2,772.67	-
5	Add : Provision for Resurfacing Expenses	762.40	-
6	Less : NHAI Premium	-	-
7	Less : Principal repayment	-	-
8	Total Adjustments (B)	5,123.21	-
9	Net Distributable Cash Flows (C) = (A+B)	5,376.18	-

Statement of Net Distributable Cash Flows (NDCFs) of underlying SPVs

IRB Jaipur Deoli Tollway Limited (IRBJD)

(₹ in lakhs)

Sr. No.	Description	Year ended March 31, 2018	Year ended March 31, 2017
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(4,327.12)	-
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	1,625.90	-
3	Add/less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	10,846.88	-
5	Add : Provision for Resurfacing Expenses	722.40	-
6	Less : NHAI Premium	-	-
7	Less : Principal repayment	-	-
8	Total Adjustments (B)	13,195.18	-
9	Net Distributable Cash Flows (C) = (A+B)	8,868.06	-

IRB Pathankot Amritsar Toll Road Limited (IRBPA)

(₹ in lakhs)

Sr. No.	Description	Year ended March 31, 2018	Year ended March 31, 2017
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(4,825.47)	-
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	2,289.53	-
3	Add/less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	7,147.71	-
5	Add : Provision for Resurfacing Expenses	503.12	-
6	Less : NHAI Premium	-	-
7	Less : Principal repayment	-	-
8	Total Adjustments (B)	9,940.36	-
9	Net Distributable Cash Flows (C) = (A+B)	5,114.89	-

Statement of Net Distributable Cash Flows (NDCFs) of underlying SPVs
IRB Tumkur Chitradurga Tollway Limited (IRBTC)

(₹ in lakhs)

Sr. No.	Description	Year ended March 31, 2018	Year ended March 31, 2017
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(4,615.02)	-
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	9,595.72	-
3	Add/less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	11,628.56	-
5	Add : Provision for Resurfacing Expenses	859.40	-
6	Less : NHAI Premium	(13,928.75)	-
7	Less : Principal repayment	-	-
8	Total Adjustments (B)	8,154.93	-
9	Net Distributable Cash Flows (C) = (A+B)	3,539.91	-

IDAA Infrastructure Limited (IDAA)

(₹ in lakhs)

Sr. No.	Description	Year ended March 31, 2018	Year ended March 31, 2017
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(1,848.54)	-
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	12,213.17	-
3	Add/less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	5,555.46	-
5	Add : Provision for Resurfacing Expenses	685.48	-
6	Less : NHAI Premium	-	-
7	Less : Principal repayment	-	-
8	Total Adjustments (B)	18,454.11	-
9	Net Distributable Cash Flows (C) = (A+B)	16,605.57	-

Consolidated Statement of changes in unit holders equity

for the year ended March 31, 2018

(₹ in lakhs)

	No of units	As at March 31, 2018	No. of units	As at March 31, 2017
a. Unit capital:				
At the beginning of the year	-	-	-	-
Issued during the year	580,500,000	592,110.00	-	-
Less: Capital reduction during the year (refer note 44)	-	(12,190.50)	-	-
At the end of the year	580,500,000	579,919.50	-	-

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
b. Initial settlement amount		
At the beginning of the year	0.10	0.10
Received during the year	-	-
At the end of the year	0.10	0.10
c. Other equity		
Retained earnings		
At the beginning of the year	(0.02)	(0.00)
Profit/(loss) for the year	23,242.27	(0.02)
Other comprehensive income	6.26	-
Unit issue expenses	(9,891.70)	-
Interest distribution * (refer note 44)	(31,637.25)	-
At the end of the year	(18,280.44)	(0.02)

* The interest distribution relates to the distributions made during the financial year and does not include the distribution relating to the financial year 2017-18 which will be paid after March 31, 2018.

Summary of Significant accounting policies (refer note 3)

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Suresh Surana & Associates LLP

Chartered Accountants
Firm's Reg. No. 121750W /W-100010

Ramesh Gupta

Partner
Membership No.: 102306

Place : Mumbai
Date : April 30, 2018

**For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)**

Vinod Kumar Menon

Wholetime Director
DIN 03075345

Tushar Kawedia

Chief Financial Officer

Place : Mumbai
Date : April 30, 2018

Bajranglal Gupta

Director
DIN: 07175777

Urmil Shah

Company Secretary

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

1. Nature of Operations

The IRB INVIT Fund (the “Fund” / “Trust”) is a trust constituted by “The Indenture of Trust” dated October 16, 2015 registered under the Registration Act, 1908 and under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014. The Fund is settled by the Sponsor, IRB Infrastructure Developers Limited (“IRB” or the “Sponsor”), an infrastructure development company in India. The Trustee to the Fund is IDBI Trusteeship Services Limited (the “Trustee”) and Investment manager for the Fund is IRB Infrastructure Private Limited (the “Investment Manager”).

The Fund has been formed to invest in infrastructure assets primarily being in the road sector in India. All of the Fund’s road projects are implemented and held through special purpose vehicles (“Project SPVs/ Subsidiaries”).

The consolidated financial statements comprise of financial statement of IRB INVIT Fund and its seven subsidiaries (collectively, “the Group”) for the year ended March 31, 2018.

During the year ended March 31, 2018, IRB INVIT Fund has acquired the following projects from the sponsor which are road infrastructure projects developed on DBFOT basis.

The road projects included in the Fund’s portfolio comprises as listed below:-

Sr. No.	Subsidiary Name	Principal Nature of activity	Country of Incorporation	Extent of Control as at March 31, 2018	Extent of Control as at March 31, 2017
1	IDAA Infrastructure Limited (IDAA) ^*	Infrastructure	India	100%	-
2	IRB Talegaon Amravati Tollway Limited (IRBTA) ^*	Infrastructure	India	100%	-
3	IRB Jaipur Deoli Tollway Limited (IRBJD) ^*	Infrastructure	India	100%	-
4	IRB Surat Dahisar Tollway Limited (IRBSD) ^*	Infrastructure	India	100%	-
5	IRB Tumkur Chitradurga Tollway Limited (IRBTC) ^ *	Infrastructure	India	100%	-
6	M.V.R Infrastructure and Tollways Limited (MVR) ^*	Infrastructure	India	100%	-
7	IRB Pathankot Amritsar Toll Road Limited (IRBPA) #	Infrastructure	India	100%	-

^Acquired on May 9, 2017 (refer note 39)

Acquired on September 28, 2017 (refer note 39)

* During the current year, these companies have been converted from private limited to public limited companies.

The registered office of the Investment manager is IRB Complex, Chandivali Farm, Chandivali Village, Andheri- East, Mumbai – 400 072.

The consolidated financial statements were authorised for issue in accordance with resolution passed by the board of directors of the investment manager on April 30, 2018.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations") and other accounting principles generally accepted in India.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost basis, except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the Group's functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated. Wherever the amount represented '0' (zero) construes value less than Rupees five hundred.

3. Summary of significant accounting policies

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Fund and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Subsidiaries are entities controlled by the Group. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the Subsidiaries.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Group, i.e., year ended on March 31.

Consolidation procedure:

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the Subsidiaries are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- iv. Non-controlling interests in the net assets of consolidated subsidiaries consists of:
 - a) The amount of equity attributed to non-controlling interests at the date on which investment in a Subsidiary came into existence;
 - b) The non-controlling interest share of movement in equity since the date parent relationship came into existence;

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

- c) Non-controlling interest share of net profit/ (loss) of consolidated Project SPV for the year is identified and adjusted against the profit after tax of the Group.

3.2 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date,

allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3.3 Asset acquisition

The acquisition of an asset or a group of assets that does not constitute a business. In such cases the acquirer shall identify and recognise the individual identifiable assets acquired including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets and liabilities assumed. The cost of the group is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

3.4 Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3.5 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

3.6 Foreign currencies

The Group's financial statements are presented in INR, which is also the Group's functional currency. The group does not have any foreign operation and has assessed the functional currency to be INR.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3.7 Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in

the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an annual basis, the Management of Investment Manager presents the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (notes 34 and 40)
- Financial instruments (including those carried at amortised cost) (note 34)
- Quantitative disclosure of fair value measurement hierarchy (note 35)

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

Toll revenue

The income from Toll collection is recognised on the actual collection of toll revenue.

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for the year ended March 31, 2018

Toll collection charges

Revenue is recognised on actual collection of toll revenue (net of amount paid to NHAI) as per the Supplementary agreement with NHAI.

Contract revenue (construction contracts)

Contract revenue associated with the utility shifting incidental to construction of road are recognized as revenue by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs.

The Group's operations involve levying of VAT on the construction work. Sales tax/ value added tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Claim Revenue

Claims are recognised as revenue as per relevant terms of the concession agreement with the authority when it is probable that such claims will be accepted by the customer that can be measured reliably.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.8 Government Grants

Grants and subsidies from the Government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant / subsidy will be received.

Grant received are considered as a part of the total outlay of the construction project and accordingly, the same is reduced from the gross value of assets

3.9 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discount or rebates are deducted in arriving at the purchase price. When significant parts of the plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Depreciation is calculated on written down value method (WDV) using the useful lives as prescribed under the Schedule II to the Companies Act, 2013 or re-assessed by the Group.

The Group has estimated the following useful lives for its tangible fixed assets:

Asset class	Useful life
Building	30 years
Plant & Machinery	9 years - 15 years
Office equipment	5 years
Computers	3 years
Servers	6 years
Vehicles	8 years
Furniture & fixtures	10 years
Toll Equipment	7 years

An item of property, plant and equipment and any significant part initially recognised is derecognised

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.10 Intangible assets

Intangible assets are stated at cost, less accumulated amortisation and impairment losses.

Toll Collection Rights

Toll collection rights are stated at cost net of accumulated amortisation and impairment losses. Cost includes:

Toll Collection Rights awarded by the grantor against construction service rendered by the Project SPV on DBFOT basis - Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.

Premium Obligation

As per the service concession agreement, the Group is obligated to pay the annual fixed amount of premium to National Highway Authorities of India (NHAI). This premium obligation has been capitalized as Intangible Asset given it is paid towards getting the right to earn revenue by constructing and operating the roads during the concession period. Hence, total premium payable as per the service concession agreement has been upfront capitalized at fair value of the obligation at the date of transition.

Intangible assets are amortised over the period of concession, using revenue based amortisation as per Exemption provided in Ind AS 101. Under this method, the carrying value of the rights is amortised in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets economic benefits will

be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortisation of toll collection rights is changed prospectively to reflect any changes in the estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

3.11 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when

the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Sales/value added tax and goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes and goods and service tax paid, except:

When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

3.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.14 Premium Deferment

Premium Deferral (i.e. premium payable less paid after adjusting premium deferment) is aggregated under premium deferred obligation in the balance sheet. The interest payable on the above is aggregated under premium deferral obligation. Interest on premium deferral is capitalised during the construction period and thereafter charged to the statement of profit and loss.

3.15 Resurfacing expenses

As per the Concession Agreement, the Group is obligated to carry out resurfacing of the roads under concession. The Group estimates the likely provision required towards resurfacing and accrues the cost on a straight line basis over the period at the end of which resurfacing would be required, in the statement of profit and loss.

3.16 Contingent liabilities and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

3.17 Retirement and other employee benefits

Defined contribution plan

Retirement benefits in the form of provident fund, Pension Fund and Employees State Insurance Fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the period when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Defined benefit plan

Gratuity liability for eligible employees are defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

Remeasurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Leave encashment

As per the leave encashment policy of the Group, the employees have to utilise their eligible leave during the calendar year and lapses at the end of the calendar year. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year.

3.18 Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, directly attributable transaction cost to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories;

- at amortised cost
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVTOCI)

Financial instruments

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both its following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely

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for the year ended March 31, 2018

payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Debt instrument at FVTOCI

A 'debt instrument' is classified at FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3.19 Impairment of assets

Impairment of financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Group recognizes 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial assets increases significantly since its initial recognition.

The impairment losses and reversals are recognized in Statement of Profit and Loss.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's

recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Groups financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Retention money payable

Retention money payable is measured at fair value initially. Subsequently, they are measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in

the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.20 Contributed Equity

Units are classified as equity. Incremental costs attributable to the issue of units are directly recorded in equity, net of tax.

3.21 Distribution to unit holders

The Group recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in equity

3.22 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

3.23 Earnings Per Unit (EPU)

Basic earnings per unit are calculated by dividing the net profit for the year attributable to unit holders by the weighted average number of units outstanding during the year.

For the purpose of calculating diluted earnings per unit, the weighted average numbers of units outstanding during the year are adjusted for the effects of all dilutive potential units.

3.24 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

3.25 Standard issued but not effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, 'Revenue from Contract with Customers'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect on adoption of Ind AS 115 is expected to be insignificant.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 4 : Property, plant and equipment

Tangible assets

(₹ in lakhs)

Particulars	Land	Plant and machinery	Office equipments	Computer	Vehicles	Furniture and fixture	Total
Gross Block							
Opening balance as at April 1, 2016	-	-	-	-	-	-	-
Additions on acquisition of projects (Refer note no 39)	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At March 31, 2017	-	-	-	-	-	-	-
Additions on acquisition of projects (Refer note no 39)	98.61	4.37	6.05	0.69	4.40	5.71	119.84
Additions	-	-	0.85	0.40	-	-	1.25
Disposals/adjustments	-	-	-	-	0.66	-	0.66
At March 31, 2018	98.61	4.37	6.90	1.09	3.74	5.71	120.42
Depreciation							
Opening balance as at April 1, 2016	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-
Disposals/adjustments	-	-	-	-	-	-	-
At March 31, 2017	-	-	-	-	-	-	-
Charge for the year	-	0.81	2.16	0.42	0.72	1.58	5.70
Disposals/adjustments	-	-	-	(0.10)	-	-	(0.10)
At March 31, 2018	-	0.81	2.16	0.52	0.72	1.58	5.80
Net Block							
At March 31, 2017	-	-	-	-	-	-	-
At March 31, 2018	98.61	3.56	4.74	0.57	3.02	4.13	114.62

Intangible Assets

(₹ in lakhs)

Particulars	Toll Collection rights	Premium to NHAI	Total
Gross Block			
Opening balance as at April 1, 2016	-	-	-
Additions on acquisition of projects (Refer note no 39)	-	-	-
Additions during the year	-	-	-
Disposals/adjustments	-	-	-
At March 31, 2017	-	-	-
Additions on acquisition of projects (Refer note no 39)	715,279.38	667,304.55	1,382,583.93
Additions during the year	28,599.70	-	28,599.70
Disposals/adjustments	(141.93)	-	(141.93)
At March 31, 2018	744,021.01	667,304.55	1,411,325.56
Amortisation			
Opening balance as at April 1, 2016	-	-	-
Charge for the year	-	-	-
Disposals/adjustments	-	-	-
At March 31, 2017	-	-	-
Charge for the year	40,099.51	8,607.67	48,707.18
Disposals/adjustments	(15.05)	-	(15.05)
Closing Balance	40,084.46	8,607.67	48,692.13
	703,936.55	658,696.88	1,362,633.43
Net Block			
At March 31, 2017	-	-	-
At March 31, 2018	703,936.55	658,696.88	1,362,633.43

Capital work in progress

(₹ in lakhs)

Particulars	Amount
Opening balance as at April 1, 2016	-
Additions during the year	-
Capitalised during the year	-
At March 31, 2017	-
Additions during the year	278.16
Capitalised during the year	-
At March 31, 2018	278.16

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 5 : Investment		
FINANCIAL ASSETS		
A) Non - current investments		
a) Investments in Government or trust securities (unquoted) (at amortised cost)		
National saving certificates	0.40	-
b) Investments in mutual funds (quoted) (at fair value through profit and loss)		
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan-Growth		
172,812.26 units @ ₹ 2909.10 (March 31, 2017 : units nil)	5,027.28	-
(All of the above units are marked as lien in favour of security trustee)		
	5,027.68	-
B) Current investments		
a) Investments in mutual funds (quoted) (at fair value through profit and loss)		
IDBI Liquid Fund - Direct Plan - Growth	87.08	-
4680.67 units @ ₹ 1860.48 (March 31, 2017 : units nil)		
SBI Magnum Insta Cash Fund - Direct Plan - Growth	4,028.80	-
104,830.34 units @ ₹ 3,843.16 (March 31, 2017 : units nil)		
Sundaram Money Fund - Direct Plan - Growth	207.77	-
567,141.34 units @ ₹ 36.61 (March 31, 2017 : units nil)		
Aditya Birla Sun Life Cash Plus - Growth - Direct Plan	12,109.15	-
43,35,309.18 units @ ₹ 279.31 (March 31, 2017 : units nil)		
	16,432.80	-
Total (A+B)	21,460.48	-
Aggregate book value of quoted investments	21,460.08	-
Market value of quoted investments	21,460.08	-
Aggregate amount of unquoted investments	0.40	-

(₹ in lakhs)

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Note 6 : Loans				
(Unsecured, considered good, unless otherwise stated)				
Unamortised transaction cost	406.93	-	-	-
Loans to employees	34.17	-	-	-
Total	441.10	-	-	-
Note 7 : Other financial assets				
Receivable from government authorities	1,004.27	-	-	-
Security and other deposits	0.16	80.53	-	-
Interest accrued on fixed deposits	1.49	-	-	-
Retention money receivable	24.36	41.80	-	-
Other receivables	103.75	-	-	-
Total	1,134.03	122.33	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 8 : Deferred tax assets (net)		
Deferred Tax Liabilities (net):		
Deferred tax assets:		
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	3,260.53	-
Deferred tax assets (A)	3,260.53	-
Deferred tax liabilities:		
Difference in depreciation and other differences in block of PPE as per tax books & financial books	37.51	-
Deferred tax liabilities (B)	37.51	-
Deferred tax assets (net) (A-B)	3,223.02	-
Note 9 : Other non-current assets		
Prepaid expenses	0.06	-
Total	0.06	-
Note 10 : Trade receivables		
(Unsecured, considered good unless otherwise stated)		
Others	55.41	-
Total	55.41	-
Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.		
Note 11 : Cash and cash equivalents		
Cash and bank balances		
Balances with banks:		
- on current accounts	1,474.06	0.07
- on trust, retention and other escrow accounts*	21.06	-
Cash on hand	462.89	0.01
Deposits with banks		
- Original maturity less than 3 months (Earmarked)	7,358.89	-
Total	9,316.90	0.08
* Escrow account of the subsidiary companies are hypothecated in favour of lenders of the Fund.		
Note 12 : Bank balances other than cash and cash equivalent deposit with banks		
- Original maturity of more than 3 months but less than 12 months	57.53	-
Total	57.53	-
Note 13 : Income tax assets (net)		
Advance income-tax (net of provision for tax)	830.83	-
Total	830.83	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 14 : Other current assets		
Advance with suppliers	105.91	-
Work-in-progress	455.51	-
Prepaid expenses	18.38	-
Duties and taxes receivable	213.72	-
Total	793.52	-
Note 15 : Equity		
I. Unit capital		
58,05,00,000 (31 March 17 : Nil) units (issue price : ₹ 102)	579,919.50	-
Initial settlement amount	0.10	0.10
	579,919.60	0.10

Rights of Unitholders

Subject to the provisions of the InvIT Regulations, the Indenture of Trust, and applicable rules, regulations and guidelines, the rights of the unit holders include:

- right to receive income or distributions with respect to the units held;
- right to attend the annual general meeting and other meetings of the unit holders of the Fund;
- right to vote upon any matters/resolutions proposed in relation to the Fund;
- right to receive periodic information having a bearing on the operation or performance of the Fund in accordance with the InvIT Regulations; and
- right to apply to the Fund to take up certain issues at meetings for unit holders approval.

In accordance with the InvIT Regulations, no unit holders shall enjoy superior voting or any other rights over any other unit holders, and there shall not be multiple classes of units. There shall be only one denomination of units. Notwithstanding the above, subordinate units may be issued only to the Sponsor and its Associates, where such subordinate units shall carry only inferior voting or any other rights compared to the other units.

Limitation to the Liability of the unit holders

The liability of each unit holders towards the payment of any amount (that may arise in relation to the Fund including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent of the capital contribution of such unit holders and after such capital contribution shall have been paid in full by the unit holders, the unit holders shall not be obligated to make any further payments. The unit holders(s) shall not have any personal liability or obligation with respect to the Fund.

II. Reconciliation of the number of units outstanding and the amount of unit capital:

	As at March 31, 2018		As at March 31, 2017	
	No. of unit	Amount	No. of unit	Amount
At the beginning of the year	-	-	-	-
Issued during the year	580,500,000	592,110.00	-	-
Less: Capital reduction during the year	-	12,190.50	-	-
At the end of the year	580,500,000	579,919.50	-	-

Details of unit holders holding more than 5% units :

	As at March 31, 2018		As at March 31, 2017	
	No. of unit	% of total unit capital	No. of unit	% of total unit capital
IRB Infrastructure Developers Limited	92,705,000	15.97%	-	-
Government of Singapore	41,650,000	7.17%	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 16 : Other equity		
Retained earnings		
At the beginning of the year	(0.02)	-
Profit/(loss) for the year	23,242.27	(0.02)
Other comprehensive income/(loss) for the year		
Re-measurement gains/(losses) on defined benefit plans	6.26	-
Unit issue expenses	(9,891.70)	-
Interest distribution (refer note 44)	(31,637.25)	-
At the end of the year	(18,280.44)	(0.02)
Total	(18,280.44)	(0.02)
Note 17 : Borrowings		
Non-current borrowings		
Term loans		
Indian rupee loan from banks (secured)	154,610.50	-
Less : current maturities expected to be settled within 12 month from balance sheet date	(3,299.50)	-
Total	151,311.00	-
From other parties		
Deferred premium obligation (secured) *	23,839.45	-
Unamortised transaction cost	(1,291.79)	-
Total	173,858.66	-

* Includes amount recognised pursuant to acquisition of projects amounting to ₹ 23,682.52 lakhs (March 31, 2017 : Nil) (Refer note 39)

1. Indian rupee loan from banks

- Secured by first charge on escrow account and on receivable of fund arising out of principal and interest payment of the loans by fund to subsidiaries.
- Pledge of shares held 51% of shareholding in the total paid-up equity share capital of IRB Jaipur Deoli Tollway Limited and IRB Pathankot Amritsar Toll Road Limited.
- Interest rates on Indian rupee loan from banks is MCLR + 0.15% i.e. 8.15% (March 31, 2017 : Nil) . The Indian rupee loans from banks is repayable in unstructured monthly installment as per the repayment schedule specified in loan agreement with the Lenders.

2. Deferred premium obligation

National Highways Authority of India (NHAI) has approved deferment of premium obligation which carries interest rate @ 2% above the RBI bank rate. Bank guarantee has been provided to NHAI. The repayment is in accordance with the cash surplus accruing to the Company over the concession period.

There have been no breaches in the financial covenants with respect to borrowings.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Note 18 : Other financial liabilities				
Current maturities of long-term borrowings	3,299.50	-	-	-
Interest accrued on borrowings	746.92	-	-	-
Premium obligation/ negative grant to NHAI	13,938.25	599,027.98	-	-
Interest on premium deferment	-	5,293.25	-	-
Unclaimed distribution	13.20	-	-	-
Deposits	31.26	1.15	-	-
Retention money payable	3,892.85	-	-	-
Revenue share payable	3,258.45	-	-	-
Employee benefits payable	221.80	-	-	-
Other payable	85.50	-	-	-
Total	25,487.73	604,322.38	-	-
Note 19 : Provisions				
Provision for employee benefits				
- Leave encashment	3.82	-	-	-
- Gratuity (refer note 43)	13.67	108.05	-	-
Others				
Resurfacing expenses payable*	4,038.00	18,725.69	-	-
Total	4,055.49	18,833.74	-	-

* The above provisions are based on current best estimation of expenses that may be required to fulfil the resurfacing obligation as per the service concession agreement with regulatory authorities. It is expected that significant portion of the costs will be incurred over the period. The actual expense incurred may vary from the above. No reimbursements are expected from any sources against the above obligation.

The movement in resurfacing expenses is as follows :

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	-	-
Additions on acquisition of projects (refer note 39)	19,131.14	-
Add : Provision made during the year	3,632.55	-
Utilised during the year	-	-
Total	22,763.69	-
Note 20 : Trade payables		
Total outstanding dues of creditors other than micro and small enterprises	12,192.47	-
Total	12,192.47	-
Terms and conditions of the above financial liabilities:		
Trade payables are non-interest bearing and are normally settled on 90 day terms.		
Note 21 : Other liabilities		
Advance from customers	36.35	-
Duties and taxes payable	35.44	-
Total	71.79	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 22 : Revenue from operations		
Contract revenue (road construction)	129.17	-
Income arising out of toll collection (net)	98,843.98	-
Toll collection charges (net of additional revenue share paid to NHAI)	77.55	-
Sale of material	96.12	-
Other operating income	54.02	-
Total	99,200.84	-
Note 23 : Other income		
Interest income on		
- Bank deposits	99.85	-
- Others	20.81	-
Gain on sale of property, plant and equipment (net)	38.73	-
Profit on sale of investments (net)	883.04	-
Fair value gain on mutual funds	100.77	-
Other non-operating income	171.74	-
Total	1,314.94	-
Note 24 : Operating expenses		
Operation and maintenance expenses	5,070.81	-
Site and other direct expenses	986.85	-
Total	6,057.66	-
Note 25 : Employee benefits expenses		
Salaries, wages and bonus	1,699.35	-
Contribution to provident and other funds	97.61	-
Gratuity expenses	25.44	-
Staff welfare expenses	204.24	-
Total	2,026.64	-
Note 26 : Depreciation and amortisation expenses		
Depreciation on property, plant and equipment	5.70	-
Amortisation on intangible assets	48,707.18	-
Total	48,712.88	-
Note 27 : Finance costs		
Interest expense		
- Banks and financial institutions	7,151.91	-
- Premium deferment	1,898.10	-
Other finance cost	874.69	-
Total	9,924.70	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 28 : Other expenses		
Power and fuel	187.84	-
Rent	62.65	-
Rates and taxes	41.83	-
Water charges	2.09	-
Travelling and conveyance	29.72	-
Vehicle expenses	40.30	-
Communication cost	7.12	-
Printing and stationery	135.64	-
Advertisement expenses	5.11	-
Directors sitting fees (including service tax)	24.38	-
Legal and professional expenses	142.40	-
Payment to Auditor (including service tax):		
- Statutory audit Fees	42.86	0.02
- Limited review Fees	19.64	-
- Tax audit fees	1.83	-
- Certification	2.58	-
- Reimbursement of expenses	0.26	-
Bank charges	67.55	-
Donation	0.06	-
Miscellaneous expenses	434.50	-
Total	1,248.36	0.02

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Note 29 : Earnings per unit (EPU)		
The following reflects the income and share data used in the basic and diluted EPU computations:		
Profit /(loss) attributable to Unit holders for basic and diluted earnings	23,242.27	(0.02)
Weighted average number of Units in calculating basic and diluted EPU	580,500,000	-
Basic earning per Unit (Rupees/unit)	4.00	-
Diluted earning per Unit (Rupees/unit)	4.00	-
* Since there were no units issued and outstanding during previous year, the earnings per unit of previous year is not computed.		
Note 30 : Components of Other Comprehensive Income		
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
Re-measurement gains/ (losses) on defined benefit plans (refer note 43)	6.26	-
Total	6.26	-
Note 31 : Commitment and Contingencies		
a. Capital commitments		
a) Estimated value of contracts in capital account remaining to be executed	34.53	-
b) Commitment for acquisition of toll equipment & machineries	16.74	-
c) Other commitments	11.98	-
	63.25	-
b. Contingent liability		
Contingent liabilities not provided for		
NHAI claim for shortfall in Revenue share	3,289.08	-
Total	3,289.08	-

- i) Future cash outflows, if any, in respect of above are determinable only on receipt of judgement/decisions pending at various forums/authorities.
- ii) The Group's pending litigations comprise of claims against the Group primarily by the commuters and regulators. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Group has not provided for or disclosed contingent liabilities for matters considered as remote for pending litigations/public litigations(PIL)/claims wherein the management is confident, based on the internal legal assessment and advice of its lawyers that these litigations would not result into any liabilities. The Group does not expect the outcome of these proceedings to have a material adverse effect on the consolidated financial statements.

Note 32 : Segment Reporting

The Group's activities comprise of Toll Collection in Various parts of India. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of the standard have not separately been given.

Note 33 : Details of dues to micro and small enterprises as per MSMED Act, 2006

There are no Micro and Small Enterprises as defined in the Micro and Small Enterprises Development Act, 2006 to whom the group owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro and Small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the Group.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 34 : Fair Values

The carrying values of financial instruments of the group are reasonable and approximations of fair values

(₹ in lakhs)

	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets				
Loans	441.10	441.10	-	-
Other financial assets	1,256.36	1,256.36	-	-
Trade receivable	55.41	55.41	-	-
Cash and cash equivalents	9,316.90	9,316.90	0.08	0.08
Bank balance other than cash and cash equivalents	57.53	57.53	-	-
Investments	21,460.48	21,460.48	-	-
Total	32,587.78	32,587.78	0.08	0.08
Financial liabilities				
Borrowings	173,858.66	175,150.45	-	-
Trade payables	12,192.47	12,192.47	-	-
Other financial liabilities	629,810.10	629,810.10	-	-
	815,861.23	817,153.02	-	-

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

The Group is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 as a part of these consolidated financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

The inputs to the valuation models for computation of fair value of road assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 35 : Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly.

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

(₹ in lakhs)

	As on March 31, 2018	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments in mutual fund	21,460.08	21,460.08	-	-

(₹ in lakhs)

	As on March 31, 2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments in mutual fund	-	-	-	-

There has been no transfer between Level 1, Level 2 & Level 3 during the year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 36 : Financial risk management objectives and policies

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

In performing its operating, investing and financing activities, the Group is exposed to the Credit risk, Liquidity risk and Currency risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Fund is exposed to credit risk from its investing activities including investments, trade receivables, loans, deposits with banks and other financial instruments. As at March 31, 2018, the credit risk is considered low since substantial transactions of the Fund are with its subsidiaries.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the fund's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Increase in basis points		
- INR	50	50
Effect on profit before tax		
- INR	(892.25)	-
Decrease in basis points		
- INR	50	50
Effect on profit before tax		
- INR	892.25	-

Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	(₹ in lakhs)			
	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2018				
Borrowings	17,712.34	80,233.99	239,890.81	337,837.14
Deferred premium obligation and interest thereon	-	-	-	-
Other financial liabilities	25,487.73	84,771.82	519,550.56	629,810.11
Trade payables	12,192.47	-	-	12,192.47
Total	55,392.54	165,005.81	759,441.37	979,839.72
	Less than 1 year	1 to 5 years	> 5 years	Total
As at March 31, 2017				
Borrowings	-	-	-	-
Deferred premium obligation and interest thereon	-	-	-	-
Other financial liabilities	-	-	-	-
Trade payables	-	-	-	-
Total	-	-	-	-

At present, the Group does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

Note 37 : Capital management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2018 and March 31, 2017. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

	(₹ in lakhs)	
Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings (refer note 17)	178,449.95	-
Less: cash and cash equivalents (refer note 11)	(9,316.90)	-
Net debt	169,133.05	-
Equity (refer note 15 & 16)	561,639.16	-
Total equity	561,639.16	-
Capital and net debt	730,772.21	-
Gearing ratio (%)	23.14%	-

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current period.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 38 : Details of Project manager and Investment manager fees

Details of fees paid to project manager and investment manager as required pursuant to SEBI Circular No. CIR/MD/DF/127/2016, dated November 29, 2016 are as under:

i) Project management fees

In accordance with the Project Implementation Agreements, the fees and remuneration payable by the Project SPVs to the Project Manager has been worked out and agreed upon for the duration of current financial year, between the Project Manager, Investment Manager and the respective Project SPV, on an arm's length basis, after taking into account the extent of work to be done in respect of maintenance and other services to be provided by the Project Manager to such Project SPV.

ii) Investment management fees

Pursuant to the Investment Management Agreement, the Investment Manager is entitled to an Investment Management fees to be calculated @ 1% per annum, exclusive of Service Tax / GST, of the consolidated toll revenue (net of premium paid / revenue shared with NHAI) of the Fund at the end of the reporting period subject to a floor of ₹ 100 million and a cap of ₹ 250 million.

Note 39 : Acquisition of BOT Assets and IPO

During the year, pursuant to the Share Purchase Agreement(s) dated May 9, 2017, the Fund has acquired 100% equity share capital in the six subsidiary companies (Project SPVs) viz. IRBSD, IDAA, IRBTA, IRBJD, MVR and IRBTC from IRB Infrastructure Developers Limited (IRBIDL) and its subsidiary companies. Accordingly, the revenue and corresponding expenses in these companies have been included from May 09, 2017 to March 31, 2018 in the Consolidated Financial Information. The investment for the said acquisition was raised through Initial Public Issue.

Pursuant to the Share Purchase Agreement dated September 28, 2017, the Fund has acquired 100% equity share capital in the subsidiary company (Project SPV) viz IRB Pathankot Amritsar Toll Road Limited (IPATRL) from IRBIDL and its subsidiary companies. Accordingly, the revenue and corresponding expenses in these companies have been included from September 28, 2017 to March 31, 2018 in the Consolidated Financial Information. The subsidiary was acquired through external borrowings of ₹ 15,500 million @ 8.15% p.a. rate of interest.

Note 40 : Significant accounting judgement, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Classification of unit holders' funds

Under the provisions of the InvIT Regulations, the Group is required to distribute to unit holders not less than ninety percent of the net distributable cashflows of the Group for each financial year. Accordingly, a portion of the unit holders' funds contains a contractual obligation of the Fund to pay to its unit holders cash distributions. The unit holders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

in accordance with Ind AS 32- Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No.CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016) issued under the InvIT Regulations, the unit holders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the dividend payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

i) Impairment of non-financial assets

Non-financial assets of the Group primarily comprise of transmission assets (property, plant and equipment). Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the transmission assets are based on the fair values less costs of disposal/value in use of the projects. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budgets/forecasts over the life of the projects. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash flows. The key assumptions used to determine the recoverable amount for the assets are disclosed and further explained in Note 34.

ii) Fair value and disclosures

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (refer Statement of net assets at fair value and Statement of total returns at fair value). In estimating the fair value of transmission projects (which constitutes substantial portion of the total assets), the Group engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as Debt-equity ratio, WACC, Tax rates, Inflation rates, etc.

iii) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The subsidiary companies shall be claiming deduction under section 80-IA of the Income Tax Act, 1961. There are significant timing differences that result in deferred tax assets/ liabilities and which shall be reversing during the said tax holiday period. Consequently, the Company has not recognized any deferred tax asset/liability on such non-taxable income.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 41 : Revenue share/Premium payment to NHAI

- (a) During the year ended March 31, 2018, the Group has paid/accrued ₹ 28,178.46 lakhs (March 31, 2017 ₹ Nil) as Revenue Share to National Highways Authority of India ("NHAI") out of its toll collection in accordance with the Concession Agreements entered with NHAI. Income from Operations in the financials for the above periods is net off the above Revenue Share to NHAI.
- (b) Subsidiary companies i.e. IRBTC and MVR have been awarded contracts on a DBFOT basis. As per the terms of the concession agreement, the group is obligated to pay NHAI as additional concession fee over the concession period. Accordingly, the liability for the entire amount of concession fee payable has been created and the corresponding amount is shown as Toll Collection Rights under the head Intangible Assets.

Note 42 : Statement of related party transactions:

i. List of Related Parties

- i. Parties to the Fund
- IRB Infrastructure Developers Limited (IRBIDL) (Sponsor)
 - IRB Infrastructure Private Limited (IRBFL) (Investment Manager)
 - Modern Road Makers Private Limited (MRMPL) (Project Manager)
 - IDBI Trusteeship Services Limited (ITSL) (Trustee)

ii. Promoters/ Directors of the parties to the IRB InvIT Fund specified in (i) above

Particulars	IRB Infrastructure Developers Limited (Sponsor)	IRB Infrastructure Private Limited (Investment Manager)	Modern Road Makers Private Limited (Project Manager)	IDBI Trusteeship Services Limited (Trustee of the IRB InvIT Fund)
Promoters	Mr. Virendra D. Mhaiskar	IRB Infrastructure Developers Limited	IRB Infrastructure Developers Limited	IDBI Bank Limited Life Insurance Corporation General Insurance Corporation
	Mrs. Deepali V. Mhaiskar			
	Virendra D. Mhaiskar HUF			
Directors	Mr. Virendra D. Mhaiskar	Mr. Vinodkumar Menon	Mr. Mukeshlal Gupta	Mr. G.M. Yadwadkar
	Mrs. Deepali V. Mhaiskar		Mr. Dhananjay K. Joshi	Mr. Ravishankar G. Shinde
	Mr. Mukeshlal Gupta		Mr. Ajay P. Deshmukh	Ms. Madhuri J. Kulkarni
	Mr. Sudhir Rao Hoshing		Mr. Rajpaul S. Sharma	Ms. Sashikala Muralidharan
				Mr. Swapan Kumar Bagchi
	Independent Directors	Independent Directors	Independent Directors	
	Mr. C. S. Kaptan	Mr. R. P. Singh	Mr. C. S. Kaptan	
	Mr. Sunil H. Talati	Mr. B. L. Gupta	Mrs. Heena Raja	
	Mr. Sandeep J. Shah	Mr. Sumit Banerjee		
	Mr. Sunil Tandon			

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

iii. Directors of Subsidiaries

Mr. Vinodkumar Menon
 Mr. Tushar Kawedia
 Mr. Urmil Shah
 Mr. Bajrang Lal Gupta
 Mr. Sumit Banerjee
 Mr. Jitendra Sharma
 Mrs. Heena Raja
 Mr. Rajpaul Sharma (resigned on 10.05.2017)
 Mrs. Kshama Vengsarkar (resigned on 10.05.2017)
 Mr. Sandeep Shah (resigned on 10.05.2017)
 Mr. C. S. Kaptan (resigned on 10.05.2017)
 Mr. Ajay Deshmukh (resigned on 10.05.2017)
 Mr. Darshan Sangurdekar (resigned on 10.05.2017)
 Mr. Naresh Taneja (resigned on 10.05.2017)
 Mr. Mukesh Lal Gupta (resigned on 10.05.2017)
 Mrs. Arati Taskar (resigned on 10.05.2017)
 Mr. Om Prakash Singh (resigned on 10.05.2017)

(₹ in lakhs)

S r. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel / Relatives of Key Management Personnel	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Related party balances at the year end				
1.	Director sitting fees payable	-	-	3.60	-
	Mr. Vinodkumar Menon	-	-	0.85	-
	Mr. Tushar Kawedia	-	-	0.50	-
	Mr. Urmil Shah	-	-	0.55	-
	Mr. Sumit Banerjee	-	-	0.71	-
	Mrs. Heena Raja	-	-	0.71	-
	Mr. Jitendra Sharma	-	-	0.14	-
	Mr. Bajaranglal Gupta	-	-	0.14	-
2.	Trade Payables	11,382.91	-	-	-
	Modern Road Makers Private Limited (Project Manager)	11,116.61	-	-	-
	IRB Infrastructure Private Limited (Investment Manager)	266.30	-	-	-
3.	Retention money/Security Deposit	750.00	-	-	-
	Modern Road Makers Private Limited (Project Manager)	750.00	-	-	-
4.	Performance security received	2,950.00	-	-	-
	Modern Road Makers Private Limited (Project Manager)	2,950.00	-	-	-

During the year ended March 31, 2018, the Fund has acquired seven projects i.e. IDAATL, ISDTL, ITATL, IJDTL, MITL, ITCTL and IPATRL from IRBIDL and its subsidiary Companies.

Pursuant to Share Purchase Agreement(s) dated May 9, 2017, the Fund has acquired six projects i.e. IDAATL, ISDTL, ITATL, IJDTL, MITL and ITCTL from IRBIDL and its subsidiary companies. The investment for the said acquisition was raised through Initial Public Issue.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Summary of valuation report dated March 29, 2017 issued by the independent valuer under the InvIT Regulations is as follows:

Fair Enterprise value of 6 SPVs' as on March 31, 2017 is as under :

(₹ in million)	
Name of the SPV	Fair enterprise value
IDAAIL	7,170.33
IJDTL	23,114.58
ISDTL	13,879.05
ITATL	7,176.06
ITCTL	15,503.79
MITL	3,663.85
Total Enterprise value of all the 6 SPVs'	70,507.66

Pursuant to the Share Purchase Agreement dated September 28, 2017, IRB InvIT Fund has further acquired IPATRL from IRBIDL and MRMPL.

Summary of valuation report dated August 31, 2017 issued by the independent valuer under the InvIT Regulations is as follows:

Fair Enterprise value of IPATRL as on September 30, 2017 is as under:

(₹ in million)	
Name of the SPV	Fair enterprise value
IPATRL	17,857.30

After considering the aforesaid Valuation Reports submitted by the relevant independent intermediaries and pursuant to the negotiations between the Investment Manager and the Sponsor, IPATRL has been acquired at an enterprise value of ₹ 15,693.30 million. The acquisition price of IPATRL, negotiated between the Investment Manager and the Sellers, represents a discount of 12% to the Fair Enterprises Value mentioned above.

The project was acquired through external borrowings of ₹ 15,500 million @ 8.15% p.a. rate of interest.

- The following approach and assumptions have been considered for the valuation exercise:
 - a. The Free Cash Flows to Firm under the Discounted Cash Flow Method has been used for the purpose of valuation of each of the above SPVs.
 - b. The Weighted Average Cost of Capital for each of the SPVs has been considered as the discount rate for respective SPV for the purpose of valuation.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel / Relatives of Key Management Personnel	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Related party transactions for the year ended				
1.	Director sitting fees	-	-	20.79	-
	Mr. Ajay Deshmukh	-	-	0.70	-
	Mr. Rajpaul Sharma	-	-	0.60	-
	Mr. Sandeep Shah	-	-	0.47	-
	Mr. Chandrashekhar Kaptan	-	-	0.47	-
	Mrs. Kshama Vengsarkar	-	-	0.30	-
	Mr. Vinodkumar Menon	-	-	4.74	-
	Mr. Tushar Kawedia	-	-	3.46	-
	Mr. Urmil Shah	-	-	3.56	-
	Mr. Summet Banaerjee	-	-	1.78	-
	Mrs. Heena Raja	-	-	1.81	-
	Mr. Jitendra Sharma	-	-	0.96	-
	Mr. M L Gupta	-	-	0.29	-
	Mr. Omprakash Singh	-	-	0.40	-
	Mrs. Arati Taskar	-	-	0.11	-
	Mr. Bajaranglal Gupta	-	-	0.83	-
	Mr. Darshan Sangurdekar	-	-	0.21	-
	Mr. Naresh Taneja	-	-	0.10	-
2.	Trading sales	96.12	-	-	-
	Modern Road Makers Private Limited (Project Manager)	96.12	-	-	-
3.	Repayment of retention money / Security deposit	25,750.00	-	-	-
	Modern Road Makers Private Limited (Project Manager)	25,750.00	-	-	-
4.	Repayment received of advances given	2,353.21	-	-	-
	IRB Infrastructure Developers Limited (Sponsor)	2,353.21	-	-	-
5.	Project manager fees	8,308.82	-	-	-
	Modern Road Makers Private Limited (Project Manager)	8,308.82	-	-	-
6.	Investment management fees paid	1,053.36	-	-	-
	IRB Infrastructure Private Limited	1,053.36	-	-	-
7.	Short term loan (Interest free) loan repaid	62,742.77	-	-	-
	Modern Road Makers Private Limited (Project Manager)	15,221.57	-	-	-
	IRB Infrastructure Developers Limited (Sponsor)	47,521.20	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel / Relatives of Key Management Personnel	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
8.	Subordinated debt repaid	99,431.00	-	-	-
	Modern Road Makers Private Limited (Project Manager)	18,125.49	-	-	-
	IRB Infrastructure Developers Limited (Sponsor)	81,305.52	-	-	-
9.	Payment against trade payable	1,807.98	-	-	-
	Modern Road Makers Private Limited (Project Manager)	1,807.98	-	-	-
10.	Performance security received	2,950.00	-	-	-
	Modern Road Makers Private Limited (Project Manager)	2,950.00	-	-	-
11.	Purchase of equity shares of subsidiaries through issue of Unit Capital	106,501.76	-	-	-
	IRB Infrastructure Developers Limited (Sponsor)	101,795.26	-	-	-
	Modern Road Makers Private Limited (Project Manager)	4,706.50	-	-	-
12.	Purchase of equity shares of IPATRL	9,909.00	-	-	-
	IRB Infrastructure Developers Limited (Sponsor)	8,918.10	-	-	-
	Modern Road Makers Private Limited (Project Manager)	990.90	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 43 : Gratuity and other post employment benefit plans

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Defined contribution plan		
The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.		
Contribution in defined plan	97.61	-
(b) Defined benefit plan		
The Group has a unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972.		
The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.		
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	13.77	-
Past service cost	3.92	-
Interest cost on benefit obligation	7.76	-
(Gain) / losses on settlement	-	-
Net benefit expense recognised in statement of profit and loss (A) (before tax)	25.44	-
Amount recorded in Other Comprehensive Income (OCI)		
Remeasurement during the year due to :		
Actuarial loss/(gain) arising from change in financial assumptions	5.65	-
Actuarial loss/(gain) arising from change in demographic assumptions	2.85	-
Actuarial loss/(gain) arising on account of experience changes	(2.24)	-
Amount recognised in OCI during the year (B) (before tax)	6.26	-
Total charge recognised during the year in statement of profit and loss and OCI (A+B)	31.70	-
Reconciliation of net liability/asset		
Opening defined benefit liability/(assets)	-	-
Additions on acquisition of projects (refer note 39)	100.37	-
Expense charged to profit & loss account	25.44	-
Amount recognised in outside profit and loss statement	6.26	-
Actual Benefits paid	(10.34)	-
Closing net defined benefit liability/ (asset)	121.72	-
Balance sheet		
Benefit liability/ (asset)		
Defined benefit obligation	121.72	-
Fair value of plan assets	-	-
Present value of unfunded obligations	121.72	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Note 43 : Gratuity and other post employment benefit plans

(₹ in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	-	-
Additions on acquisition of projects (refer note 39)	100.37	-
Current service cost	13.77	-
Past service cost	3.92	-
Interest on defined benefit obligation	7.76	-
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	5.65	-
Actuarial loss / (gain) arising from change in demographic assumptions	2.85	-
Actuarial loss / (gain) arising on account of experience changes	(2.24)	-
Benefits paid	(10.34)	-
Closing defined benefit obligation	121.72	-
Net liability is bifurcated as follows :		
Current	13.67	-
Non-current	108.05	-
Net liability	121.72	-
The principal assumptions used in determining gratuity benefit obligation for the Group's plans are shown below:		
Discount rate	7.85%	-
Expected rate of return on plan assets (p.a.)	N.A.	-
Salary escalation	7.00%	-
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08)	-
A quantitative analysis for significant assumption is as shown below:		
Indian gratuity plan:		
Assumptions - Discount rate		
Sensitivity Level	0.50%	-
Impact of Increase in 50 bps on defined benefit obligation	(4.21)	-
Impact of Decrease in 50 bps on defined benefit obligation	4.50	-
Assumptions - Salary Escalation rate		
Sensitivity Level	0.50%	-
Impact on defined benefit obligation		
Impact of Increase in 50 bps on defined benefit obligation	4.32	-
Impact of Decrease in 50 bps on defined benefit obligation	(4.05)	-
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.		
The gratuity liabilities of the Company are unfunded and hence there are no assets held to meet the liabilities.		
The following payments are expected contributions to the defined benefit plan in future years		
Within the next 12 months (next annual reporting period)	13.67	-
Between 2 and 5 years	52.18	-
Between 6 and 10 years	52.23	-
Total expected payments	118.08	-
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	6.44 - 8.61 years	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Note 44 : Income distribution made		
Distributed during the year as :		
Interest	31,637.25	-
Return on capital	12,190.50	-
	43,827.75	-
Note 45 : Income tax		
The major components of income tax expense for the year ended March 31, 2018 and March 31, 2017 are:		
Current income tax:		
Current income tax charge	33.61	-
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss	33.61	-
Reconciliation of tax expenses and the accounting of profit multiplied by Indian domestic tax rate for March 31, 2018 and March 31, 2017 are:		
Profit/(loss) before tax	23,275.88	(0.02)
Tax rate	34.61%	34.61%
Expected income tax at India's statutory rate	(8,055.32)	(0.01)
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	8,055.32	0.01
MAT liability on book profit	33.61	-
Income tax expense reported in the statement of profit and loss	33.61	-

Note 46 : Subsequent events

The Board of Directors of the Investment Manager have approved 4th Distribution of ₹ 3.00 per unit which comprises of ₹ 2.20 per unit as interest and ₹ 0.80 per unit as return of capital in their meeting held on April 30, 2018.

As per our report of even date

For Suresh Surana & Associates LLP

Chartered Accountants

Firm's Reg. No. 121750W /W-100010

Ramesh Gupta

Partner

Membership No.: 102306

Place : Mumbai

Date : April 30, 2018

For and on behalf of IRB Infrastructure Private Limited (Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon

Wholetime Director

DIN 03075345

Tushar Kawedia

Chief Financial Officer

Place : Mumbai

Date : April 30, 2018

Bajranglal Gupta

Director

DIN: 07175777

Urmil Shah

Company Secretary

Independent Auditors' Report

To,
The Unit holders of IRB InvIT Fund

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **IRB InvIT Fund ("the Fund")**, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Unit Holders' Equity for the year then ended and the Statement of Net Assets at fair value as at March 31, 2018 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Management of IRB Infrastructure Private Limited ('Investment Manager'), is responsible for the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position as at March 31, 2018, financial performance including other comprehensive income, cash movements and the movement of the unit holders' funds for the year ended March 31, 2018, the net assets as at March 31, 2018, the total returns and the net distributable cash flows of the Fund for the year ended March 31, 2018, in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended read with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "InvIT Regulations"). This responsibility includes the design, implementation and maintenance of adequate controls for ensuring the accuracy and completeness of

the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the InvIT Regulations, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the InvIT Regulations. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Fund's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Fund has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the InvIT Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Fund as at March 31, 2018, its profit including other comprehensive income, its cash movements and movement of the unit holders' funds for the year ended March 31, 2018, the net assets as at March 31, 2018, the total returns and the net distributable cash flows for the year ended March 31, 2018.

Report on Other Legal and Regulatory Requirements

Based on our audit and as required by InvIT Regulations, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) The balance sheet, and statement of profit and loss are in agreement with the books of account of the Fund; and
- c) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm's Reg. No. 121750W/W-100010

(Ramesh Gupta)

PARTNER

Membership No.:102306

Place: Mumbai

Dated: 30 April 2018

Balance Sheet

as at March 31, 2018

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I ASSETS			
(1) Non-current assets			
Financial assets	4		
i) Investments	4.1	231,963.76	-
ii) Loans	4.2	449,520.41	-
Total non-current assests		681,484.17	-
(2) Current assets			
Financial assets	5		
i) Investments	5.1	13,609.07	-
ii) Cash and cash equivalents	5.2	5,939.42	0.08
iii) Loans	5.3	35,739.73	-
iv) Other financial assets	5.4	0.78	-
Total current assets		55,289.00	0.08
Total assets		736,773.17	0.08
II EQUITY AND LIABILITIES			
Equity			
Unit capital	6	579,919.60	0.10
Other equity	6A	2,493.01	(0.02)
Total equity		582,412.61	0.08
(1) Non-current liabilities			
Financial liabilities			
i) Borrowings	7	150,019.21	-
Non-current liabilities		150,019.21	-
(2) Current liabilities			
Financial liabilities	8		
i) Trade payable	8.1	289.55	-
ii) Other financial liabilities	8.2	4,049.25	-
Other current liabilities	9	2.55	-
Current liabilities		4,341.35	-
Total Liabilities		154,360.56	-
Total equity and liabilities		736,773.17	0.08

Summary of significant accounting policies (Note No. 3)

See accompanying notes to the financial statements

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W /W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place : Mumbai
Date : April 30, 2018

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Wholetime Director
DIN 03075345

Tushar Kawedia
Chief Financial Officer

Place : Mumbai
Date : April 30, 2018

Bajranglal Gupta
Director
DIN: 07175777

Urmil Shah
Company Secretary

Statement of Profit & Loss

for the year ended March 31, 2018

(₹ in lakhs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue From Operations	10	51,122.81	-
Other Income	11	446.14	-
Total Income		51,568.95	-
Expenses			
Finance Costs	12	6,412.99	-
Investment Manager fees		1,053.36	-
Other expenses	13	80.62	0.02
Total Expenses		7,546.97	0.02
Profit / (loss) before tax		44,021.98	(0.02)
Tax expenses			
Current Tax		-	-
Deferred Tax		-	-
Total Tax Expenses		-	-
Profit/(loss) after tax (A)		44,021.98	(0.02)
Other comprehensive income/(loss) for the year, net of tax (B)		-	-
Total comprehensive income for the year, net of tax : (A+B)		44,021.98	(0.02)
Earnings per unit	14		
Basic		7.58	-
Diluted		7.58	-

Summary of Significant Policies (Note No.3)

See accompanying notes to the financial statements

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W /W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place : Mumbai
Date : April 30, 2018

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Wholetime Director
DIN 03075345

Tushar Kawedia
Chief Financial Officer

Place : Mumbai
Date : April 30, 2018

Bajranglal Gupta
Director
DIN: 07175777

Urmil Shah
Company Secretary

Cash Flow Statement

for the year ended March 31, 2018

(₹ in lakhs)

	March 31, 2018	March 31, 2017
A. Cash flow from operating activities		
Profit/(Loss) before tax	44,021.98	(0.02)
Adjustments to reconcile profit before tax to net cash flows		
Finance costs	6,412.99	-
Profit on sale of investments	(348.82)	-
Fair value gain on investments	(96.54)	-
Interest income on loan given to subsidiaries	9.59	-
Interest income on fixed deposits	(0.78)	-
Operating profit before working capital changes	49,998.42	(0.02)
Movement in working capital:		
Increase/(decrease) in trade payable	289.55	-
Increase/(decrease) in other current liabilities	2.55	-
Increase/(decrease) in other financial liabilities	13.20	-
Cash generated from/(used in) operations	50,303.72	(0.02)
Direct taxes paid (net of refunds)	-	-
Net cash flows from/(used in) operating activities	50,303.72	(0.02)
B. Cash flows from investing activities		
Purchase of units of mutual fund	(64,377.85)	-
Proceeds on sales of units of mutual fund	46,186.86	-
Investment in subsidiaries #	(38,688.98)	-
Investment in sub debt of subsidiaries	(99,431.00)	-
Loan given to subsidiaries	(510,489.91)	-
Transaction cost on loan	(416.52)	-
Repayment received on loan given to subsidiaries	25,636.71	-
Net cash flows from/(used in) investing activities	(641,580.69)	-

Cash Flow Statement

for the year ended March 31, 2018

(₹ in lakhs)

	March 31, 2018	March 31, 2017
C. Cash flow from financing activities		
Proceeds from issuance of unit capital #	503,293.50	-
Unit issue expenses	(9,891.70)	-
Distribution to unit holders	(43,827.75)	-
Proceeds from long-term borrowings	155,000.00	-
Repayment of long-term borrowings	(389.50)	-
Transaction cost on long-term borrowing	(1,336.68)	-
Finance cost paid	(5,631.56)	-
Net cash flows from/(used in) financing activities	597,216.31	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	5,939.34	(0.02)
Cash and cash equivalents at the beginning of the year (refer note 5.2)	0.08	0.10
Cash and cash equivalents at the end of the year (refer note 5.2)	5,939.42	0.08

The Fund had issued 8,70,80,000 units in exchange of equity share to sponsor. The same has not been reflected in cash flow since it was a non-cash transaction.

Summary of Significant Policies (Note No.3)

See accompanying notes to the financial statements.

Notes :

1. All figures in bracket are outflow.
2. The cash flow statement has been prepared under Indirect Method as per the Ind AS 7 "Statement of Cash Flows" as notified under section 133 of the Companies Act, 2013.
3. Effective May 09, 2017, the Fund adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the financial statements.

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W /W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place : Mumbai
Date : April 30, 2018

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Wholtime Director
DIN 03075345

Tushar Kawedia
Chief Financial Officer

Place : Mumbai
Date : April 30, 2018

Bajranglal Gupta
Director
DIN: 07175777

Urmil Shah
Company Secretary

Statement of Changes in Unit holders Equity

for the year ended March 31, 2018

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
a. Unit Capital:		
At the beginning of the year	-	-
Issued during the year	592,110.00	-
Less: Capital reduction during the year (refer note 24)	(12,190.50)	-
At the end of the year	579,919.50	-
b. Initial settlement amount		
At the beginning of the year	0.10	0.10
Received during the year	-	-
At the end of the year	0.10	0.10
c. Other Equity		
Retained earnings		
At the beginning of the year	(0.02)	(0.00)
Profit/(loss) for the year	44,021.98	(0.02)
Other comprehensive income/(loss) for the year	-	-
Unit issue expenses	(9,891.70)	-
Interest distribution (refer note 24)	(31,637.25)	-
Closing balance	2,493.01	(0.02)

Summary of Significant Policies (refer note 3)

See accompanying notes to the financial statements.

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Reg. No. 121750W /W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place : Mumbai
Date : April 30, 2018

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Wholesale Director
DIN 03075345

Tushar Kawedia
Chief Financial Officer

Place : Mumbai
Date : April 30, 2018

Bajranglal Gupta
Director
DIN: 07175777

Urmil Shah
Company Secretary

Disclosures pursuant to SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated 20- Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016 issued under the InvIT regulations)

A. Statement of net assets at Fair Value as at March 31, 2018

(₹ in lakhs)

Particulars	Book value	Fair value
A. Assets	736,773.17	826,225.73
B. Liabilities (at book value)	154,360.56	154,360.56
C. Net Assets (A-B)	582,412.61	671,865.17
D. Number of units (in Lakhs)	5,805.00	5,805.00
E. NAV (C/D)	100.33	115.74

B. Statement of total returns at Fair Value as at March 31, 2018

(₹ in lakhs)

Particulars	Year ended March 31, 2018
Total Comprehensive Income (As per the Statement of Profit and Loss)	44,021.98
Add/(less): Other Changes in Fair Value	89,452.56
Comprehensive Income -	133,474.54

Note:

Fair value of assets as at March 31, 2018 and other changes in fair value for the year then ended as disclosed in the above tables are derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations.

As per our report of even date

For Suresh Surana & Associates LLP

Chartered Accountants

Firm's Reg. No. 121750W /W-100010

Ramesh Gupta

Partner

Membership No.: 102306

Place : Mumbai

Date : April 30, 2018

For and on behalf of IRB Infrastructure Private Limited (Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon

Wholetime Director

DIN 03075345

Tushar Kawedia

Chief Financial Officer

Place : Mumbai

Date : April 30, 2018

Bajranglal Gupta

Director

DIN: 07175777

Urmil Shah

Company Secretary

Statement of Net Distributable Cash Flows (NDCFs)

(₹ in lakhs)

Sr. No.	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1	Cash flows received from Project SPVs in the form of Interest	51,122.81	-
2	Cash flows received from Project SPVs in the form of Dividend	-	-
3	Any other income accruing at the Trust level and not captured above, including but not limited to interest/return on surplus cash invested by the Trust	446.14	-
4	Cash flows received from the project SPVs towards the repayment (Net) of the debt issued to the Project SPVs by the Trust	21,911.71	-
5	Total cash inflow at the Trust level (A)	73,480.66	-
	Less:		
6	Any payment of fees, interest and expense incurred at the Trust level, including but not limited to the fees of the Investment Manager	(7,546.97)	-
7	Income tax (if applicable) at the Standalone Trust Level	-	-
8	Repayment of external debt	(389.50)	-
9	Total cash outflows / retention at the Trust level (B)	(7,936.47)	-
10	Net Distributable Cash Flows (C) = (A+B)	65,544.19	-

During the year, an amount of ₹ 43,827.75 lakhs has already been distributed to unit holders (refer note 24).

Notes to Financial Statements

for the year ended March 31, 2018

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

1. Nature of operations

The IRB InvIT Fund (the “Fund” / “Trust”) is a trust constituted by “The Indenture of Trust” dated October 16, 2015 registered under the Registration Act, 1908 and under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014. The Fund is settled by the Sponsor, IRB Infrastructure Developers Limited (“IRB” or the “Sponsor”), an infrastructure development company in India. The Trustee to the Fund is IDBI Trusteeship Services Limited (the “Trustee”) and Investment manager for the Fund is IRB Infrastructure Private Limited (the “Investment Manager”).

The Fund has been formed to invest in infrastructure assets primarily being in the road sector in India. All of the Fund’s road projects are implemented and held through special purpose vehicles (“Project SPVs”).

During the year ended March 31, 2018, IRB InvIT Fund has acquired the following projects from the sponsor which are road infrastructure projects developed on DBFOT basis.

Sr. No.	Project SPV Name
1	IDAA Infrastructure Limited (IDAA) ^*
2	IRB Talegaon Amravati Tollway Limited (IRBTA) ^*
3	IRB Jaipur Deoli Tollway Limited (IRBJD) ^*
4	IRB Surat Dahisar Tollway Limited (IRBSD) ^*
5	IRB Tumkur Chitradurga Tollway Limited (IRBTC) ^ *
6	M.V.R Infrastructure and Tollways Limited (MVR) ^*
7	IRB Pathankot Amritsar Toll Road Limited (IRBPA) #

^ Acquired on May 9, 2017

Acquired on September 28, 2017

* During the current year, these companies have been converted from private limited to public limited companies.

The registered office of the Investment Manager is IRB Complex, Chandivali Farm, Chandivali village, Andheri- East, Mumbai-400 072.

The financial statements were authorised for issue in accordance with resolution passed by the board of directors of the Investment manager on April 30, 2018.

2. Basis of preparation

The financial statements of IRB InvIT Fund have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013 (“Ind AS”) read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder (“InvIT Regulations”) and other accounting principles generally accepted in India.

The financial statements have been prepared on an accrual basis and under the historical cost convention except for certain financial assets and liabilities (refer accounting policy regarding financial instruments) which have been measured at fair value.

The financial statements are presented in Indian Rupee (‘INR’) which is the functional currency of the Fund and all values are rounded to the nearest lakhs, except when otherwise indicated. Wherever the amount represented ‘0’ (zero) construes value less than Rupees five hundred.

3. Summary of significant accounting policies

3.1 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

3.2 Current versus non-current classification

The Fund presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

Notes to Financial Statements

for the year ended March 31, 2018

- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Fund has identified twelve months as its operating cycle.

3.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised:

Interest income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rates applicable. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

Dividends

Revenue is recognised when the Fund's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.4 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Fund operates and generates taxable income.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable

Notes to Financial Statements

for the year ended March 31, 2018

that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/value added tax and goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes and goods and service tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

3.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.6 Provisions

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.7 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Fund or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot

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for the year ended March 31, 2018

be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

3.8 Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, directly attributable transaction cost to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories;

- at amortised cost
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVTOCI)

Financial Assets at amortised cost

A financial assets is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Fund. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial Assets at Fair Value through Statement of Profit and Loss/Other comprehensive income

All investments in scope of Ind AS 109 are measured at fair value. The Fund has investment in Debt oriented mutual fund which are held for trading, are classified as at FVTPL. The Fund makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. The gain/ loss on sale of investments are recognised in the Statement of Profit and Loss.

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Fund of similar financial assets) is primarily derecognised (i.e. removed from the Fund's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it

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for the year ended March 31, 2018

has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of the Fund's continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

3.9 Impairment of assets

Impairment of financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Fund recognizes 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial assets increases significantly since its initial recognition.

The impairment losses and reversals are recognized in Statement of Profit and Loss.

Impairment of non-financial assets

The Fund assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Fund estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or Fund's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and

payables, net of directly attributable transaction costs. The Fund's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Fund that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Loans and borrowings

This is the category most relevant to the Fund. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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for the year ended March 31, 2018

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.10 Investment in subsidiaries

Investments (equity instruments as well as subordinate debt) in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

3.11 Foreign currencies

The Fund's financial statements are presented in INR, which is also the Fund's functional currency. The Fund does not have any foreign operation and has assessed the functional currency to be INR.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3.12 Fair value measurement

The Fund measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Fund's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

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for the year ended March 31, 2018

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Fund's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an annual basis, the Management of Investment Manager presents the valuation results to the Audit Committee and the Fund's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 25)
- Financial instruments (including those carried at amortised cost) (note 20 and 21)
- Quantitative disclosure of fair value measurement hierarchy (note 20 and 21)

3.13 Contributed Equity

Units are classified as equity. Incremental costs attributable to the issue of units are directly recorded in equity, net of tax.

3.14 Distribution to unit holders

The Fund recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in equity.

3.15 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term

deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Fund's cash management.

3.16 Earnings Per Unit (EPU)

Basic earnings per unit are calculated by dividing the net profit for the year/ period attributable to unit holders by the weighted average number of units outstanding during the year.

For the purpose of calculating diluted earnings per unit, the weighted average number of units outstanding during the year are adjusted for the effects of all dilutive potential units.

3.17 Standard issued but not effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Fund has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115 - Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, 'Revenue from Contract with Customers'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect on adoption of Ind AS 115 is expected to be insignificant.

Notes to Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017
4	Non-current financial assets		
4.1	Investments		
	A) Investments at cost		
	Investments in equity instruments of subsidiaries (unquoted)		
	510,842,000 (March 31, 2017 - Nil) equity shares of IRB Surat Dahisar Tollway Limited	53,232.48	-
	131,750,000 (March 31, 2017 - Nil) equity shares of IRB Jaipur Deoli Tollway Limited	13,175.00	-
	198,120,003 (March 31, 2017 - Nil) equity shares of IDAA Infrastructure Limited	19,812.00	-
	98,600,000 (March 31, 2017 - Nil) equity shares of IRB Pathankot Amritsar Toll Road Limited	9,909.00	-
	49,250,000 (March 31, 2017 - Nil) equity shares IRB Talegaon Amravati Tollway Limited	4,925.00	-
	155,500,002 (March 31, 2017 - Nil) equity shares IRB Tumkur Chitradurga Tollway Limited	15,550.00	-
	6,910,170 (March 31, 2017 - Nil) equity shares M.V.R. Infrastructure & Tollways Limited	10,902.00	-
	Total - Investments in subsidiaries (A)	127,505.48	-
	B) Investments at fair value through profit & loss		
	Investments in mutual funds (quoted)		
	SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan-Growth		
	172,812.256 units @ ₹ 2,909.0976 (March 31, 2017 : units - nil)	5,027.28	-
	(All units of SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan-Growth marked as lien in favour of SBI CAP Trustee Company Limited, shown as non-current investment)		
	Total - Investments in mutual funds (B)	5,027.28	-
	C) Investments at cost		
	Investments in sub-debt of subsidiaries (unquoted)		
	IRB Jaipur Deoli Tollway Limited	39,525.00	-
	IRB Pathankot Amritsar Toll Road Limited	29,581.00	-
	IRB Talegaon Amravati Tollway Limited	14,775.00	-
	IRB Tumkur Chitradurga Tollway Limited	15,550.00	-
	Total - Investment in sub-debt of subsidiaries (C)	99,431.00	-
	Total non-current investments (A+B+C)	231,963.76	-
	Aggregate book value of quoted investments	5,027.28	-
	Aggregate market value of quoted investments	5,027.28	-
	Aggregate book value of unquoted investments	226,936.48	-

Notes to Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Particulars		As at March 31, 2018	As at March 31, 2017
4.2	Loans		
	Secured considered good unless otherwise stated		
	Loan to related parties (refer note)	406,967.53	-
	Less : Current maturities of loan to related parties	31,112.53	-
	Total - (A)	375,855.00	-
	Unsecured considered good unless otherwise stated		
	Loan to related parties (refer note)	73,258.47	-
	Total - (B)	73,258.47	-
	Total (A) + (B)	449,113.48	-
	Add : Unamortised transaction cost (C)	406.93	-
	Total (A+B+C)	449,520.41	-
5	Current financial assets		
5.1	Investments		
	Investments at fair value through Profit & Loss		
	Investments in mutual fund (quoted)		
	SBI Magnum Insta Cash - Direct Plan - Growth		
	104,830.335 units @ ₹ 3,843.1599 (March 31, 2017 : units nil)	4,028.80	-
	Aditya Birla Sun Life Cash Plus - Growth - Direct Plan		
	34,29,922.285 units @ ₹ 279.3146 (March 31, 2017 : units nil)	9,580.27	-
	Total	13,609.07	-
	Aggregate book value of quoted investments	13,609.07	-
	Aggregate market value of quoted investments	13,609.07	-
5.2	Cash and cash equivalents		
	Balances with banks:		
	- On current accounts	2.34	0.07
	- On escrow accounts	973.85	-
	- Earmarked balances with banks for unpaid dividend	13.20	-
	Cash on hand	0.03	0.01
	Deposits with banks		
	- Original maturity less than 3 months	4,950.00	-
	Total	5,939.42	0.08
	Escrow account is hypothecated against secured loan.		
5.3	Loans		
	Unsecured considered good unless otherwise stated		
	Loan to related parties (refer note)	4,627.20	-
	Current maturities of loan to related parties	31,112.53	-
	Total	35,739.73	-
5.4	Others financial assets		
	Interest accrued on fixed deposits	0.78	-
	Total	0.78	-

Notes to Financial Statements

for the year ended March 31, 2018

		As at March 31, 2018	As at March 31, 2017
6	Equity		
	I. Unit Capital		
	a. Issued, subscribed and fully paid up unit capital		
	580,500,000 (March 31, 2017 : Nil)	579,919.50	-
	b. Initial settlement amount	0.10	0.10
		579,919.60	0.10

c. Terms / rights attached to units

Rights of unit holders

Subject to the provisions of the InvIT Regulations, the Indenture of Trust, and applicable rules, regulations and guidelines, the rights of the unit holders include:

- right to receive income or distributions with respect to the units held;
- right to attend the annual general meeting and other meetings of the unit holders of the Fund;
- right to vote upon any matters/resolutions proposed in relation to the Fund;
- right to receive periodic information having a bearing on the operation or performance of the Fund in accordance with the InvIT Regulations; and
- right to apply to the Fund to take up certain issues at meetings for unit holders approval.

In accordance with the InvIT Regulations, no unit holders shall enjoy superior voting or any other rights over any other unit holders, and there shall not be multiple classes of units. There shall be only one denomination of units. Notwithstanding the above, subordinate units may be issued only to the Sponsor and its Associates, where such subordinate units shall carry only inferior voting or any other rights compared to the other units.

Limitation to the Liability of the unit holders

The liability of each unit holders towards the payment of any amount (that may arise in relation to the Fund including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent of the capital contribution of such unit holders and after such capital contribution shall have been paid in full by the unit holders, the unit holders shall not be obligated to make any further payments.

The unit holders(s) shall not have any personal liability or obligation with respect to the Fund.

II. Reconciliation of the number of units outstanding and the amount of unit capital:

	As at March 31, 2018		As at March 31, 2017	
	No. of unit	Amount ₹ in Lakhs	No. of unit	Amount ₹ in Lakhs
At the beginning of the year	-	-	-	-
Issued during the year	580,500,000	592,110.00	-	-
Less: Capital reduction during the year (Refer note 24)	-	12,190.50	-	-
At the end of the year	580,500,000	579,919.50	-	-

Notes to Financial Statements

for the year ended March 31, 2018

	As at March 31, 2018	As at March 31, 2017
Retained earnings		
At the beginning of the year	(0.02)	(0.00)
Profit/(loss) for the year	44,021.98	(0.02)
Other comprehensive income/(loss) for the year	-	-
Unit issue expenses	(9,891.70)	-
Interest distribution (refer note 24)	(31,637.25)	-
Closing balance	2,493.01	(0.02)

Retained earnings

Retained earnings are the profits that the Fund has earned till date, less any transfers to general reserve, dividends or other distributions paid to unit holders.

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
7 Non-current financial liabilities		
Borrowing		
Secured		
Term loans		
Indian rupee loan from banks	154,610.50	-
Less: Current maturities within 12 month from balance sheet date	(3,299.50)	-
Sub-Total	151,311.00	-
Less : Unamortised transaction cost	(1,291.79)	-
Total	150,019.21	-
i) Secured by first charge on escrow account and on receivable of fund arising out of principal and interest payment of the loans by Fund to subsidiaries.		
ii) Pledge of shares held 51% of shareholding in the total paid-up equity share capital of IRB Jaipur Deoli Tollway Limited and IRB Pathankot Amritsar Toll Road Limited.		
iii) Interest rates on Indian rupee loan from bank is MCLR + 0.15% i.e. 8.15% . The Indian rupee loans from banks is repayable in unstructured monthly instalment as per the repayment schedule specified in loan agreement with the Lenders.		
iv) There have been no breaches in the financial covenants with respect to borrowings.		
8 Current financial liabilities		
8.1 Trade payables		
Due to other than micro and small enterprises	289.55	-
	289.55	-
8.2 Other financial liabilities		
Current maturities of long-term borrowings:		
- Indian rupee loan from banks (refer note 7)	3,299.50	-
Interest accrued on borrowings	736.54	-
Unpaid dividend	13.20	-
Total	4,049.25	-
9 Other Current Liabilities		
Duties and taxes payable	2.55	-
Total	2.55	-

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for the year ended March 31, 2018

(₹ in lakhs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
10	Revenue from operations		
	Operating income		
	Interest income	51,122.81	-
	Total	51,122.81	-
11	Other income		
	Interest income on		
	- Bank deposits	0.78	-
	Gain on sale of investments	348.82	-
	Fair value gain on investments	96.54	-
	Total	446.14	-
12	Finance costs		
	Interest on		
	- loans from banks	6,362.20	-
	Other borrowing costs		
	- Other finance costs	50.79	-
	Total	6,412.99	-
13	Other expenses		
	Legal and professional fees	62.61	-
	Auditors remuneration		
	- Statutory audit fees	7.08	-
	- Limited review fees	3.66	-
	- Tax audit fees	1.18	-
	- Reimbursement of expenses	0.03	-
	- Certification	0.71	-
	Miscellaneous expenses	5.35	0.02
		80.62	0.02

Notes to Financial Statements

for the year ended March 31, 2018

14 Earnings per unit (EPU)

The following reflects the income and unit data used in the basic and diluted EPU computations:

	(₹ in lakhs)	
	As at March 31, 2018	As at March 31, 2017
Profit attributable to unit holders of the Fund for basic & diluted earnings	44,021.98	(0.02)
Weighted average number of unit for basic & diluted EPU* (in Lakhs)	5,805.00	-
Basic & diluted earning per unit	7.58	-

Since there were no units issued and outstanding during previous year, the earning per unit of previous year is not required to be calculated.

15 Capital and other commitments

There are no capital and other commitments as at March 31, 2018 (March 31, 2017 : ₹ Nil).

16 Operating segment

The Fund is engaged in to invest in infrastructure assets primarily being in the road sector in India which in the context of Ind AS 108 - Operating Segments is considered as the only segment. The Fund's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

17 Contingent liabilities

There are no contingent liabilities as at March 31, 2018 (March 31, 2017 : ₹ Nil).

18 Details of dues to micro and small enterprises as per MSMED Act, 2006

There are no Micro and Small Enterprises as defined in the Micro and Small Enterprises Development Act, 2006 to whom the Fund owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro and Small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the Fund.

Notes to Financial Statements

for the year ended March 31, 2018

19 Related party transaction

I. List of Related Parties

i. Subsidiaries/SPVs

IDAA Infrastructure Limited (IDAIL)
 IRB Jaipur Deoli Tollway Limited (IJDTL)
 IRB Pathankot Amritsar Toll Road Limited (IPATRL)
 IRB Surat Dahisar Tollway Limited (ISDTL)
 IRB Talegaon Amravati Tollway Limited (ITATL)
 IRB Tumkur Chitradurga Tollway Limited (ITCTL)
 M.V.R. Infrastructure & Tollways Limited (MITL)

ii. Parties to the Fund *

IRB Infrastructure Developers Limited (IRBIDL) (Sponsor)
 IRB Infrastructure Private Limited (IRBFL) (Investment Manager)
 Modern Road Makers Private Limited (MRMPL) (Project Manager)
 IDBI Trusteeship Services Limited (ITSL) (Trustee)

* As per InvIT regulations

iii. Promoters/ Directors of the parties to the Fund specified in (ii) above

Particulars	IRB Infrastructure Developers Limited (Sponsor)	IRB Infrastructure Private Limited (Investment manager)	Modern Road Makers Private Limited (Project manager)	IDBI Trusteeship Services Limited (Trustee of the IRB InvIT Fund)
Promoters	Mr. Virendra D. Mhaikar Mrs. Deepali V. Mhaikar Virendra D. Mhaikar HUF	IRB Infrastructure Developers Limited	IRB Infrastructure Developers Limited	IDBI Bank Limited Life Insurance Corporation General Insurance Corporation
Directors	Mr. Virendra D. Mhaikar Mrs. Deepali V. Mhaikar Mr. Mukeshlal Gupta Mr. Sudhir Rao Hoshing	Mr. Vinodkumar Menon	Mr. Mukeshlal Gupta Mr. Dhananjay K. Joshi Mr. Ajay P. Deshmukh Mr. Rajpaul S. Sharma	Mr. G.M. Yadwadkar Mr. Ravishankar G. Shinde Ms. Madhuri J. Kulkarni Ms. Sashikala Muralidharan Mr. Swapan Kumar Bagchi
	Independent directors	Independent directors	Independent directors	
	Mr. Chandrashekhar S. Kaptan Mr. Sunil H. Talati Mr. Sandeep J. Shah Mr. Sunil Tandon	Mr. R. P. Singh Mr. B. L. Gupta Mr. Sumit Banerjee	Mr. Chandrashekhar S. Kaptan Mrs. Heena Raja	

Notes to Financial Statements

for the year ended March 31, 2018

II. Related party transactions during the period

(₹ in lakhs)

Sr. No.	Particulars	Relation	April 01, 2017 to March 31, 2018	April 01, 2016 to March 31, 2017
1	Subordinate debt given		99,431.00	-
	IRB Jaipur Deoli Tollway Limited	Subsidiary	39,525.00	-
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	29,581.00	-
	IRB Talegaon Amravati Tollway Limited	Subsidiary	14,775.00	-
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	15,550.00	-
2	Secured loans given (Long term)		428,879.24	-
	IRB Surat Dahisar Tollway Limited	Subsidiary	66,182.05	-
	IRB Jaipur Deoli Tollway Limited	Subsidiary	92,661.77	-
	IDAA Infrastructure Limited	Subsidiary	25,115.73	-
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	93,603.44	-
	IRB Talegaon Amravati Tollway Limited	Subsidiary	37,153.84	-
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	93,712.76	-
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	20,449.64	-
3	Repayment of secured loan (Long term)		21,911.71	-
	IRB Surat Dahisar Tollway Limited	Subsidiary	14,421.76	-
	IDAA Infrastructure Limited	Subsidiary	7,386.98	-
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	102.96	-
4	Unsecured loans given (Long term)		73,258.47	-
	IRB Surat Dahisar Tollway Limited	Subsidiary	11,006.23	-
	IRB Jaipur Deoli Tollway Limited	Subsidiary	3,107.71	-
	IDAA Infrastructure Limited	Subsidiary	25,767.36	-
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	15,490.04	-
	IRB Talegaon Amravati Tollway Limited	Subsidiary	8,905.47	-
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	7,338.07	-
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	1,643.59	-
5	Unsecured loans given (Short term)		8,352.20	-
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	3,052.20	-
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	5,300.00	-
6	Repayment of unsecured loan given (Short term)		3,725.00	-
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	2,200.00	-
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	1,525.00	-
7	Interest income		51,122.81	-
	IRB Surat Dahisar Tollway Limited	Subsidiary	7,964.43	-
	IRB Jaipur Deoli Tollway Limited	Subsidiary	10,846.88	-
	IDAA Infrastructure Limited	Subsidiary	5,555.46	-
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	7,138.12	-
	IRB Talegaon Amravati Tollway Limited	Subsidiary	5,216.69	-
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	11,628.56	-
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	2,772.67	-
8	Investment Management fees (including indirect taxes)		1,053.36	-
	IRB Infrastructure Private Limited	Investment Manager	1,053.36	-

Notes to Financial Statements

for the year ended March 31, 2018

(₹ in lakhs)

Sr. No.	Particulars	Relation	April 01, 2017 to March 31, 2018	April 01, 2016 to March 31, 2017
9	Purchase of equity shares of Subsidiaries through Issue of Unit Capital *		106,501.76	-
	IRB Infrastructure Developers Limited	Sponsor	101,795.26	-
	Modern Road Makers Private Limited	Project Manager	4,706.50	-
10	Purchase of equity shares of IPATRL		9,909.00	-
	IRB Infrastructure Developers Limited	Sponsor	8,918.10	-
	Modern Road Makers Private Limited	Project Manager	990.90	-
11	Interest distributed		4,869.61	-
	IRB Infrastructure Developers Limited	Sponsor	4,869.61	-
12	Capital distributed		1,873.68	-
	IRB Infrastructure Developers Limited	Sponsor	1,873.68	-

* IRBIDL and MRMPL has sold units in Offer for sale amounting to ₹ 12,973.66 lakhs and ₹ 4,706.50 lakhs respectively.

During the year ended March 31, 2018, Fund has acquired seven projects i.e. IDAATL, ISDTL, ITATL, IJDTL, MITL, ITCTL and IPATRL from IRBIDL and its subsidiary Companies.

Pursuant to Share purchase agreement dated May 8, 2017, Fund has acquired six projects i.e. IDAATL, ISDTL, ITATL, IJDTL, MITL and ITCTL from IRBIDL and its subsidiaries companies. The investment for the said acquisition was raised through Initial Public Issue.

Summary of valuation report dated March 29, 2017 issued by the independent valuer under the InvIT Regulations is as follows:

Fair Enterprise value of 6 SPVs' as on March 31, 2017 is as under:

(₹ in lakhs)

Name of SPV's	Fair enterprise value
IDAAIL	71,703
IJDTL	231,146
ISDTL	138,791
ITATL	71,761
ITCTL	155,038
MITL	36,639
Total Enterprise value of all the 6 SPVs'	705,078

• Pursuant to the Share Purchase Agreement dated September 28, 2017, IRB InvIT Fund has further acquired IPATRL from IRBIDL and MRMPL.

Summary of valuation report dated August 31, 2017 issued by the independent valuer under the InvIT Regulations is as follows:

Fair Enterprise value of IPATRL as on September 30, 2017 is as under:

(₹ in lakhs)

Name of SPV's	Fair enterprise value
IPATRL	178,573

After considering the aforesaid Valuation Reports submitted by the relevant independent intermediaries and pursuant to the negotiations between the Investment Manager and the Sponsor, IRBPA has been acquired at an enterprise value of ₹ 15,693.30 million. The acquisition price of IRBPA, negotiated between the Investment Manager and the Sellers, represents a discount of 12% to the Fair Enterprises Value mentioned above. The project was acquired through external borrowings of ₹ 15,500 million @ 8.15% p.a. rate of interest.

Notes to Financial Statements

for the year ended March 31, 2018

- The following approach and assumptions have been considered for the valuation exercise:-
 1. The Free Cash Flows to Firm under the Discounted Cash Flow Method has been used for the purpose of valuation of each of the above SPVs.
 2. The Weighted Average Cost of Capital for each of the SPVs has been considered as the discount rate for respective SPV for the purpose of valuation.
- There is no material condition or obligations in relation to the transaction.
- No fees or commission were received or to be received by any associate of the related party in relation to the transaction.

III. Related party outstanding balances

(₹ in lakhs)

Sr. No.	Particulars	Relation	As on March 31, 2018	As on March 31, 2017
1	Equity Investment		127,505.48	-
	IRB Surat Dahisar Tollway Limited	Subsidiary	53,232.48	-
	IRB Jaipur Deoli Tollway Limited	Subsidiary	13,175.00	-
	IDAA Infrastructure Limited	Subsidiary	19,812.00	-
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	9,909.00	-
	IRB Talegaon Amravati Tollway Limited	Subsidiary	4,925.00	-
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	15,550.00	-
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	10,902.00	-
2	Subordinated debt		99,431.00	-
	IRB Jaipur Deoli Tollway Limited	Subsidiary	39,525.00	-
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	29,581.00	-
	IRB Talegaon Amravati Tollway Limited	Subsidiary	14,775.00	-
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	15,550.00	-
3	Secured loan receivable (Long term)		406,967.53	-
	IRB Surat Dahisar Tollway Limited	Subsidiary	51,760.29	-
	IRB Jaipur Deoli Tollway Limited	Subsidiary	92,661.77	-
	IDAA Infrastructure Limited	Subsidiary	17,728.75	-
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	93,500.48	-
	IRB Talegaon Amravati Tollway Limited	Subsidiary	37,153.84	-
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	93,712.76	-
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	20,449.64	-
4	Unsecured loan receivable (Long term)		73,258.47	-
	IRB Surat Dahisar Tollway Limited	Subsidiary	11,006.23	-
	IRB Jaipur Deoli Tollway Limited	Subsidiary	3,107.71	-
	IDAA Infrastructure Limited	Subsidiary	25,767.36	-
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	15,490.04	-
	IRB Talegaon Amravati Tollway Limited	Subsidiary	8,905.47	-
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	7,338.07	-
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	1,643.59	-
5	Unsecured loan receivable (Short term)		4,627.20	-
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	852.20	-
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	3,775.00	-
6	Trade payables		266.30	-
	IRB Infrastructure Private Limited	Investment Manager	266.30	-

Notes to Financial Statements

for the year ended March 31, 2018

20 Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Fund's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values :

	Carrying value		Fair value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial assets				
Investments in mutual Fund	18,636.35	-	18,636.35	-
Loans	485,260.14	-	484,853.20	-
Cash and cash equivalents	5,939.42	0.08	5,939.42	0.08
Others financial assets	0.78	-	0.78	-
	509,836.69	0.08	509,429.76	0.08
Financial liabilities				
Borrowing	153,318.71	-	154,610.50	-
Trade payables	289.55	-	289.55	-
Other financial liabilities	749.745	-	749.75	-
	154,358.01	-	155,649.80	-

The management assessed that cash and cash equivalents, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The discount for lack of marketability represents the amounts that the Fund has determined that market participants would take into account when pricing the investments.

The Fund is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 as a part of these financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

21 Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) price is active market for identical assets or liabilities.

Level 2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly.

Level 3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observable market data.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

	As on March 31, 2018	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments in mutual Fund	18,636.35	18,636.35	-	-

	As on March 31, 2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments in mutual Fund	-	-	-	-

There has been no transfer between Level 1, Level 2 & Level 3 during the year.

Notes to Financial Statements

for the year ended March 31, 2018

22 Financial risk management objectives and policies

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Board of Directors of Investment Manager has overall responsibility for the establishment and oversight of the Fund's risk management framework.

In performing its operating, investing and financing activities, the Fund is exposed to the Credit risk, Liquidity risk and Market risk.

Market risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits.

Credit risk :

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Fund is exposed to credit risk from its investing activities including loans to subsidiaries, deposits with banks and other financial instruments. As at March 31, 2018, the credit risk is considered low since substantial transactions of the Fund are with its subsidiaries.

Interest risk :

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's exposure to the risk of changes in market interest rates relates primarily to the Fund's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the Fund's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Increase in basis points		
- INR	50	50
Effect on profit before tax		
- INR	766.26	-
Decrease in basis points		
- INR	50	50
Effect on profit before tax		
- INR	(766.26)	-

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Fund's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

Notes to Financial Statements

for the year ended March 31, 2018

The Fund closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 to 90 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analyses financial liabilities by remaining contractual maturities:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
As at 31 March 2018						
Borrowings	-	3,912.50	11,677.51	67,150.89	207,819.19	290,560.09
Trade and other payables	-	289.55	-	-	-	289.55
Other financial liabilities	13.20	736.54	-	-	-	749.75
	13.20	4,938.60	11,677.51	67,150.89	207,819.19	291,599.39
As at 31 March 2017						
Borrowings	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
	-	-	-	-	-	-

At present, the Fund does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

23 Capital management

For the purpose of the Fund's capital management, capital includes issued unit capital and all other reserves attributable to the unit holders of the Fund. The primary objective of the Fund's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise unit holder value.

The Fund manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Fund may adjust the dividend payment / income distribution to unit holders (subject to the provisions of InvIT regulations which require distribution of at least 90% of the net distributable cash flows of the Fund to unit holders), return capital to unit holders or issue new units. The Fund monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Fund's policy is to keep the gearing ratio optimum.

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Borrowings (secured)	154,610.50	-
Trade and other payables	289.55	-
Other financial liabilities	749.75	-
Less: Cash and cash equivalents	(5,926.22)	-
Net debt (A)	149,723.58	-
Unit capital	579,919.50	-
Initial settlement amount	0.10	-
Total equity (B)	579,919.60	-
Capital and net debt C = A+B	729,643.18	-
Gearing ratio (%) (C/A)	20.52	-

Notes to Financial Statements

for the year ended March 31, 2018

24 Income distribution made

(₹ in lakhs)

	As at March 31, 2018	As at March 31, 2017
Distributed during the year as :		
Interest	31,637.25	-
Return on capital	12,190.50	-
	43,827.75	-

The above distribution relate to distributions made during the financial year and does not include the distribution relating to the last quarter of FY 2017-18 which will be paid after March 31, 2018.

25 Significant accounting judgement, estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in out comes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgement

In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Classification of unit holders Funds

Under the provisions of the InvIT Regulations, Fund is required to distribute to Unit holders not less than ninety percent of the net distributable cash flows of Fund for each financial year. Accordingly, a portion of the unit holders' Funds contains a contractual obligation of the Fund to pay to its Unit holders cash distributions. The Unit holder's Funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32-Financial Instruments: Presentation.

However, in accordance with SEBI Circulars (No.CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016) issued under the InvIT Regulations, the unit holders' Funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20-Oct-2016 dealing with the minimum disclosures for key financial statements. In line with the above, the income distribution payable to unit holders is recognized as liability when the same is approved by the Investment Manager.

Fair valuation and disclosures

SEBI Circulars issued under the InvIT Regulations required is closures relating to net assets at fair value and total returns at fair value. In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Fund engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates etc. Changes in assumptions about these factors could affect the fair value. (refer note 20 & note 21 for details).

Notes to Financial Statements

for the year ended March 31, 2018

26 During the year IDAAIL, IJDTL, ISDTL, ITATL, ITCTL and MITL which were private companies earlier, have become public companies.

27 Taxes

In accordance with section 10 (23FC) of the Income Tax Act, the income of business Fund in the form of interest received or receivable from Project SPV is exempt from tax. Accordingly, the Fund is not required to provide any current tax liability. Further, deferred tax assets on carry forward losses is not being created since there is no virtual certainty of reversal of the same in the near future.

28 Subsequent event

On April 30, 2018, the Board of directors of the Investment Manager approved a dividend of ₹ 3.00 per unit for the period January 01, 2018 to March 31, 2018 to be paid on or before 15 days from the date of declaration.

Signature to Note 1 to 28.

As per our report of even date

For Suresh Surana & Associates LLP

Chartered Accountants
Firm's Reg. No. 121750W /W-100010

Ramesh Gupta

Partner
Membership No.: 102306

Place : Mumbai
Date : April 30, 2018

**For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)**

Vinod Kumar Menon

Wholetime Director
DIN 03075345

Tushar Kawedia

Chief Financial Officer

Place : Mumbai
Date : April 30, 2018

Bajranglal Gupta

Director
DIN: 07175777

Urmil Shah

Company Secretary



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