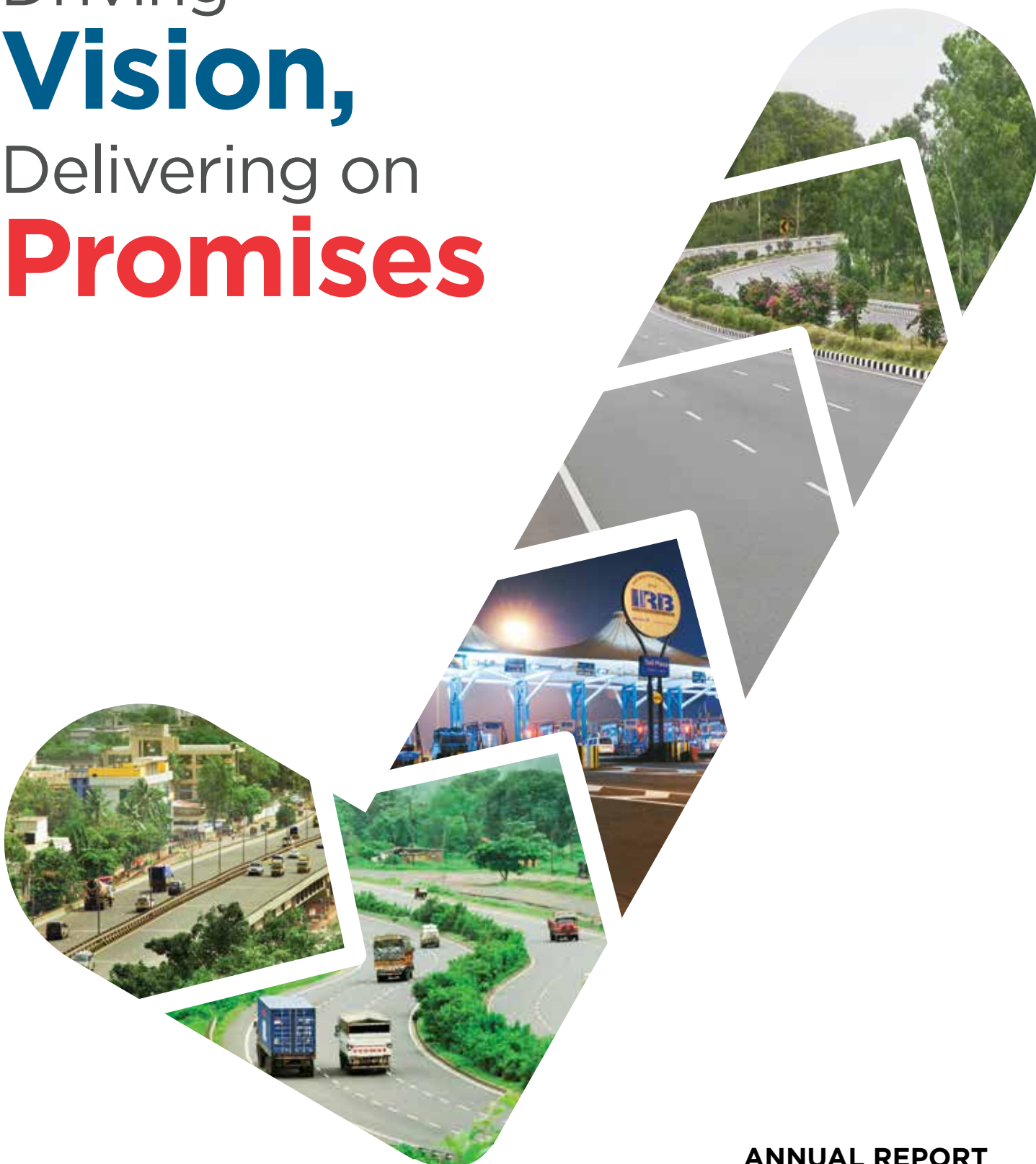


Driving
Vision,
Delivering on
Promises



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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

FY 2018-19 highlights (Consolidated)

₹ **12,334** Million ₹ **9,989** Million ₹ **8,383** Million

Gross Income **23%** ^

EBITDA **22%** ^

Cash Profit **17%** ^

₹ **7,639** Million

~19%

Net Distributable

Cash Flow (NDCF) **17%** ^

Implied Yield

(Based on market price as on March 31, 2019)

^ y-o-y growth (numbers are not comparable as Pathankot Amritsar BOT Project was acquired on 28th September 2017 and the balance BOT assets were transferred from 9th May 2017)

Driving **Vision** Delivering on **Promises**

We, at IRB InvIT Fund, are committed to help accelerate the socio-economic wellbeing of our nation on the move. Our business revolves around investing in operating road assets with focus on minimising costs, maximising returns and creating enduring value for our stakeholders.

The opportunity landscape around us is expanding considerably, as India requires huge infrastructure investments to support its growth ambition. The Government of India is investing significantly in the infrastructure sector, of which roads and highways remain one of the key focus areas. The Government's current budgetary allocation for the sector is around ₹ 4.56 lakhs crore (US\$ 63.20 Billion) and is expected to increase further to energise a close to 3 trillion-dollar economy.

Being the country's first listed Infrastructure Trust, our focus is to capitalise on the emerging opportunities and grow the business. With the Government's enhanced focus on accelerated infrastructure creation and upgradation, we are dedicated to play a far more significant role in helping build India's future network of roadways in the coming years.

During the year, we stood by our projections of consistent profit distribution at ₹ 12 per unit, despite sector-specific challenges. Our endeavour is to help build value for the nation by facilitating the creation of infrastructure that drives economic growth and benefits all sections of society.

AS WE ARE
CRAFTING NEW PATHWAYS
TOWARDS PROGRESS,
WE ARE DRIVING OUR
VISION AND DELIVERING
ON OUR STAKEHOLDER
PROMISES.



IRB InvIT

IRB InvIT Fund is a registered infrastructure investment trust under the InvIT Regulations. It primarily intends to own, operate and maintain a portfolio of six toll-road assets in the Indian states of Maharashtra, Gujarat, Rajasthan, Karnataka and Tamil Nadu. These toll roads are operated and maintained pursuant to concessions, granted by the National Highways Authority of India (NHAI). Subsequently, the Trust added another road asset in the state of Punjab, making it the seventh one.

Towards this purpose, the Trust raised capital by issuing units to investors, for acquiring the toll road assets. These units were listed on stock exchanges in line with the

provisions of applicable laws. Thus, the Trust became the first ever listed Infrastructure Investment Trust in India, focusing on toll-road assets in India.

Competitive advantages



Portfolio of income generating assets

The road assets have growth potential due to expected expansion in traffic volumes, as a result of regional growth and likely increase in toll fees, following inflation adjustments.

Diversified road project portfolio and revenue base

Diversity in road assets has enriched our experience and sharpened our expertise, including our ability to evaluate, acquire, operate and maintain new projects.

Our geographic footprint and diverse project portfolio help us capitalise on emerging opportunities available in the roads and highways sector. This strategy also reduces our dependence on any specific region or project. At the same time, it also insulates us from the potential impact on the business of any economic slowdown or force majeure event in any particular region or with respect to any particular project.

Experienced sponsor, investment manager and project manager

The Sponsor is one of India's largest infrastructure development and construction companies in terms of net worth in the roads and highways sector with a large project portfolio. The Investment Manager has around 18 years of experience in operating a road BOT project and is also experienced in developing, operating and maintaining toll plazas. The Project Manager is a wholly owned subsidiary of the Sponsor, having executed a majority of all Engineering Procurement Construction (EPC) work being undertaken by the Sponsor.



Vision

To be a significant contributor in growth and development of India, by becoming the most reliable and trustworthy InvIT for investments in the Roads & Highways Infrastructure Sector, by making the best use of our rich in-house domain expertise, unmatched capabilities & experience for transforming the “Trusted” roads & highway assets as ever best returns giving assets for its stakeholders.



Mission

To add consistently new roads & highways assets to enhance the stakeholders' value and become the largest, most respected and valued Infrastructure Investment Trust in India fully committed to the Roads & Highways Infrastructure Sector.



Assets Portfolio

The Trust's project portfolio of toll road concessions comprises seven operational road assets with four of them forming a part of the golden quadrilateral and one being part of the East-West corridor. These projects span the states of Maharashtra, Gujarat, Rajasthan, Karnataka, Tamil Nadu and Punjab, with average residual concession period of ~17 years.



₹75,000 Million

Total enterprise value

₹12.25

Total distribution per unit

4,055

Lane kms under operation

Credit Rating

India Ratings - 'IND AAA/Stable'
Care Ratings – 'CARE AAA/Stable'

Knowing us Better

Parties involved and their roles



Sponsor

Our sponsor is the IRB Infrastructure Developers Ltd., one of India's largest private roads and highways infrastructure developers.

The Company at present is having a portfolio of 24 projects, including seven projects under Operations and maintenance (O&M) Contract for IRB InvIT, aggregating 12,000+ lane km, along with 20% share in India's prestigious Golden Quadrilateral project. It is the largest by any private highways infrastructure developers in India.

IRB Infrastructure Developers Ltd. is the country's first infrastructure developer company to have privilege of successfully launching and listing of India's first ever InvIT Initial Public Offering (IPO).



Investment Manager

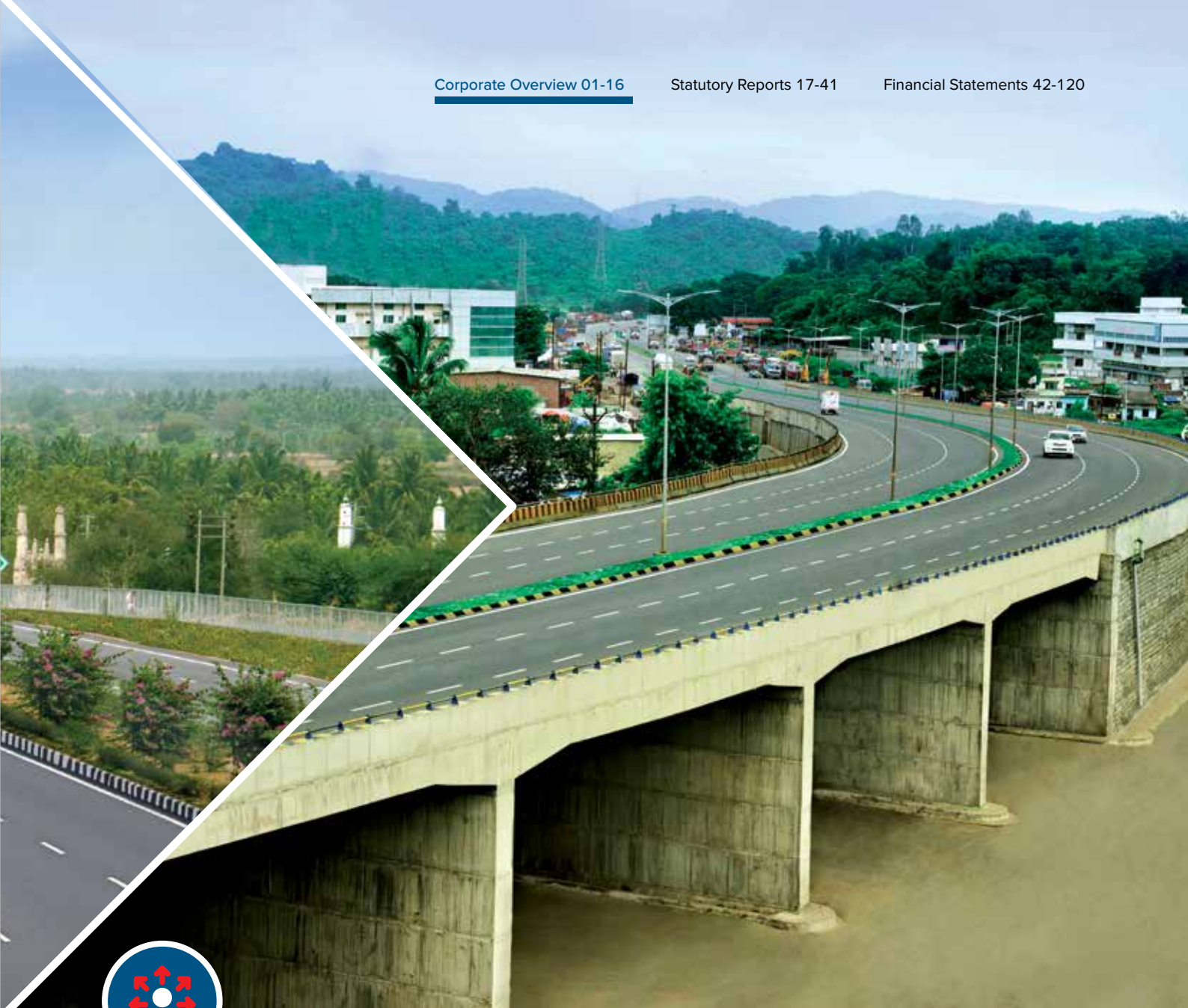
IRB Infrastructure Private Ltd., the 100% subsidiary of the Sponsor, is the Trust's designated Investment Manager, who will be responsible for making investment decisions with respect to the underlying assets or projects of the Trust. This includes any further investment or divestment of its assets, in accordance with the InvIT Regulations and the Investment Management Agreement.

The Investment Manager has experience in operating road BOT for a period of approximately 18 years and in developing, operating and maintaining toll plazas in the infrastructure sector.



Trustee

The Sponsor, in accordance with the provisions of the InvIT Regulations, has appointed IDBI Trusteeship Services Ltd. as the Trustee. The Trustee is a professionally managed Trusteeship Company, duly registered with SEBI and jointly promoted by IDBI Bank Limited, Life Insurance Corporation and General Insurance Corporation for providing corporate and other trusteeship services. The Trustee has vast experience in providing trusteeship services to a wide range of corporates and institutions from different business sectors.



Project Manager

Modern Road Makers Private Ltd., a 100% owned subsidiary of the Sponsor, is the Project Manager, as nominated by Trustees and Investment Manager, for conducting Operations and Management of the Project Special Purpose Vehicles (SPVs) in accordance with the Project Management Agreements, the relevant concession agreements and the InvIT Regulations.

The Project Manager has also been an EPC arm of Sponsor's business operations and has to its credit a multitude of EPC projects being undertaken by the Sponsor. It has also remained an Operations & Maintenance Contractor for Sponsor's roads and highway projects.

To elaborate further, the Project Manager has constructed and maintained innumerable road projects across India's multiple terrains in accordance with concession agreements.

The Project Manager has rich in-house domain expertise and experienced human resource for execution of construction work for roads, highways and other relevant structures.

The Board of Investment Manager noted assignment of rights and obligations of Project Manager under Project Implementation Agreement(s) to IRB Infrastructure Developers Ltd. (the Sponsor).

THE PROJECT
MANAGER HAS RICH
IN-HOUSE AND EXPERIENCED
DOMAIN EXPERTISE AND
HUMAN RESOURCE
FOR EXECUTION OF
CONSTRUCTION WORK

Our operating canvas

Operational highlights

Project-wise gross toll collection (₹ in Million)

Project SPVs	For the year ended 31st March 2019	For the year ended 31st March 2018*
IDAA Infrastructure Ltd. (IDAA)	2,281.87	1,950.28
IRB Surat Dahisar Tollway Ltd. (IRBSD)	6,771.69	5,734.42
IRB Talegaon Amravati Tollway Ltd. (IRBTA)	683.64	548.98
IRB Jaipur Deoli Tollway Ltd. (IRBJD)	975.63	1,053.05
IRB Tumkur Chitradurga Tollway Ltd. (IRBTC)	2,475.08	2,058.26
M.V.R Infrastructure & Tollways Ltd. (MVR)	960.07	764.12
IRB Pathankot Amritsar Toll Road Ltd. (IRBPA)	1,218.57	606.07
Total	15,366.55	12,715.18

* Toll collection numbers are not comparable as Pathankot Amritsar BOT Project was acquired on 28th September 2017 and the balance BOT assets were transferred from 9th May 2017.



Project-wise performance

Projects	Surat Dahisar BOT Project	Tumkur Chitradurga BOT Project	Bharuch Surat BOT Project	Jaipur Deoli BOT Project
Total Income* (₹ in Million)	3,615	2,488	2,300	996
EBITDA (₹ in Million)	3,033	2,308	1,875	798
Traffic Movement (in 000)	34,599	11,913	8,665	4,270

* Total income comprises Revenue from Operations and Other Income

Financial highlights

- Distribution at ~93% of NDCF for FY 2018-19
- Bounce-back in traffic growth, with double-digit growth witnessed in Surat Dahisar, Tumkur Chitradurga, Bharuch Surat and Ommalur Salem projects

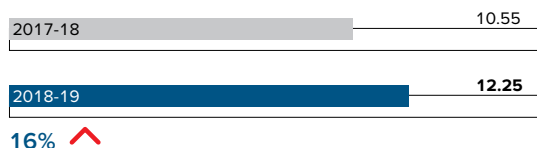
Total Consolidated Income (₹ in Million)



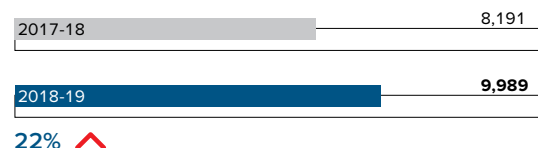
Net Distributable Cash Flow (NDCF) (₹ in Million)



Distribution per unit



EBITDA (₹ in Million)



y-o-y growth (numbers are not comparable as Pathankot Amritsar BOT Project was acquired on 28th September 2017 and the balance BOT assets were transferred from 9th May 2017)

Ommalur Salem Namakkal	Talegaon Amravati BOT Project	Pathankot Amritsar BOT Project	Total
755	691	1,378	12,223
570	526	915	10,025
6,915	2,591	4,709	

Chairman's Message

Dear Unitholders,

On behalf of the Board of Directors of Investment Manager, it gives me great pleasure to share performance and highlights of the IRB InvIT Fund ("the Trust") for financial year 2018-19 with you.

FY 2018-19 was our first full year of operations since listing unlike the previous one of 318 days. I take this opportunity to congratulate the team that worked very hard to fulfil the commitment that was made to the unitholders, despite unfavourable market conditions.

FOR FY 2018-19
WE WERE ABLE TO MAKE A
PAY OUT OF RS. 12.25/UNIT,
RESULTING INTO IMPLIED
YIELD OF ~19% (BASED ON
MARKET PRICE AS ON
MARCH 31, 2019)

For FY 2018-19, despite less than expected revenue growth, we were able to make a pay out of ₹12.25/unit. We had multiple subduing events including Mumbra Bypass repair (that dampened the traffic on two of our key projects for good six months) and continued mining ban in two states, impacting two of our projects for almost entire year. Going forward we expect the situation to improve significantly. We also intend to focus on reducing the O&M costs to the extent possible to enable us to maintain this level of pay out.

InvIT is an evolving business model. With an endeavour to strengthen business case for InvITs, the Trust has been engaging in meaningful discussions with the regulatory authority Securities and Exchange Board of India (SEBI). It is indeed a good news for investors that SEBI has come out with the guidelines on reduced lot size of units, detailed regulations for private InvIT and increased leverage. These are encouraging steps and hopefully would play a vital role in increasing the depth of InvIT as a product and creating an affordable buying opportunity – from investors' perspective, as well as widening investor base from Trust's perspective.

While we continue to be the first and the only publicly listed InvIT in the Road sector, a couple of privately placed trusts have been registered with SEBI. Placement of private InvITs with reputed global investors clearly vindicates the efficacy of this model for capital intensive Infrastructure segment, providing stable and low-risk returns for Unitholders over long term.

The trust continues to enjoy AAA rating by two of the credit rating agencies. This helps us to maintain the confidence of the unitholders as well as lenders in the Trust.

To conclude, I once again express my sincere gratitude to all the unitholders for putting your faith in IRB InvIT and extending your valuable support and guidance from time to time.

We assure you of better performance in coming years.

Thank you

R.P. Singh

*Chairman of the Board
Investment Manager of the Trust*



Our Value-accretive Business Model

Our investment strategy is stable, reliable and growth oriented. Our business revolves around investing in operating assets, maximising margins and making regular distribution to unitholders. The Trust has provided consistent returns to investors and will continue to reward them in the future.

ACQUIRE ASSETS

Acquire income-generating assets with optimum capital allocation/debt

OPTIMISE ASSET PERFORMANCE

Maintain and operate assets efficiently

DISTRIBUTE

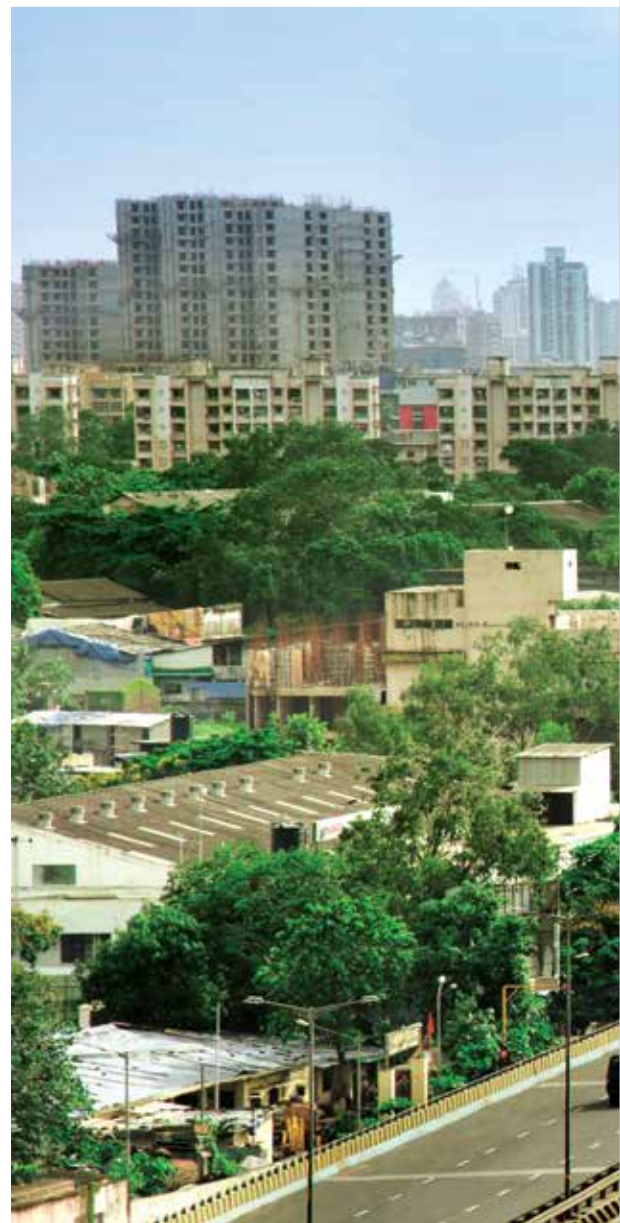
Distribute at least 90% of the net distributable cashflows to stakeholders

Opportunity landscape

IRB InvIT is attractively placed to capitalise on the Government's enhanced emphasis on roadbuilding. The Government has launched major initiatives to upgrade and strengthen highways and expressways in the country. We are confident about the country's continued economic performance and will remain committed to contribute to the development of India's roads and highways infrastructure. Our plan is to focus primarily on roads and highways infrastructure and continue to bid for feasible projects.

- Total length of national highways increased from about 91,287 km in FY 2013-14 to about 131,326 km in FY 2017-18
- In March 2014, 55% of India's habitations were connected to roads and this has increased to 91% in January 2019
- The construction of national highways touched 28,531 km between FY 2015-18 from 16,505 km between FY 2011-14
- The construction of national highways per day increased from 11.6 km per day in FY 2013-14 to 26.9 km per day in FY 2017-18
- Highway construction rate is likely to peak at 30-32 km daily in 2019

Source: IBEF, CARE Ratings, <https://www.hindustantimes.com/india-news/government-completed-40-of-700-ongoing-national-highways-projects-in-4-years/story-iGrImcw77aSEHMHPHIKyPO.html>



Strategy

IRB InvIT is India's first publicly listed infrastructure investment trust. The Trust has been consistent in providing returns to its unitholders. We are focusing on expanding our horizon by acquiring new assets, maintaining consistent pay-outs and strengthening investor relationships, among others. With a AAA credit rating, we are confident of acquiring new assets at a lower debt, which will help us improve the overall distribution and yield to the unit holders. Our focus will be to acquire mature operational assets, which will enable us to meet investor's expectations in the overall yield and bring perpetuity to the trust.

Going forward, we are confident of sustained growth, as the robust rise in vehicular traffic ensures strong visibility of performance and growth in existing portfolio. With a growing pool of strategically located operational assets, we will continue to create sustained value for all our stakeholders, capitalise on emerging opportunities and pave new pathways to progress.

RETAIN AND REINVEST

Utilise remaining surplus cashflows for acquisition



Current Portfolio Strengths



Surat

Dahisar NH 8 Project

On 30th April 2008, the NHAI and IRB Surat Dahisar Tollway Ltd. (ISDTPL) entered into a concession agreement with respect to the Surat–Dahisar NH 8 Project. ISDTPL was engaged to expand a 239 km section of NH 8 between Surat in Gujarat and Dahisar in Maharashtra from four lanes to six lanes on a Build Operate Transfer (BOT) basis or a Design, Build, Finance, Operate, Transfer (DBFOT) pattern. The concession period and the collection of tolls commenced on 20th February 2009. A provisional certificate of completion was issued on 6th April 2013.

As per the relevant concession agreement, the Surat–Dahisar NH 8 Project comprises the section of NH 8 from 263 km to 502 km.

Project features

- 239 km of six-lane carriageway
- 283.369 km of service road
- 17 major bridges
- 37 minor bridges
- 25 flyovers
- 2 railway-overbridges
- 496 culverts
- 12 pedestrian underpasses
- 16 vehicular underpasses
- 304 intersections
- 4 toll plaza complexes

Tumkur

Chitradurga NH 4 Project

On 16th August 2010, the NHAI and IRB Tumkur Chitradurga Tollway Ltd. (ITCTPL) entered into a concession agreement in respect of the Tumkur–Chitradurga NH 4 Project. ITCTPL was engaged to expand a 114 km section of NH 4 between Tumkur and Chitradurga in Karnataka from four to six lanes on a Build-Operate-Transfer (BOT) basis in the Design, Build, Finance, Operate and Transfer (DBFOT) basis. The construction on the project commenced on 4th June 2011. ITCTPL received a provisional certificate of completion on 4th July 2014. As per the relevant concession agreement, the Tumkur–Chitradurga NH 4 Project comprises the section of NH 4 from 75 km to 189 km.

Project features

- 114.45 km of six-lane carriageway
- 4.2 km of service road
- 3 major bridges
- 21 minor bridges
- 6 flyovers
- 147 culverts
- 20 pedestrian underpasses
- 36 major intersections
- 66 entry / exit ramps
- 38 bus bays
- 7 truck lay byes
- 2 toll plaza complexes

Bharuch

Surat NH 8 Project

On 7th July 2006, the NHAI and IDAA Infrastructure Ltd. (IDAAIPL) entered into a concession agreement in respect of the Bharuch–Surat NH 8 Project. IDAAIPL was engaged to expand a 65 km section of NH 8 between Bharuch and Surat in Gujarat to four or six lanes on a BOT basis. Construction on the project commenced on 2nd January 2007. The project was completed on 14th March 2011. According to the relevant concession agreement, the Bharuch–Surat NH 8 Project comprises the section of NH 8 from 198 km to 263 km.

Project features

- 47.35 km of six-lane carriageway
- 17.65 km of four-lane carriageway
- 27.5 km of service road
- 14 major bridges
- 33 minor bridges
- 6 flyovers
- 3 railway-over-bridges
- 83 culverts
- 10 pedestrian underpasses
- 1 vehicular underpasses
- 6 major intersections
- 19 bus bays
- 1 toll plaza complex

Jaipur

Deoli NH 12 Project

On 16th December 2009, the NHAI and IRB Jaipur Deoli Tollway Ltd. (IJDTPL) entered into a concession agreement with respect to the Jaipur–Deoli NH 12 Project. IJDTPL was engaged to expand a 148.77 km section of NH 12 between Jaipur and Deoli in Rajasthan from two lanes to four lanes on a DBFOT basis. The project received a provisional completion certificate on

27th September 2013 and IJDTPPL commenced partial tolling for a project length of 119.75 km on that date. Subsequently, IJDTPPL received a second provisional completion certificate on 20th May 2014, and received a final completion certificate with effect from 1st April 2016 and began collecting tolls for the rest of the project length.

According to the relevant concession agreement, the Jaipur–Deoli NH 12 Project comprises the section of NH 12 from 18.70 km to 165 km.

Project features

- 148.77 km of four-lane carriageway
- 36.76 km of service road
- 1 major bridge
- 23 minor bridges
- 4 flyovers
- 124 culverts
- 3 pedestrian underpasses
- 5 cattle underpasses
- 11 vehicular underpasses
- 25 major intersections
- 32 bus bays
- 2 toll plaza complexes

Omaller – Salem Namakkal NH 7 Project

In October 2012, the Sponsor acquired a 74% equity interest in MVR Infrastructure & Tollways Ltd. (MITPL), a Project SPV incorporated to expand a 41.575 km section of NH 7 from Salem to Namakkal in Tamil Nadu from two lanes to four lanes and to improve, operate and maintain a 7.85 km section of NH 7 from Omaller to Salem in Tamil Nadu, in each case on a BOT basis pursuant to a concession agreement dated 16th February 2006 between MITPL and the NHAI.

The remaining 26% equity interest in MITPL has been pledged in favour of the Sponsor and the Sponsor has the right to receive dividends and the authority to exercise voting rights in relation to such equity shares. MITPL and MITPL's other shareholders have applied to the NHAI for consent to transfer the remaining 26% equity interest in MITPL to the Sponsor. In the event the Sponsor acquires such

shares, the shares will be transferred to the Trust as part of the Formation Transactions, subject to the receipt of any additional NHAI approvals required in this respect.

The concession agreement contemplates that the NHAI could award additional highway to MITPL for operations and maintenance. On 7th May 2010, the NHAI awarded an additional 19.20 km section of highway to MITPL, in respect of which MITPL is conducting operations and maintenance services.

As per the relevant concession agreement, the Omaller–Salem–Namakkal NH 7 Project comprises the sections of NH 7 from 207.05 km to 248.625 km and from 180.00 km to 207.05 km.

Project features

- 68.625 km of four-lane carriageway
- 23.58 km of service road
- 14 minor bridges
- 5 flyovers and railway-over-bridges
- 36 culverts
- 8 underpasses
- 16 major intersections
- 1 toll plaza complex

Talegaon Amravati NH 6 Project

On 18th November 2009, the NHAI and IRB Talegaon Amravati Tollway Ltd. (ITATPL) entered into a concession agreement in respect of the Talegaon–Amravati NH 6 Project. ITATPL was engaged to construct a 66.725 km four-lane road on the section of NH 6 from Talegaon to Amravati in Maharashtra on a DBFOT basis. A provisional completion certificate was issued on 24th April 2013, and ITATPL commenced partial tolling on a project length of 45.31 km on this date. ITATPL achieved the second provisional completion on 31st March 2014 and commenced tolling on the total project length of 63.695 km on this date.

According to the relevant concession agreement, the Talegaon–Amravati NH 6 Project comprises the section of NH 6 from 100.00 km to 166.725 km.

Project features

- 66.725 km of four-lane carriageway
- 26.50 km of service road
- 1 major bridge
- 25 minor bridges
- 2 flyovers
- 1 railway-over-bridge
- 86 culverts
- 11 pedestrian underpasses
- 11 vehicular underpasses
- 36 major intersections
- 15 bus bays
- 1 toll plaza complex

Pathankot Amritsar NH 15 Project

On 16th November 2009, the NHAI and IRB Pathankot Amritsar Toll Road Ltd., a concessionaire, an SPV of IRB Infrastructure Developers Ltd., entered into a Concession Agreement to develop, operate and maintain the Pathankot – Amritsar section of NH 15 Project. The concession period of the project is two decades from the appointed date.

The concessionaire is allowed to collect the notified user, fee from the road users during this period. IPATPL was entrusted to expand a 102.42 km section of NH 15 between Pathankot and Amritsar in Punjab from two lanes to four lanes on a DBFOT basis. The Pathankot – Amritsar NH 15 Project comprises the section of NH 15 from 6.082 km to 108.502 km.

Project features

- 104.420 km four-lane carriageway
- 44.180 km service road
- 4 major bridge
- 6 minor bridges
- 5 flyovers
- 5 railway overbridges
- 317 culverts
- 14 vehicular underpasses
- 168 major intersections
- 5 truck lay bays
- 30 bus bays
- 2 toll fee plaza

Board of Directors

Mr. R. P. Singh

Chairman of the Board

Mr. R. P. Singh is a retired IAS Officer and has wide experience in the field of Finance, Industry, Urban and Infrastructure Development. He has been the Chairman of the National Highways Authority of India (NHAI), prior to which he held the position of Chairman and Managing Director of Punjab and Sindh Bank. Presently, he holds Directorship at Maruti Suzuki India Ltd., Bharti Infratel Ltd. and Lodha Developers Ltd.

Mr. B. L. Gupta

Independent Director

Mr. B. L. Gupta 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 Ltd.

Mr. Sumit Banerjee

Independent Director

Mr. Sumit Banerjee is an Independent Director of the Investment Manager. He holds a Bachelor's 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 Ltd.

Mr. Vinod Kumar Menon

Executive Director and Chief Executive Officer

Mr. Vinod Kumar Menon is an Executive Director and CEO of the Investment Manager. He holds a Bachelor of Technology degree in Civil Engineering and has experience in the fields of infrastructure development and management. Previously, he was the president (business development) of the Sponsor. He currently serves as the vice-president of the National Highway Builder Federation.



Management Team

Mr. Tushar Kawedia*Chief Financial Officer*

Mr. Tushar Kawedia 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 Ltd.

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

Mr. Vinod Kumar Menon is an Executive Director and CEO of the Investment Manager. He holds a Bachelor of Technology degree in Civil Engineering and has experience in the fields of infrastructure development and management. Previously, he was the President (business development) of the Sponsor. He currently serves as the Vice President of the National Highway Builder Federation.

Ms. Swapna Vengurlekar*Compliance Officer**(w.e.f. 26th June 2019)*

Ms. Swapna Vengurlekar is designated as the Compliance Officer by the Investment Manager. She joined the Sponsor Group in May 2015. She has done LL.B. from Mumbai University. She is an associate member of the Institute of Company Secretaries of India. She is having experience of more than six years in field of Corporate Affairs and Compliances. Prior joining to Sponsor Group, she was associated with M/s. Makarand M. Joshi & Co., Practising Company Secretary and SKP Crossborder Consulting Private Ltd.



Corporate Information



IRB InvIT Fund (Trust)

Registered Office

IRB Complex,
Chandivali Farm, Chandivali Village,
Andheri (E), Mumbai – 400 072,
Maharashtra India

SEBI Registration No:
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:
Ms. Swapna Vengurlekar

Bankers / Lenders:

State Bank of India
IDFC FIRST Bank Ltd.

Auditors

Suresh Surana & Associates LLP

Securities Information

BSE Ltd: 540526
National Stock Exchange of
India Ltd: IRBINVIT
ISIN: INE183W23014

Investment Manager:

IRB Infrastructure Private Ltd.

CIN: U28920MH1997PTC112628

Registered Office

IRB Complex,
Chandivali Farm, Chandivali Village,
Andheri (E), Mumbai – 400 072,
Maharashtra India
Tel.: +91 22 6640 4299
Fax: +91 22 6640 4274
E-Mail: 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 and CEO

Key Managerial Personnel:

- Mr. Vinod Kumar Menon – Executive Director and CEO
- Mr. Tushar Kawedia – Chief Financial Officer
- Mr. Urmil Shah –
Company Secretary & Compliance Officer (upto 26th June 2019)
- Ms. Swapna Vengurlekar – Compliance Officer (w.e.f. 26th June 2019)

Trustee of the Trust

IDBI Trusteeship Services Ltd.

Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate
Mumbai – 400 001
Tel.: +91 22 4080 7000
Fax: +91 6631 1776
E-Mail: itsl@idbitrustee.co.in

Contact Persons

- Mr. Shivaji Gunware
- Mr. Naresh Sachwani

Registrar & Transfer Agent

Karvy Fintech Pvt. Ltd.
(unit:IRB InvIT Fund)

Karvy Selenium Tower B,
Plot 31-32, Gachibowli
Financial District,
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Valuer

Walker Chandiok & Co LLP

L-41, Connaught Circus,
New Delhi – 110 001
Tel.: +91 11 4278 7070
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Firm Registration No:
001076N/N500013

Report of Investment Manager for the year ended March 31, 2019

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 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, 2019 are as follows:

Particulars	Consolidated		Standalone	
	Year ended	Year ended	Year ended	Year ended
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Total Income	123,340.59	100,515.78	62,843.09	51,568.95
Total Expenditure	103,413.33	77,239.90	14,252.99	7,546.97
Profit before tax	19,927.26	23,275.88	48,590.10	44,021.98
Less: Provision for tax				
Current tax	150.77	33.61	-	-
Profit after tax	19,776.49	23,242.27	48,590.10	44,021.98
Add: Profit at the beginning of the year	(18,280.44)	(0.02)	2,493.01	(0.02)
Profit available for appropriation	1,496.05	23,242.25	51,083.11	44,021.96
Appropriations:				
Unit Issue Expenses	-	(9,891.70)	-	(9,891.70)
Interest Distribution	(51,374.25)	(31,637.25)	(51,374.25)	(31,637.25)
Other comprehensive income/(loss) for the period	32.80	6.26	-	-
Balance Carried Forward to Balance Sheet	(49,911.00)	(18,280.44)	(291.14)	2,493.01

Management Discussion and Analysis

The Management Discussion and Analysis Report forms a part of the Annual Report and includes various matters specified under InvIT Regulations.

Assets of the Trust

Project wise brief details of all the assets of the Trust are as follows:

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
Concession end date without reduction/ extension	January 1, 2022	February 19, 2021	September 2, 2032	June 13, 2035	June 3, 2037	August 13, 2026	December 30, 2030
Concession end date with reduction/ extension	January 1, 2022	January, 2022	January, 2037	September, 2037	June 3, 2037	August 13, 2026	December 30, 2030
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

IRB InvIT Fund

The Trust has not invested in under-construction projects.

During the period, the Trust has neither acquired any new assets nor divested any of its existing Assets.

Project-wise Revenue from the Underlying Projects

Details of Project wise Gross Toll collection from the underlying assets are as follows:

	Quarter ended June 30, 2018	Quarter ended September 30, 2018	Quarter ended December 31, 2018	Quarter ended March 31, 2019	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018*
IDA A	5,620.2	5,377.8	5,784.9	6,035.8	22,818.7	19,502.8
IRBSD	16,552.5	16,054.3	17,243.9	17,866.2	67,716.9	57,344.2
IRBTA	1,678.2	1,607.8	1,758.1	1,792.3	6,836.4	5,489.8
IRBJD	2,605.3	2,304.6	2,467.4	2,379.0	9,756.3	10,530.5
IRBTC	6,282.4	6,129.3	6,349.6	5,989.5	24,750.8	20,582.6
MVR	2,358.6	2,272.5	2,486.0	2,483.6	9,600.7	7,641.2
IRBPA	3,126.5	2,936.5	3,188.1	2,934.6	12,185.7	6,060.7
Total	38,223.7	36,682.8	39,278.0	39,481.0	153,665.5	127,151.8

* Toll collection numbers are not comparable as Pathankot Amritsar BOT Project was acquired on 28th September 2017 and Balance BOT Assets were transferred from 9th May 2017

Summary of the Valuation

The Investment Manager has submitted full valuation report for the financial year ended March 31, 2019 as received from the Valuer with the Stock Exchanges within stipulated time period. The summary of full valuation report is enclosed as "Annexure A".

The Toll Revenue and O&M Cost Projection Report issued by M/s. GMD Consultants, Technical Consultant, for each Project SPV was submitted to the Stock Exchanges within stipulated time period.

Valuation of Assets and NAV

Statement of Net Assets at Fair Value as at March 31, 2019

Particulars	₹ in Lakhs
A. Assets	1,429,003.19
B. Liabilities	823,726.05
C. Net Assets	605,277.14
Outstanding units	5,805
NAV at Fair Value (Per Unit)	104.27

Borrowings

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

Particulars	Opening Balance (April 1, 2018)	Loan availed during the period	Loan repaid during the period	Closing Balance (March 31, 2019)
Secured loan				
Loan from State Bank of India	104,800.50	-	2,311.69	102,488.81
Loan from IDFC First Bank Limited	49,810.00	-	1,000.00	48,810.00
Total	154,610.50	-	3,311.69	151,298.81

Credit Rating

CARE Ratings Limited has reaffirmed "CARE AAA" to the Trust's long term bank facilities of ₹ 1,536.36 Crores with a stable outlook.

India Ratings and Research (Ind-Ra) has affirmed the Trust's long term senior debt rating at "IND AAA" with stable outlook.

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.

Brief Profiles of the Investment Manager's Directors**a) Mr. Rajinder Pal Singh (DIN : 02943155)**

Mr. Rajinder Pal Singh, is an Independent Director and Chairman of the Board of 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 Macrotech Developers Limited.

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

Mr. B. L. Gupta, 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.

c) Mr. Sumit Banerjee (DIN : 00213826)

Mr. Sumit Banerjee, 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.

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

Mr. Vinod Kumar Menon, 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.

Board Meetings

For the period ended March 31, 2019, the Board of Directors of Investment Manager of the Trust met 5 times on April 30, 2018, June 15, 2018, July 27, 2018, October 23, 2018 and January 21, 2019.

Further, circular resolution was passed by the Board of Directors of Investment Manager on June 28, 2018.

Details regarding the attendance of the Directors at the Board Meetings held during the period ended March 31, 2019, are provided in the following table:

Director	No. of Board Meetings Attended
Mr. Rajinder Pal Singh	5
Mr. Vinod kumar Menon	5
Mr. Sumit Banerjee	5
Mr. Bajrang Lal Gupta	5

Brief Profiles of the Investment Manager's Key Personnel**a) Mr. Vinod Kumar Menon**

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

b) Mr. Tushar Kawedia

Mr. Tushar Kawedia, 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, 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.

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

As on March 31, 2019, as per the disclosures received from the Directors of Investment Manager, except Mr. Rajinder Pal Singh, all the Investment Manager's Directors holds Units of the Trust as follows:

Sr. No.	Director	No. of Units held
1	Mr. Vinod Kumar Menon	30,000
2	Mr. Sumit Banerjee	30,000
3	Mr. B. L. Gupta	5,000

Also, details of Units held by the Key Managerial Personnel (KMP) of the Investment Manager as on March 31, 2019 are as follows:

Sr. No.	Key Managerial Personnel	No. of Units held
1	Mr. Tushar Kawedia (CFO)	25,000
2	Mr. Urmil Shah (CS)	10,000

Summary of the Standalone Financial Statements of the Investment Manager

The Investment Manager has no subsidiaries. For a summary of the financial statements of the Investment Manager, as derived from the standalone financial statements of the Investment Manager, prepared in accordance with Indian GAAP and the Companies Act, as of and for the financial year ended March 31, 2019, please refer website of Investment Manager i.e. www.irbfl.co.in.

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

Codes / Policies

In order to adhere the good governance practices in IRB InvIT Fund, the Investment Manager has adopted the following policies in relation to IRB InvIT Fund:

Distribution Policy

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

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

The Investment Manager has adopted the UPSI Policy (as a part of PIT) to ensure that IRB InvIT Fund 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 IRB InvIT Fund 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 IRB InvIT Fund 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.

Committees

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

- Audit Committee; and
- Nomination and Remuneration 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 Audit Committee comprises of board of directors of the Investment Manager. 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 consists of the following members viz.:

- Mr. B. L. Gupta, Chairman
- Mr. Sumit Banerjee, Member
- 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 IRB InvIT Fund and matters related thereto

The Audit Committee met 4 times for the period ended March 31, 2019 viz. April 30, 2018, July 27, 2018, October 23, 2018 and January 21, 2019.

The following table presents the details of attendance at the Audit Committee meetings held during the period ended March 31, 2019:

Sr. No.	Name of the Member	No. of Meetings attended
1	Mr. Bajrang Lal Gupta	4
2	Mr. Vinod kumar Menon	4
3	Mr. Sumit Banerjee	4

(ii) Nomination & Remuneration Committee

The Nomination and Remuneration Committee comprises of board of directors of the Investment Manager.

The Composition of Nomination & Remuneration Committee 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.

The Nomination and Remuneration Committee met on January 21, 2019 during the period ended March 31, 2019

The following table presents the details of attendance at the Nomination and Remuneration Committee meetings for the period ended March 31, 2019:

Sr. No.	Name of the Member	No. of Meetings attended
1	Mr. Sumit Banerjee	1
2	Mr. Rajinder Pal Singh	1
3	Mr. Vinod kumar Menon	1
4	Mr. Bajrang Lal Gupta	1

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.

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, 2019; the Sponsor has 16 road projects, of which 11 are being tolled and balance are under various phases of development. The Sponsor has a large project portfolio of 12,696 Lane Kilometres of roads and highways in operation, under construction or under development as of March 31, 2019

During the period, the Sponsor has appointed Mrs. Heena Raja as an Independent Director w.e.f. March 30, 2019.

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

The Project Manager

The Trustee and the Investment Manager have appointed Modern Road Makers Private Limited (MRM) as the Project Manager, to carry out operations and management of the Project SPVs in accordance with the Project Implementation Agreements, the relevant concession agreements and the InvIT Regulations.

The Project Manager is a wholly-owned subsidiary of the Sponsor and the EPC arm of its business operations. A majority of the EPC projects being undertaken by the Sponsor group are executed through the Project Manager. The Project Manager also acts as the operations and maintenance contractor for the road projects of the Sponsor group.

Typically, the Project Manager has constructed and maintained numerous road projects in accordance with the concession agreements. The Project Manager has an order book that as of March 31, 2019, stood at approximately ₹ 142,722.28 million. The present order book of the Project Manager comprises construction contracts for the Sponsor group's in-house toll projects as well as the operation and maintenance contracts for certain of the toll roads portfolio held by the Sponsor and the Project SPVs. The Project Manager has experience in the execution of construction work for roads, highways, and other relevant structures and has a track record of constructing over 2500 Kms of roads and highways as of March 31, 2019. The Project Manager had a team of approximately 3,588 skilled and semi-skilled persons to support its operations as of March 31, 2019. As on March 31, 2019, the written down value of the machinery is ₹ 968.55 million.

During the year, the Investment Manager and the Trust has executed Amendment to the Project Implementation Agreement(s) to align with requirement of Concession Agreement executed with NHAI. This will not have any material impact to Unitholders.

The Board of Directors of Investment Manager at its meeting held on May 2, 2019 noted assignment of rights and obligations of Project Manager under Project Implementation Agreement(s) to IRB Infrastructure Developers Limited. Accordingly, the Trustee, the Investment Manager, MRM and the Sponsor have entered into assignment agreements dated May 14, 2019 with each of IDAA Infrastructure Limited, IRB Jaipur Deoli Tollway Limited, IRB Surat Dahisar Tollway Limited, IRB Talegaon Amravati Tollway Limited, IRB Tumkur Chitradurga Tollway Limited, MVR Infrastructure and Tollways Limited and IRB Pathankot Amritsar Toll Road Limited, pursuant to which all rights, interests and obligations of the MRM in the project implementation agreements have been assigned to the Sponsor and the Sponsor shall act as the Project Manager of the Trust with effect from May 16, 2019. Subject to the terms of such assignment agreements, the Sponsor shall stand substituted as a party in all the documents related to the projects of each of Project SPVs to which MRM was a party. The intimation to the National Highways Authority of India for this change in the Project Manager has been made vide a letter dated May 14, 2019. The intimation to SEBI for this change in the Project Manager has been made vide letter dated May 15, 2019.

Please note that pursuant to assignment agreements dated May 14, 2019 the Investment Manager has approved award of Operation & Maintenance work of the Project SPVs to the Project Manager (the Sponsor) for a longer duration of 10 years at a negotiated & most competitive pricing. The Investment Manager has carried out detailed evaluation based on the results of a competitive open tender process carried out for this purpose. This award of work to the Project Manager would result in improved visibility in O&M cost of the Project SPVs over next 10 years.

Functions, Duties and Responsibilities of the Project Manager

The Project Manager has agreed to provide professional services to carry out operations and management of the Project SPVs, including making arrangements for the appropriate maintenance, either directly or through the appointment of appropriate agents, in accordance with the terms and conditions of the relevant concession agreement, project implementation agreement and the InvIT Regulations.

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 Trustee is 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, 2019 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. Saurabh Chandra	Director	02726077
6.	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, 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

- 1) Except as stated otherwise in this report and in any other public disclosures, during the period under review, there are no changes in the clauses of trust deed, investment management agreement or any other agreement pertaining to activities of the Trust.
- 2) During the period, there are no material regulatory changes that had impacted or may impact cash flows of the underlying projects.
- 3) During the period, there is no change in material contracts or any new risk in performance of any contract pertaining to the Trust.
- 4) Except otherwise specified, during the period under review, there were no legal proceedings which may have significant bearing on the activities or revenues or cash flows of the IRB InvIT Fund.
- 5) Except otherwise specified, during the period under review, there were no material changes, events or material and price sensitive information to be disclosed for IRB InvIT Fund.

Unit Price Performance of the Trust

Particulars	BSE (₹)	NSE (₹)
Unit price quoted on the exchange at the beginning (Closing price of April 2, 2018)	82.71	83.29
Unit price quoted on the exchange at the end (Closing price of March 29, 2019)	66.69	66.05
highest unit price (April 19, 2018)	86.00	86.00
lowest unit price (March 15, 2019)	65.25	-
lowest unit price (March 13, 2019)	-	65.00

Monthly Highest & Lowest Unit Price and Average Daily Volume Traded

Month	BSE		NSE		Average daily volume	
	High (₹)	Low (₹)	High (₹)	Low (₹)	BSE	NSE
April, 2018	86.00	81.60	86.00	82.21	1,71,000	3,87,857
May, 2018	85.99	78.00	86.00	78.00	2,19,091	6,39,773
June, 2018	80.75	78.65	81.15	78.50	1,60,000	4,15,952
July, 2018	80.00	78.57	80.25	78.51	45,500	3,92,727
August, 2018	79.25	75.31	79.40	75.50	1,50,000	1,80,476
September, 2018	77.65	73.05	77.85	74.00	4,80,625	6,69,167
October, 2018	75.60	70.53	75.60	68.56	2,19,762	4,09,048
November, 2018	71.30	68.64	71.00	68.70	1,13,889	4,15,750
December, 2018	69.40	67.56	69.48	68.02	38,056	2,69,500
January, 2019	72.50	67.91	72.50	67.35	2,53,571	3,97,609
February, 2019	68.09	66.50	68.34	66.50	40,357	3,99,250
March, 2019	67.50	65.25	67.50	65.00	2,09,211	7,86,579

Unitholding Pattern as on March 31, 2019

Category	% Holding
Sponsor(s) / Investment Manager / Project Manager(s) and their associates/related parties	18.39
Foreign Portfolio Investors	37.72
Body Corporates	15.28
Individuals (Non- institutional)	15.12
Mutual Funds	11.45
Trust (Non Institutional)	0.90
Financial Institutions/Banks	0.38
Non Resident Indian	0.36
NBFC's registered with RBI	0.35
Clearing Members	0.05
Total	100.00

Distributions

The Investment Manager on behalf of the Trust has made four distribution(s) aggregating to ₹ 12.25/- per Unit for the period ended March 31, 2019 to the Unitholders of the Trust (₹ 8.85/- per Unit in the form of Interest & ₹ 3.40/- per Unit in the form of Return of Capital). The Distribution was paid to Unitholders within time period stipulated in InvIT Regulations.

The Trust had sent reminders to Unitholders whose distributions remain unclaimed/uncashed.

Investor Complaints

The status of complaints is reported to the Board and the Trustee on a quarterly basis. During period ended March 31, 2019, 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.

Status report on number of Investor's complaints/requests received and replied by the Trust for the financial year 2018-19:

SL. COMPLAINTS	Pending at the beginning of year	Received during the year	Disposed of during the year	Pending at the end of the year
1 Status of applications lodged for public issue (s).	0	0	0	0
2 Non receipts for electronic credit	0	0	0	0
3 Non receipts of refund order	0	0	0	0
4 Non receipts of distribution / Form 64B / TDS Certificate	0	338	338	0
5 Non receipts of annual report	0	0	0	0
6 Other(s)	0	3	3	0
TOTAL	0	341	341	0

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. 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. The Trust had sent necessary reminders to Unitholders.

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 or the financial condition of the Trust upon listing, and the valuation contained therein may not be indicative of the true value of the Project SPVs' assets.
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 in the Final Offer Document are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those projected.
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 Initial 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 IND AAA for the senior debt of the Trust from India Ratings and Research, assuming the Trust's consolidated "external debt" (including debt availed by InvIT and the Project SPVs from banks and institutions but excluding debt infused by InvIT into the Project SPVs) as on March 31, 2017 would be up to ₹ 10 billion. We have also obtained a credit rating of CARE AAA from CARE Ratings, assuming that the debt exposure of the Trust Group does not exceed ₹ 10 billion after the Listing. 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.

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 2019 ("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 2019. 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 Millions ("Mn"))

Name of the SPV	Fair Enterprise Value
IRB Surat Dahisar Tollway Limited	11,304.5
IDAA Infrastructure Limited	5,714.4
IRB Jaipur Deoli Tollway Limited	16,244.2
IRB Tumkur Chitradurga Tollway Limited	14,409.6
IRB Talegaon Amravati Tollway Limited	8,664.4
MVR Infrastructure & Tollways Limited	4,334.4
IRB Pathankot Amritsar Toll Road Limited	14,844.5
Total Fair Enterprise Value of all the 7 SPVs	75,516.1

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 2019 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 Mn)

Particulars	Fair Equity Value
Total Fair Enterprise Value of all the 7 SPVs	75,516.1
Less: Net Debt	(14,483.7)
Add/(Less): Net Working Capital adjustments	1,127.8
Add/(Less): Net Impact of other long term assets/liabilities	5.1
Less: Present value of the standalone expenses pertaining to InvIT as on 31 March 2019	(1,639.2)
Fair Value of the InvIT	60,526.1

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.

As per confirmation provided by the Sponsor, the Project Manager or their Associates (i) There are no material update on litigations & regulatory actions against them disclosed earlier (ii) There are no additional material litigations or regulatory actions which may have bearing on their activities or revenues or cash flows.

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 adjourning 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.

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 ₹ 3000 million. The matter is currently pending in the Court for settlement.
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 ₹ 1,550.3 million. The matter is pending.
3. Balmer Lawrie and Company Limited and another (the “Plaintiffs”) had filed a petition before the Calcutta High Court against the Trustee and certain others (the “Defendants”) challenging the validity of the sale transaction of 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 ₹ 237.12 million and (b) interest at the rate of 18% per annum on the decretal amount. The matter is currently pending.
4. Reliance Project Ventures and Management Private Limited and another (the “Plaintiffs”) had filed a commercial suit before the Bombay High Court against the Trustee and ECL Finance Limited and others (the “Defendants”) declaring the sale and transfer of pledged shares by Defendants to be illegal, null and void and to restore and reconstitute the said pledged shares by making necessary purchases from the market. The aggregate claim amount is ₹ 27344.10 million is against the Edelweiss entities and not against the Trustee. The single bench of the Bombay High Court has rejected the ad-interim reliefs of the Plaintiffs, therefore the Plaintiffs have now approached the Division Bench of the Bombay High Court with their pleas. The matter is currently pending in the Court for settlement.

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.

Pending Civil Litigation against IJDTPL

1. Jagannath University (the “**Petitioner**”) had filed a writ petition before the Rajasthan High Court against the project manager of IJDTPL 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 IJDTPL has filed its reply denying the averments made by the Petitioner. The matter is currently pending.
2. Girdhari Lal Jat had filed writ petition against IRB Jaipur Deoli Tollway Pvt. Ltd. and others in Rajasthan High Court, Jaipur Bench, with respect to the National Highway 12 (Jaipur – Tonk - Deoli section), praying that directions to be given to respondents to take stern action in the matter of removal of illegal barricades in the villages Khajalpura, Dhar Mod, Barkheda and Bhadarwas, to do enquiry against the wrongdoers who have been involved in installing the said illegal barriers, etc. The matter is pending.

IRB Pathankot Amritsar Toll Road Limited (“IPATRPL”)

Other Proceedings involving IPATRPL

1. IPATRPL has initiated arbitration proceedings against National Highways Authority of India (“NHAI”) before Arbitration Tribunal consisting of Justice (Retd.) Ajit Prakash Shah, Presiding Arbitrator, Mr. S S. Agarwal, Arbitrator & Mr. Navin Kumar, IAS (Retd.) The claim is for sum of ₹ 159.54 crores and extension in concession period by 518 days. IPATRPL requested to NHAI to extend the concession period by 518 days, as NHAI has

granted extension of time of 518 days for completion of construction due to the reasons not attributable to the IPATRPL. IPATRPL invoked arbitration against NHAI. NHAI had rejected the claim of IPATRPL. IPATRPL had submitted its claim on account of losses and requested NHAI for appointment of other Arbitrator. NHAI had refused the request for appointment of arbitrator. As per the provisions of Concession Agreement, IPATRPL requested Indian Road Congress to appoint arbitrator on behalf of NHAI. Subsequently, on NHAI had appointed Mr Navin Kumar as the Arbitrator. Both the Arbitrators mutually appointed Justice (Retd.) Ajit Prakash Shah as the Presiding Arbitrator. The matter is pending.

2. IPATRPL has initiated arbitration proceedings against National Highways Authority of India (“NHAI”) Arbitration Tribunal consists of Dr. Mr B N Singh, Presiding Arbitrator Mr. V K. Agarwal, Arbitrator & Mr. Navin Kumar, IAS (Retd.) Arbitrator for a sum of ₹ 139.08 Crore (Change of Scope of ₹ 14.5 Crore approved by NHAI). IPATRPL has submitted a claim of on account of Change of Scope work executed by it. Change of Scope of ₹ 14.5 Crs has been approved by NHAI and balance amount is under dispute. IPATRPL has appointed Mr V K Agrawal as one of the arbitrator. NHAI has appointed Mr Navin Kumar as other arbitrator. But there was no consensus reached between these two Arbitrators for appointment of Presiding Arbitrator. IPATRPL requested India Road Congress (IRC) to appoint Presiding Arbitrator. The matter is pending.

Pending Regulatory Action involving IPATRPL

1. Employees’ State Insurance Corporation, sub-regional office Marol (“**ESI**”) issued a notice to IPATRPL demanding payment of ₹ 83,637 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 ₹ 5.83 million 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 ₹ 0.5 million incurred by the Plaintiffs along with damages of ₹ 50 million 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 ₹ 50.5 million 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.
3. IRB Surat Dahisar Tollway Limited had 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. Hence, 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 in accordance with the technical specifications. Subsequently, Independent Engineer / National Highway Authority of India (NHAI) claimed that provision of earthen drains in lieu of covered drains (RCC type as interpreted by Independent Engineer) amounted to negative Change Of Scope. This has been disputed and matter is before the Arbitral Tribunal. The arbitral tribunal has vide its majority award dated 18/08/2018, rejected the claim of Independent Engineer / NHAI. NHAI had filed the writ petition in Delhi High Court challenging the arbitration award. The matter is pending.

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 ₹ 328.91 million 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 ₹ 8.38 million. 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 above mentioned 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.
2. MITPL had initiated arbitration proceedings against National Highways Authority of India ("NHAI") before the Arbitration Tribunal Consisting of Dr. Justice Arijit Pasayat (Retd.), Presiding Arbitrator Mr. S.S.Agarwal, (Retd.) Arbitrator and Mr. Navin Kumar, IAS (Retd.) Arbitrator, for its claim to the tune of ₹ 5.14 Crores (towards positive Change of scope for construction of additional arm of flyover) and ₹ 0.25 Crore (negative Change of Scope on account of deletion of 19 hume pipe culverts). The conciliation meeting between NHAI and MITPL meeting was concluded. As NHAI did not responded on the matter, MITPL invoked Arbitration proceedings against NHAI. MITPL had submitted its statement of claims against NHAI. NHAI had filed its counter claim. The matter is pending.

Taxation Proceedings involving MVRITPL

1. There are one direct tax proceedings pending against MVR, which involve an aggregate amount of ₹ 9.46 million.

IDAA Infrastructure Ltd. ("IDAAIPL")

1. There are one indirect tax proceedings pending against IDAA, which involve an aggregate amount of ₹ 9.37 million.

Management Discussion and Analysis

1. Economy Review

1.1 Global Economy

The thrust of key global economies began to deviate over the course of 2018. Momentum in global economic growth eased as political uncertainties continued to weaken business confidence. According to the International Monetary Fund (IMF), the global economy grew by 3.6% in 2018. The growth rate was weighed down by multiple factors including weaker sentiments in financial markets, heightened trade tensions between the US and China, macroeconomic issues in Argentina and Turkey and volatility in crude prices. However, the US economy expanded at its fastest pace on the back of tax reforms. Global corporations in the US scaled

their sales and profits, while central banks exercised well-below-normal interest rates.

Outlook

According to International Monetary Fund (IMF), the global economy is now projected to grow at 3.3% in 2019 and 3.6% in 2020. This is mainly due to significant revisions in the eurozone, especially in Germany, where production difficulties in the auto-sector and lower external demand will weigh on growth in 2019. In Italy too, sovereign and financial risks will continue to hamper economic growth. Additionally, there is increasing uncertainty due to trade protectionism and Brexit. Although this uncertainty will persist yet as we progress further into 2019, growth and confidence are expected to pick up during the year.

Global growth projections (%)

Particulars	Actual	Projections	
	2018	2019	2020
World Output	3.6	3.3	3.6
Advanced Economies	2.2	1.8	1.7
US	2.9	2.3	1.9
Eurozone	1.8	1.3	1.5
Japan	0.8	1.0	0.5
UK	1.4	1.2	1.4
Other Advanced Economies	2.6	2.2	2.5
Emerging Markets and Developing Economies	4.5	4.4	4.8
China	6.6	6.3	6.1

Source: International Monetary Fund (IMF)

1.2 Indian Economy

India, currently the world's sixth largest economy, remained one of the fastest growing major economy of the world in FY 2018-19. Uptick in private sector investment, strong gross capital formation and improved exports catalysed acceleration in GDP growth in the first quarter of the year. Stronger momentum in private consumption that grew in high single digits for most part of the year and steady construction activity also facilitated economic growth during the year. Both headline Consumer Price Index (CPI) and Wholesale Price Index (WPI) inflation increased to 2.9% and 3.2% respectively in March 2019. However, while core CPI inflation fell to 4.7%, core WPI inflation marginally increased to 2.5% during the month.

The country has also moved up 23 places to rank 77 in the World Bank's Ease of Doing Business 2019 report. These positive developments happened on the back of a formalised tax structure, enhanced focus on infrastructure creation and the reduced short-term adverse impact of demonetisation.

Annual GDP growth rate (%)

FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
8.2	7.1	6.7	7.0

Source: Central Statistics Office (CSO)

Outlook

Even as global factors continue to outline the economic landscape, domestic factors such as economic growth, consumption patterns, policy stimulus, inflation and government revenue flow are expected to play an important role to project the country's growth trajectory. While paying attention to the requirements of rural areas and agriculture, accurate measures have been announced to reinforce certain important sectors such as infrastructure, healthcare and investments.

2. Industry Review

India's infrastructure opportunity

Infrastructure sector is a key driver for the Indian economy. Urbanisation, population growth, increasing globalisation are some of the major factors currently driving demand for improved infrastructure and connectivity throughout the country. The sector is accountable for propelling India's overall development and adores intense focus from Government for introducing policies that would ensure time-bound formation of world class infrastructure in the country. The opportunities in the sector have seen an incremental curve over previous years and are growing to establish the sector as a key driver in India's development story at a high rate and are establishing to be the key driver in the development of Indian economy.

The Government has also announced various measures in the budget to promote growth in the economy which include increased push to infrastructure development by giving infrastructure status to affordable housing, higher allocation to highway construction and greater focus on coastal connectivity. Highways sector has been one of the best performing areas of the government with the government expenditure rising from ₹ 34,345.20 Crores in FY 2014-15 to ₹ 78,625 Crores in FY 2018-19.

2.1 Road and highway sector

FY 2018-19 was declared as the year of construction, by the Ministry of Road Transport and Highways. According to the Ministry, it was a year of consolidating gains that grew from major policy decisions taken in the previous four years, a time for reviewing the ongoing projects, tackling roadblocks and adding to the already remarkable pace of work achieved last fiscal.

On the finance front too, National Highways Authority of India did a successful financial closure of its first project under Toll-Operate-Transfer this year and offered 586 km of national highways under the second bundle. The first TOT bundle of nine projects, totaling approximately 681 km of roads in two states of Andhra Pradesh and Gujarat, was awarded earlier during the year for ₹ 9,681 Crores, which was 1.5 times the Authority's estimate. National Highways Authority of India (NHAI) also got an unsecured loan of ₹ 25,000 Crores from State Bank of India for 10 years with 3 years of moratorium on repayments.

More than 700 ongoing National Highway projects in the country were reviewed, and over 300 projects were identified to be completed by FY 2019-20, achieving the highest ever construction in financial year 2018-19.

The table below details the trends of national highway construction over the years.

Year	Award (km)	Construction (km)
FY 2014-15	7,972	4,410
FY 2015-16	10,098	6,061
FY 2016-17	15,948	8,231
FY 2017-18	17,055	9,829

Source: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=186932>

2.2 Growth Drivers

Growing demand - With the increase in consumer demand and nuclear families, need for two-wheelers and compact cars has been on the rise and is expected to grow even further. Road's traffic share of the total traffic in India has grown from 13.8% to 65% in freight traffic and from 32% to 90% in passenger traffic over FY 1951-2017.

Government initiatives - The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport. Increasing budget allocations, Smart City Mission, Pradhan Mantri Awas Yojana, new metro rail policy, Housing for all, North East Special Infrastructure

Development Scheme (NESIDS), among others are some important initiatives, driving the growth of India's infrastructure sector.

Increasing investments - In recent years, India has emerged as one of the most attractive destinations for doing business and making investments. 100% Foreign Direct Investment (FDI) is allowed in Infrastructure development projects such as townships, housing and built-up infrastructure and construction developments.

2.3 Opportunities

Here are some trends that are ensuring seamless travel, better infrastructure and connectivity:

Electronic toll collection: The NHAI is taking steps such as facilitating online sale of FASTags and offline sale through Common Services Centre (CSC) near toll plazas, to ensure availability of FASTags for electronic toll collection.

Different models: The type of Public-Private Partnership (PPP) models used in road projects are Build Operate Transfer (BOT) toll, TOT and HAM (Hybrid Annuity Model). The Government's efforts to evolve new, flexible policies to create investor-friendly highway development initiatives have already started by way of introduction of monetization of highway assets under TOT mode. The next fiscal year is likely to witness increase in award of contract under TOT and HAM mode.

FDI in roads: Cumulative FDI inflows into the construction development sector, including roads and highways, stood at US\$ 24.91 Billion between April 2000 and December 2018. This is expected to grow as the ministry has come out with business-friendly initiatives.

Other sector favourable policies: These include 100% exit policy for stressed BOT players, providing secured status for PPP projects while lending, and proposal to scrap slow-moving highway projects, among others.

2.4 2019-20 Interim budget highlights

- India has emerged as the fastest road developer in the world with 27 km of highways being built each day
- Budget allocation for highways increased to nearly ₹ 83,000 Crores
- Under the Pradhan Mantri Gram Sadak Yojana (PMGSY), construction of rural roads has tripled
- Out of 17.8 Lakhs habitations, 15.8 Lakhs have been connected with pucca roads and the remaining will be connected soon
- ₹ 19,000 Crores has been allocated to PMGSY in Budget 2019-20 as compared to ₹ 15,500 Crores in Budget 2018-19. However, only 24,610 km of rural roads were built as compared to a target of 58,000 km

2.5 Bharatmala Pariyojana: Phase-I

This is the umbrella programme for the highways sector unrolled in FY 2017-18. The programme that aims to optimise the efficiency of road traffic movement across the country by bridging critical infrastructure gaps. 34,800 km of national highways are to be constructed under Phase-I of the programme between FY 2017-18 to FY 2021-22 in a phased manner at a cost of ₹ 5,35,000 Crores. This includes 5,000 km of the national corridors, 9,000 km of economic corridors, 6,000 km of feeder corridors and inter-corridors, 2,000 km of border roads, 2,000 km of coastal roads and port connectivity roads and 800 kms of greenfield expressways.

BharatMala: Connecting India Like Never Before

34,800 km of roads to be constructed	1. Economic Corridors (9,000 km) To unlock full economic potential
₹ 5,35,000 Crores to be invested	2. Inter Corridor and Feeder Route (6,000 km) Ensuring holistic connectivity
	3. National Corridors Efficiency Improvement (5,000 km) Enhancing efficiency
	4. Border Roads and International Boosting border connectivity Connectivity (2,000 km)
	5. Coastal Roads and Port Connectivity (2,000 km) Leveraging ports for progress
	6. Greenfield Expressways (800 km) Express speeds for express gains
	7. Balance NHDP works (10,000 km) Boosting all round connectivity

Projects for 6,407 km road length have been awarded under the Bharatmala Pariyojana (including residual NHDP) till the end of October 2018. Detailed Project Planning (DPRs) are being prepared for projects for the balance length. De-congestion projects have been completed for 13 out of 191 congestion points identified and are under progress for de-congestion of 80 other points. In addition, DPRs are being prepared for 93 more congestion points. Out of the 35 locations identified for Multimodal Logistics Parks, DPRs have been initiated for seven locations and availability of land parcels is being confirmed with state governments for the rest of the locations.

In January 2019, the Government outlined the investments under the second phase of Bharatmala scheme, which will drive the road infrastructure developments in the country. Accordingly, the Government aims to invest ₹ 3.4 Trillion (US\$50.3 Billion) through the budgetary allocation between FY 2019-20 and FY 2022-23, while ₹ 2.1 Trillion (US\$30.7 Billion) will be made through market borrowings in the Bharatmala scheme by 2023. The Government plans to develop 3,000 km of expressways under the second phase, according to the report. These might include Varanasi-Ranchi-Kolkata, Indore-Mumbai, Bengaluru-Pune and Chennai-Trichy.

- Government targets building 4,000 km greenfield roads and 3,000 km expressways under Bharatmala 2.0 programme

- Higher speed limit notified for cars, at a maximum of 120 kmph on expressways

- NHAI has asked consultants to avoid road alignments through national parks and wildlife sanctuaries

2.5 Outlook

There are tremendous opportunities in the near and long-term for the infrastructure space in India. The Government's ambitious infrastructure development programmes provide significant opportunities for investors and market players to help transform the sector and partner India's socio-economic progress. Robust demand, higher investments, attractive opportunities and policy support changed the face of the road sector in the country within three years. The Government is implementing various projects across the length and breadth of the country to solve woes of the common man. The ministry has introduced notable trends that will make India take lead position in road infrastructure in the coming times.

3. Trust Overview

IRB InvIT is the Trust settled by its Sponsor, IRB Infrastructure Developers Ltd. and is registered under the SEBI (Infrastructure Investment Trusts) Regulations, 2014. It comprises of seven operational road projects having length of 4,055 lane km with four of the road projects forming part of Golden quadrilateral and one forming part of east-west corridor. It has presence across six states in India with average residual concession period of ~17 years.

The Sponsor of the Trust i.e. IRB Infrastructure Developers Ltd., is one of the largest infrastructure development and construction companies in India in terms of net worth in roads and highways sector. The Sponsor has been listed on the Stock Exchanges since 2008. As of 31st March 2019, the Sponsor has 16 road projects, under various stages of development and operations.

Consequent to the formation transactions, on 9th May 2017, the Trust acquired an initial portfolio comprising the six Project special purpose vehicles (SPVs), all of which were wholly owned by the Sponsor and its subsidiaries. On 28th September 2017, the Trust further acquired its seventh project 'Pathankot Amritsar' on NH 15 in Punjab from the Sponsor and its subsidiary.

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 each project SPV is required to be distributed to the Trust in proportion to its holding in each of the project SPVs, subject to applicable provisions of the Companies Act, 2013. Further, not less

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

For FY 2018-19, the Net Distributable Cash Flow (NDCF) of the Trust was ₹ 764 Crores, out of which the Trust has distributed ~93%. The Total pay-out from the NDCF for FY 2018-19 was ₹ 12.25 per unit to the unitholders.

Statement of Net distributable cash flows (NDCFs) of IRB InvIT

		(₹ in Lakhs)	
Sr. No.	Particulars	Year ended 31st March 2019	Year ended 31st March 2018
1	Cash flows received from Project SPVs in the form of interest	61,725.95	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	1,117.14	446.14
4	Cash flows received from the project SPVs towards the repayment of the debt issued to the Project SPVs by the Trust	31,109.52	21,911.70
5	Total cash inflow at the Trust level (A)	93,952.61	73,480.65
	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	(14,252.99)	(7,546.97)
7	Income tax (if applicable) at the Standalone Trust Level	-	-
8	Repayment of external debt	(3,311.69)	(389.50)
9	Total cash outflows / retention at the Trust level (B)	(17,564.68)	(7,936.47)
10	Net Distributable Cash Flows (C) = (A+B)	76,387.93	65,544.18

Factors affecting Operations

The business of Project SPVs' prospects and 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:

Co. Name	Tariff rate revision	Revision date	FY 2018-19 (%)
IRB Surat Dahisar Tollway Limited (IRBSD)	Linked to WPI* (as an average for preceding year)	1st September, every year	2.92
IDAA Infrastructure Limited (IDAA)	Linked to WPI	1st July, every year	2.72
M.V.R. Infrastructure & Tollways Limited (MVR)	Linked to WPI	1st September, every year	2.72
IRB Jaipur Deoli Tollway Limited (IRBJD)	3% + 40% of WPI	1st April, every year	4.43
IRB Tumkur Chitradurga Tollway Limited (IRBTC)	3% + 40% of WPI	1st April, every year	4.43
IRB Talegaon Amravati Tollway Limited (IRBTA)	3% + 40% of WPI	1st April, every year	4.43
IRB Pathankot Amritsar Toll Road Limited (IRBPA)	3% + 40% of WPI	1st April, every year	4.43

*Wholesale price index

Growth in Traffic Volumes

The Trust's target portfolio revenue of 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.

Operating and Maintenance 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 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 FY 2018-19 and FY 2017-18 are as follows:

Project Name	Maintenance Cost (₹ in lakhs) FY 2018-19	Maintenance Cost (₹ in lakhs) FY 2017-18
IDAA	3,100.00	2,395.25
IRBSD	6,212.00	3,878.00
IRBJD	534.00	490.05
IRBTA	853.00	792.92
IRBTC	18.00	58.23
MVR	1,684.00	38.00
IRBPA	1,536.00	656.37
Total	13,937.00	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 is obligated to pay fixed amount of premium to NHAI. As per the deferred premium agreement, 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 which was 47.12% for FY 2018-19 and is set to increase by 1% every year.

In case of Omalur – Salem project, revenue share is paid to the NHAI at a fixed rate per annum which is 22.5%

Interest Rates Scenario:

Interest rates impact both growth and inflation. Higher the interest rate, higher is the cost of capital. This 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 Marginal Cost of Funds Based Lending Rate (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 that in turn results in 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 central and state governments have renewed their focus on infrastructure that 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 scopes for increase in portfolios of highway developers. This would provide huge scope for future acquisitions for the Trust and thereby enhance stakeholders' value.

4. Financial Review

The current FY 2018-19 figures are not comparable with those of FY 2017-18 as the revenue and corresponding expenses of the subsidiary companies have been included from the date of Share Purchase Price Agreement.

Internal accruals are robust even after providing unitholder repayments as well as interest pay-outs.

The total consolidated income for FY 2018-19 has marginally increased to ₹ 1,233 Crores from ₹ 1,005 Crores in FY 2017-18, registering a growth of 23%. The consolidated toll revenues for FY 2018-19 has increased to ₹1,196 Crores from ₹ 989 Crores for FY 2017-18, registering growth 21%.

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 judgements, 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 judgements 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 Design, Build, Finance, Operate, Transfer (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 Indian Accounting Standard (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 NHAI. This premium obligation has been capitalised 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, capitalised 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 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 that 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 includes 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.

5. Human Resource

At IRB InvIT, the focus on human resource development is a continuous process and is demonstrated through various employee engagement initiatives and regular talent management reviews. The key highlights for last year were preparation and implementation of detailed career path for high potential employees, filling vacancies through internal talent resourcing, skip level meetings across organisation for creating a transparent working environment. We have also undertaken an initiative to

optimise the manpower cost for better productivity and improved accountability thereby creating a performance orientated career model amongst all its members.

6. Risk Management

The opportunity in the business of toll collection is the upbeat traffic movement which would help in improving the toll collection and thereby increase the return to the unit holders. Having said that, the biggest risk that the projects face is the slow-down in traffic and diversion of traffic. To overcome such risk, we have enough safeguards in the concession agreement with NHAI wherein ore losses would be either cash reimbursed, or we would be provided an extension of time in our concession period.

7. Internal control and systems

IRB InvIT has a strong internal control system to manage its operations, financial reporting and compliance requirements. The investment manager has clearly defined roles and responsibilities for all managerial positions. All the business parameters are regularly monitored, and effective steps are taken to control them. Regular internal audits are undertaken to ensure that responsibilities are executed effectively. The audit committee of the Board of Directors of Investment Manager periodically reviews the adequacy and effectiveness of internal control systems and suggests improvements to further strengthen them.

8. Cautionary Statement

The terms 'IRB InvIT', and 'the Trust' are interchangeably used and mean IRB InvIT 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 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 that 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 that in turn are based on currently available information.

Although the investment manager believes that 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 the Audit of Consolidated Financial Statements Opinion

We have audited the accompanying consolidated 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”), which comprise the consolidated Balance Sheet as at March 31, 2019, 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 flows for the year then ended, and the consolidated Statement of Net Assets at fair value as at March 31, 2019, 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 information (hereinafter referred to as “the consolidated financial statements”).

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 financial statements give the information required by 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, in the manner so required and give a true and fair view in conformity with Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in the Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rule, 2015 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, 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, 2019, its consolidated net assets as at March 31, 2019, its consolidated total returns and the net distributable cash flows of the Fund and each of its subsidiaries for the year ended March 31, 2019.

Basis of Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (“ICAI”).

Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No. Key Audit Matter	Auditor's Response
<p>1 Provisioning for resurfacing expense</p> <p>As per the Concession Agreement, the Group is obligated to carry out resurfacing of the roads. The Group estimates the provision required towards resurfacing in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets. The estimate made by the Group over the concession period, involves detailed calculation and judgement. In view of the nature of provision and amount involved, the provision for resurfacing expense is considered to be a key audit matter.</p> <p>Refer Note 3.17 and Note 39 to the consolidated financial statements</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Understood the Group's process associated with the estimation of resurfacing obligation; - Verified the requirement under Concession Agreement and Group's policies; - Tested the assumption used in determining the resurfacing provisions. Also compared these assumptions with previous year and enquired into the reasons for any variations; - Tested the arithmetical accuracy and also verified the disclosure in the consolidated financial statements.
<p>2 Impairment of Toll Collection Rights</p> <p>The Group operates toll assets which is constructed on Build Operate and Transfer (BOT) basis. The carrying value of the toll collection rights as at March 31, 2019 is ₹ 648,912.95 Lakhs. In accordance with its accounting policy (Refer Note 3.21) and requirements under Ind AS 36 "Impairment of Assets", the Management has performed an impairment assessment by comparing the carrying value of the toll collection rights to their recoverable amount. For the purpose of impairment testing, value in use has been determined by forecasting and discounting future cash flows. Further, the value in use is highly sensitive to changes in critical variable used for forecasting the future cash flows including traffic projection and discounting rate. The determination of the recoverable amount of the toll collection right involves significant judgement and accordingly, the evaluation of impairment of toll collection rights has been determined as a key audit matter. Also, refer Note 4 to the Consolidated Financial Statements</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Assessed the appropriateness of the Group's valuation methodology applied in determining the recoverable amount. In making this assessment, we also evaluated the objectivity, independence and competency of specialists involved in the process; - Assessed the assumptions around the key drivers of the cash flow forecasts, discount rates, revenue projection based on the independent experts traffic study report, etc.; - Assessed the appropriateness of the weighted average cost of capital used in the determining recoverable amount by engaging valuation expert; - Discussed/Evaluated potential changes in key drivers as compared to previous year/actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable; - Assessed the recoverable value headroom by performing sensitivity analysis of key assumptions used - Tested the arithmetical accuracy of the model.
<p>3 Toll revenue in respect of toll collection under the Service Concession Agreement</p> <p>The Group's right to collect toll under the concession agreement with National Highway (NHAI)</p> <p>Authority of India falls within the scope of Appendix C of Ind AS 115, "Service Concession Arrangements". The Group operates and earns revenue by collecting toll on the road constructed. This involves large volume of cash collection and use of customised equipment installed at the toll plaza for correctly identifying vehicle type, calculating fare and for appropriate billing and collection on information technology systems for the related automated and IT dependent controls.</p> <p>Refer Note 3.8 and Note 22 to the Consolidated Financial Statements</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of the processes and control placed for toll collection and evaluating the key controls around such process and testing those controls for the operating effectiveness - Tested a selection of Information Technology General Controls (ITGCs) supporting the integrity of the tolling system operation, including access, operations and change management controls; - Verified the reconciliation of toll collection as per transaction report (generated from toll system) with cash deposited in bank and revenue recorded in the books; - Reviewed the management rationalisation, by multiplying that toll rate charged for each category of vehicle as per NHAI's notification with the number of vehicles (as per Schedule M submitted with NHAI) and its reconciliation with the revenue recorded in accounts. - On test check basis, traced the daily collection from bank statement to daily cash toll collected and the revenue recorded in the books. - Performed analytics procedures on transactions to detect unusual transactions for further examination; - On test check basis, verified classification of vehicle independently from stored images and videos recorded by the Group; - Performed revenue cut off procedures to ensure completeness of revenue.

Sr. No. Key Audit Matter	Auditor's Response
<p>4 Unused tax credits (MAT credit Entitlement)</p> <p>One of the subsidiary companies has unused tax credits of ₹ 3,257.84 Lakhs as at March 31, 2019 (MAT Credit Entitlement). Since the subsidiary Company has incurred losses in the last two financial years, the utilisation of unused tax credits in the remaining tenure of the Concession period has been determined to be a key audit matter. Refer Note 3.12 and Note 8 to the consolidated financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> - We have obtained the estimates and projections from the management - Discussed with the management the key drivers in the projections - Assessed the assumptions used in the projections - Checked the mathematical accuracy of the projections

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The management of IRB Infrastructure Private Limited ("Investment Manager") is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Investment Manager's Report including Annexures to Investment Manager's Report and Investment Manager's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

Investment Manager is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position as at March 31, 2019, 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, 2019, the consolidated net assets as at March 31, 2019, 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 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

judgements 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 consolidated 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 financial statements by the management of the Fund, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. For companies included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Fund included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of

most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

We did not audit the financial statements and other financial information of 7 subsidiaries, whose financial statements reflect total assets of ₹ 1,283,963.35 Lakhs and net assets of ₹ 147,935.65 Lakhs as at March 31, 2019, total revenues of ₹ 122,227.72 Lakhs and net cash outflows amounting to ₹ 2,334.67 Lakhs for the year ended on that date, as considered in the consolidated 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 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 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 financial statements; and
- c) In our opinion, the aforesaid consolidated 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: May 2, 2019

Consolidated Balance Sheet

as at March 31, 2019

		(₹ in Lakhs)	
	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	110.48	114.63
Capital work-in-progress	4	-	278.16
Intangible assets	4	1,297,401.64	1,362,633.43
Financial assets			
i) Investments	5	0.40	5,027.68
ii) Loans	6	1.72	-
iii) Other financial assets	7	-	122.33
Deferred tax assets (net)	8	3,223.02	3,223.02
Other non-current assets	9	-	0.05
Total non-current assets		1,300,737.26	1,371,399.30
Current Assets			
Financial assets			
i) Investments	5	22,703.96	16,432.80
ii) Trade receivables	10	41.47	55.41
iii) Cash and cash equivalents	11	1,413.10	9,303.70
iv) Bank balances other than (iii) above	12	5,061.31	70.73
v) Loans	6	124.00	441.10
vi) Other financial assets	7	1,535.67	1,134.03
Income tax assets (net)	13	584.16	830.83
Other current assets	14	531.40	793.52
Total current assets		31,995.07	29,062.12
Total assets		1,332,732.33	1,400,461.42
EQUITY AND LIABILITIES			
Equity			
Initial settlement amount	15	0.10	0.10
Unit capital	15	560,763.00	579,919.50
Other equity	16	(49,911.00)	(18,280.44)
Total Equity		510,852.10	561,639.16
Non-current liabilities			
Financial liabilities			
i) Borrowings	17	175,226.20	173,858.66
ii) Other financial liabilities	18	580,948.83	604,322.38
Provisions	19	4,672.88	18,833.74
Total non-current liabilities		760,847.91	797,014.78
Current liabilities			
Financial liabilities			
i) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		34.44	85.25
b) total outstanding dues of creditors other than micro enterprises and small enterprises		9,695.41	12,107.22
ii) Other financial liabilities	18	32,618.50	25,487.73
Other current liabilities	21	170.78	71.79
Provisions	19	18,513.19	4,055.49
Total current liabilities		61,032.32	41,807.48
Total liabilities		821,880.23	838,822.26
Total equity and liabilities		1,332,732.33	1,400,461.42
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 Registration Number: 121750W/W-100010

Ramesh Gupta

Partner

Membership No.: 102306

Vinod Kumar Menon

Wholetime Director

DIN: 03075345

Bajranglal Gupta

Director

DIN: 07175777

Tushar Kawedia

Chief Financial Officer

Urmil Shah

Company Secretary

Place: Mumbai

Date: May 2, 2019

Place: Mumbai

Date: May 2, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lakhs)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	22	121,285.06	99,200.84
Other income	23	2,055.53	1,314.94
Total income		123,340.59	100,515.78
Expenses			
Operating expenses	24	2,851.97	6,057.66
Employee benefits expense	25	2,524.24	2,026.64
Insurance and security expenses		1,231.04	1,062.58
Trustee fees		29.50	-
Annual listing fees		60.81	-
Project manager fees	38	13,937.00	6,790.77
Investment manager fees	38	1,246.79	1,053.36
Repairs and maintenance		396.43	362.94
Depreciation and amortisation expenses	26	64,054.29	48,712.88
Finance costs	27	15,908.69	9,924.70
Other expenses	28	1,172.57	1,248.36
Total expenses		103,413.33	77,239.90
Profit/(loss) before tax		19,927.26	23,275.88
Tax expenses			
Current tax		150.77	33.61
Deferred tax		-	-
Total tax expenses		150.77	33.61
Profit/(loss) after tax (A)		19,776.49	23,242.27
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)		(32.80)	6.26
Other comprehensive income/(loss) for the year, net of tax (B)		(32.80)	6.26
Total comprehensive income/(loss) for the year, net of tax: (A+B)		19,743.69	23,248.53
Profit/(loss) for the year		19,776.49	23,242.27
Attributable to:			
Unit holders		19,776.49	23,242.27
Non-controlling interests		-	-
Earnings per unit	29		
- Basic		3.41	4.00
- Diluted		3.41	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 Registration Number: 121750W/W-100010

Ramesh Gupta

Partner

Membership No.: 102306

**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

Bajranglal Gupta

Director

DIN: 07175777

Urmil Shah

Company Secretary

Place: Mumbai

Date: May 2, 2019

Place: Mumbai

Date: May 2, 2019

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Profit/(loss) before tax	19,927.26	23,275.88
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	64,054.29	48,712.88
Resurfacing expenses	242.55	3,624.39
Gain on sale of property, plant and equipment (net)	(0.06)	(38.73)
Fair value gain on mutual funds	(52.92)	(100.77)
Gain on sale of Investment (net)	(1,348.71)	(883.04)
Finance costs	13,182.67	9,924.71
Interest income on fixed deposits	(308.42)	(99.85)
Operating profit before working capital changes	95,696.66	84,415.47
Movement in working capital:		
Increase/(decrease) in trade payables	(2,462.62)	109.94
Increase/(decrease) in provisions	21.49	5.38
Increase/(decrease) in other financial liabilities	281.23	(1,103.09)
Increase/(decrease) in other liabilities	98.99	20.90
Decrease/(increase) in trade receivables	13.94	802.04
Decrease/(increase) in loans	315.39	(379.77)
Decrease/(increase) in other financial assets	(272.91)	789.67
Decrease/(increase) in other current assets	262.21	857.96
Cash generated from/(used in) operations	93,954.38	85,518.50
Taxes paid (net)	95.92	(54.99)
Net cash flow from operating activities	94,050.30	85,463.51
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	(9,666.83)	(18,746.83)
Sale/(Purchase) of non-current investments (net)	5,027.28	(5,027.28)
Purchase of current investments	(4,869.53)	(12,391.82)
Acquisition/Redemption of bank deposits (having original maturity of more than three months) (net)	(4,972.70)	10,555.34
Interest received	302.02	98.36
Net cash flow (used in) investing activities	(14,179.76)	(594,119.11)
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 unit holders	(70,530.75)	(43,827.75)
Proceeds from non-current borrowings	-	155,000.00
Repayment of non-current borrowings	(3,311.69)	(389.50)
Repayment of current borrowings (net)	-	(618,558.48)
Finance costs paid	(13,918.70)	(9,177.79)
Net cash flows from/(used in) financing activities	(87,761.14)	506,366.33
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(7,890.60)	(2,289.27)
Cash and cash equivalents at the beginning of the year	9,303.70	0.08
Acquisition of cash and cash equivalents *	-	11,592.89
Cash and cash equivalents at the end of the year (refer note 11)	1,413.10	9,303.70

Consolidated Statement of Cash Flows

for the year ended March 31, 2019

(₹ in Lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Trust retention and other escrow accounts	546.99	7.86
- Others	97.41	1,474.06
- In deposit accounts with original maturity less than 3 months	-	7,358.89
Cash on hand	768.70	462.89
Total Cash and Cash Equivalents (refer note 11)	1,413.10	9,303.70

*Pertains to projects acquired during the previous year

*The Group had issued 870,075 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.

Reconciliation between opening and closing balances for liabilities arising from financing activities:

(₹ in lakhs)	
Particular	Long-term borrowing
April 1, 2017	
Cash flow	
- Interest	(9,177.79)
- Proceeds/(Repayment)	181,845.10
Accrual for the year	11,822.80
March 31, 2018	184,490.11
Cash flow	
- Interest	(13,918.70)
- Proceeds/(Repayment)	2,620.31
Accrual for the year	15,908.69
March 31, 2019	189,100.41

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. Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

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

For Suresh Surana & Associates LLP

Chartered Accountants

Firm's Registration Number: 121750W/W-100010

Ramesh Gupta

Partner

Membership No.: 102306

Vinod Kumar Menon

Wholetime Director

DIN: 03075345

Bajranglal Gupta

Director

DIN: 07175777

Tushar Kawedia

Chief Financial Officer

Urmil Shah

Company Secretary

Place: Mumbai

Date: May 2, 2019

Place: Mumbai

Date: May 2, 2019

Disclosures pursuant to SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and no CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT regulations)

A. Consolidated statement of net assets at fair value

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Book value	Fair value	Book value	Fair value
A. Total assets	1,332,732.33	1,429,003.19	1,400,461.42	1,501,164.49
B. Total liabilities	821,880.23	823,726.05	838,822.26	829,341.21
C. Net Assets (A - B)	510,852.10	605,277.14	561,639.16	671,823.28
D. Number of units (in lakhs)	5,805	5,805	5,805	5,805
E. NAV (C/D)	88.00	104.27	96.75	115.73

Project-wise break up of fair value of total assets:

(₹ in Lakhs)

Name of the project	As at March 31, 2019	As at March 31, 2018
IDAA Infrastructure Limited (IDAA)	57,464.35	63,094.17
IRB Talegaon Amravati Tollway Limited (IRBTA)	86,901.43	77,833.98
IRB Jaipur Deoli Tollway Limited (IRBJD)	162,840.24	198,392.26
IRB Surat Dahisar Tollway Limited (IRBSD)	125,154.87	136,484.49
IRB Tumkur Chitradurga Tollway Limited (IRBTC)	783,263.45	797,424.82
M.V.R. Infrastructure and Tollways Limited (MVR)	45,072.50	42,519.78
IRB Pathankot Amritsar Toll Road Limited (IRBPA)	149,168.26	167,981.53
Sub-total	1,409,865.10	1,483,731.03
Assets in IRB InvIT Fund	19,138.09	17,433.46
Total assets	1,429,003.19	1,501,164.49

B. Consolidated statement of total returns at fair value :

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total comprehensive income (As per the statement of profit and loss)	19,743.69	23,248.53
Add/Less: other changes in fair value (e.g. in investment property, property, plant & equipment (if cost model is followed)) not recognised in total comprehensive income	96,270.86	100,703.07
Total Return	116,014.55	123,951.60

Note:

Fair value of assets as at March 31, 2019 and 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 and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)**

For Suresh Surana & Associates LLP

Chartered Accountants

Firm's Registration Number: 121750W/W-100010

Ramesh Gupta

Partner

Membership No.: 102306

Vinod Kumar Menon

Wholtime Director

DIN: 03075345

Bajranglal Gupta

Director

DIN: 07175777

Tushar Kawedia

Chief Financial Officer

Urmil Shah

Company Secretary

Place: Mumbai

Date: May 2, 2019

Place: Mumbai

Date: May 2, 2019

Disclosures pursuant to SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and no CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT regulations)

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

		(₹ in Lakhs)	
Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Cash flows received from Project SPVs in the form of Interest	61,725.95	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	1,117.14	446.14
4	Cash flows received from the project SPVs towards the repayment of the debt issued to the Project SPVs by the Trust	31,109.52	21,911.70
5	Total cash inflow at the Trust level (A)	93,952.61	73,480.65
	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	(14,252.99)	(7,546.97)
7	Income tax (if applicable) at the Standalone Trust Level	-	-
8	Repayment of external debt	(3,311.69)	(389.50)
9	Total cash outflows/retention at the Trust level (B)	(17,564.68)	(7,936.47)
10	Net Distributable Cash Flows (C) = (A+B)	76,387.93	65,544.18

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

IRB Talegaon Amravati Tollway Limited (IRBTA)

		(₹ in Lakhs)	
Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(1,687.45)	(2,073.80)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	962.55	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	5,987.71	5,216.69
5	Add: Provision for Resurfacing Expenses	316.00	283.10
6	Less: NHAI Premium	-	-
7	Less: Principal repayment	-	-
8	Total Adjustments (B)	7,266.26	6,280.32
9	Net Distributable Cash Flows (C) = (A+B)	5,578.81	4,206.52

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

IRB Surat Dahisar Tollway Limited (IRBSD)

		(₹ in Lakhs)	
Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(3,323.14)	(4,014.61)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	26,346.82	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	7,302.20	7,964.43
5	Add: Provision for Resurfacing Expenses	(2,481.00)	(183.35)
6	Less: NHAI Premium	-	-
7	Less: Principal repayment	-	-
8	Total Adjustments (B)	31,168.02	29,072.48
9	Net Distributable Cash Flows (C) = (A+B)	27,844.88	25,057.87

Disclosures pursuant to SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and no CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT regulations)

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

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

		(₹ in Lakhs)	
Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	274.03	252.97
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	2,063.41	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	3,290.22	2,772.67
5	Add: Provision for Resurfacing Expenses	(427.00)	762.40
6	Less: NHAI Premium	-	-
7	Less: Principal repayment	-	-
8	Total Adjustments (B)	4,926.63	5,123.21
9	Net Distributable Cash Flows (C) = (A+B)	5,200.66	5,376.18

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

IRB Jaipur Deoli Tollway Limited (IRBJD)

		(₹ in Lakhs)	
Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(6,758.71)	(4,327.12)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	2,284.49	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	12,450.03	10,846.88
5	Add: Provision for Resurfacing Expenses	595.64	722.40
6	Less: NHAI Premium	-	-
7	Less: Principal repayment	-	-
8	Total Adjustments (B)	15,330.16	13,195.18
9	Net Distributable Cash Flows (C) = (A+B)	8,571.45	8,868.06

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

IRB Pathankot Amritsar Toll Road Limited (IRBPA)

		(₹ in Lakhs)	
Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(10,018.95)	(4,825.47)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	5,008.30	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	14,158.15	7,147.71
5	Add: Provision for Resurfacing Expenses	992.64	503.12
6	Less: NHAI Premium	-	-
7	Less: Principal repayment	-	-
8	Total Adjustments (B)	20,159.09	9,940.36
9	Net Distributable Cash Flows (C) = (A+B)	10,140.14	5,114.89

Disclosures pursuant to SEBI Circulars

(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and no CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT regulations)

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

		(₹ in Lakhs)	
Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(5,414.53)	(4,615.02)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	12,391.84	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	13,376.41	11,628.56
5	Add: Provision for Resurfacing Expenses	666.98	859.40
6	Less: NHAI Premium	(13,938.25)	(13,928.75)
7	Less: Principal repayment	-	-
8	Total Adjustments (B)	12,496.98	8,154.93
9	Net Distributable Cash Flows (C) = (A+B)	7,082.45	3,539.91

Statement of Net Distributable Cash Flows (NDCFs) of underlying SPVs IDAA Infrastructure Limited (IDAA)

		(₹ in Lakhs)	
Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(2,168.73)	(1,848.54)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	15,667.27	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	5,182.05	5,555.46
5	Add: Provision for Resurfacing Expenses	579.29	685.48
6	Less: NHAI Premium	-	-
7	Less: Principal repayment	-	-
8	Total Adjustments (B)	21,428.61	18,454.11
9	Net Distributable Cash Flows (C) = (A+B)	19,259.88	16,605.57

Consolidated Statement of changes in unit holders equity

for the year ended March 31, 2019

(₹ in Lakhs)

	No. of units	As at March 31, 2019	No. of units	As at March 31, 2018	No. of units
a. Unit capital:					
At the beginning of the year	580,500,000	579,919.50	-	-	-
Issued during the year	-	-	580,500,000	592,110.00	-
Less: Capital reduction during the year (refer note 43)	-	(19,156.50)	-	(12,190.50)	-
At the end of the year	580,500,000	560,763.00	580,500,000	579,919.50	-

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
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

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
c. Other equity		
Retained earnings		
At the beginning of the year	(18,280.44)	(0.02)
Profit/(loss) for the year	19,776.49	23,242.27
Other comprehensive income	(32.80)	6.26
Unit issue expenses	-	(9,891.70)
Interest distribution * (refer note 43)	(51,374.25)	(31,637.25)
At the end of the year	(49,911.00)	(18,280.44)

* Pertains to the distributions made during the financial year along with the distribution related to the last quarter of FY 2017-18 and does not include the distribution relating to the last quarter of FY 2018-19 which will be paid after March 31, 2019.

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

For Suresh Surana & Associates LLP

Chartered Accountants

Firm's Registration Number: 121750W/W-100010

Ramesh Gupta

Partner

Membership No.: 102306

Vinod Kumar Menon

Wholtime Director

DIN: 03075345

Bajranglal Gupta

Director

DIN: 07175777

Tushar Kawedia

Chief Financial Officer

Urmil Shah

Company Secretary

Place: Mumbai

Date: May 2, 2019

Place: Mumbai

Date: May 2, 2019

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

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, 2019.

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, 2019	Extent of Control as at March 31, 2018
1	IDAA Infrastructure Limited (IDAA) ^*	Infrastructure	India	100%	100%
2	IRB Talegaon Amravati Tollway Limited (IRBTA) ^*	Infrastructure	India	100%	100%
3	IRB Jaipur Deoli Tollway Limited (IRBJD) ^*	Infrastructure	India	100%	100%
4	IRB Surat Dahisar Tollway Limited (IRBSD) ^*	Infrastructure	India	100%	100%
5	IRB Tumkur Chitradurga Tollway Limited (IRBTC) ^ *	Infrastructure	India	100%	100%
6	M.V.R Infrastructure and Tollways Limited (MVR) ^*	Infrastructure	India	100%	100%
7	IRB Pathankot Amritsar Toll Road Limited (IRBPA) #	Infrastructure	India	100%	100%

^Acquired on May 9, 2017

Acquired on September 28, 2017

* These companies have been converted from private limited to public limited companies in the year ended March 31, 2018.

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 May 02, 2019.

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 March 31, 2019. 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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;
 - 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.

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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 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.

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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.

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 (note 34 and 40)
- Financial instruments (including those carried at amortised cost) (note 34)
- Quantitative disclosure of fair value measurement hierarchy (note 35)

3.8 Revenue recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The Group did not have impact on adoption of Ind AS 115.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for

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those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

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.

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 recognised 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.

3.9 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

3.10 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
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

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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.

3.11 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 capitalised 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 capitalised 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.

3.12 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 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:

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- 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.

3.13 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.

3.14 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.

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3.15 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.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

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

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services is provided. A liability is recognised for the

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amount expected to be paid i.e. under short-term cash bonus, if the Company has a present legal or constructive obligations to pay this amount as a result of past service provided by the employees, and the amount of obligation can be estimated reliably.

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.

3.20 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 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 recognised in the other comprehensive income (OCI). However, the Group recognises 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 categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised 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 recognised 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

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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 recognised 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 recognised 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.

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.

3.21. Impairment of assets

Impairment of financial assets

Expected credit losses are recognised 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 recognises 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 recognised in Statement of Profit and Loss.

Trade receivable

The Group has evaluated the impairment provision requirement under Ind AS 109 and has listed down below major facts for trade and other receivables impairment provisioning:

Trade receivable from NHAI are considered to be good and there are neither been any past instances of default and also management doesn't expect any default in case of Group receivables.

Other Financial Assets mainly consists of Loans to employees and Security Deposit and other deposits, interest accrued on Fixed Deposits, loans to related party, Retention money receivable from NHAI, Grant receivable from NHAI and other receivables and advances measured at amortised cost.

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.

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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.

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 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.

This category generally applies to borrowings.

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.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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 amortised 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 at fair value. Cumulative gain or loss previously recognised 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.

3.22 Contributed Equity

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

3.23 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.

3.24 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 Group's cash management.

3.25 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.

3.26 New pronouncements issued but not effective

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right to use asset either as:
 - Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
 - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Group does not have any material leases and therefore, the adoption of this standard is not likely to have a material impact on its consolidated financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach,

Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group has evaluated the effect of this on consolidated financial statements and the impact of this amendment is not material.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Fund is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group has evaluated the effect of this on consolidated financial statements and the impact of this amendment is not material.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Particulars	Land		Plant and machinery		Office equipments		Computer		Vehicles		Furniture and fixture		Total	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Note 4 : Property, plant and equipment														
Gross Block														
Opening Balance	98.61	-	4.37	-	6.90	-	1.09	-	3.74	-	5.71	-	120.42	-
Additions on acquisition of subsidiaries	-	98.61	-	4.37	-	6.05	-	0.69	-	4.40	-	5.71	-	119.83
Additions	-	-	-	-	0.18	0.85	0.73	0.40	-	-	0.27	-	1.18	1.25
Deletion/Adjustment	-	-	-	-	-	-	-	-	2.39	0.66	-	-	2.39	0.66
Closing Balance	98.61	98.61	4.37	4.37	7.08	6.90	1.82	1.09	1.35	3.74	5.98	5.71	119.21	120.42
Depreciation														
Opening Balance	-	-	0.81	-	2.16	-	0.52	-	0.72	-	1.58	-	5.79	-
Additions on acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	0.72	0.81	1.14	2.16	0.38	0.42	0.49	0.72	1.30	1.58	4.03	5.69
Deletion/Adjustment	-	-	-	-	-	-	-	(0.10)	1.09	-	-	-	1.09	(0.10)
Closing Balance	-	-	1.53	0.81	3.30	2.16	0.90	0.52	0.12	0.72	2.88	1.58	8.73	5.79
Net Block	98.61	98.61	2.84	3.56	3.78	4.74	0.92	0.57	1.23	3.02	3.10	4.13	110.48	114.63

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs)

	Toll Collection Rights		Premium to NHAI		Total	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Gross Block						
Opening Balance	744,021.01	-	667,304.55	-	1,411,325.56	-
Additions on acquisition of subsidiaries	-	715,279.38	-	667,304.55	-	1,382,583.93
Additions	322.77	28,599.70	-	-	322.77	28,599.70
Deletion/Adjustment	1,504.30	(141.93)	-	-	1,504.30	(141.93)
Closing Balance	742,839.48	744,021.01	667,304.55	667,304.55	1,410,144.03	1,411,325.56
Depreciation						
Opening Balance	40,084.46	-	8,607.67	-	48,692.13	-
Additions on acquisition of subsidiaries	-	40,099.51	-	8,607.67	-	48,707.18
Additions	53,842	-	10,208.18	-	64,050.26	-
Deletion/Adjustment	-	(15.05)	-	-	-	(15.05)
Closing Balance	93,926.54	40,084.46	18,815.85	8,607.67	112,742.39	48,692.13
Net Block	648,912.95	703,936.55	648,488.70	658,696.88	1,297,401.64	1,362,633.43

Notes :

1. Toll Collection Rights includes toll equipments
2. Adjustment comprises foreign exchange gain capitalised, for details refer note 45

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Capital Work-in-progress		
Opening balance	278.16	-
Additions during the year	-	278.16
Capitalised during the year	278.16	-
Total	-	278.16

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
FINANCIAL ASSETS		
Note 5: Investments		
A) Non-Current investments		
a) Investments in Government or trust securities		
<i>(unquoted) (at amortised cost)</i>		
National saving certificates	0.40	0.40
b) Investments in mutual funds (quoted)		
<i>(at fair value through profit and loss)</i>		
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan-Growth		
Nil (March 31, 2018 : 172,812.26 units @ ₹ 2,909.10)	-	5,027.28
(All of the above units are marked as lien in favour of security trustee)		
Total (A)	0.40	5,027.68
B) Current investments		
a) Investments in mutual funds (quoted)		
<i>(at fair value through profit and loss)</i>		
IDBI Mutual Fund	692.82	87.08
34,589.4630 units @ ₹ 2,002.9905 (March 31, 2018 : 4,680.67 units @ ₹ 1,860.48)		
SBI Magnum Mutual Fund	-	4,028.80
Nil (March 31, 2018 : 104,830.34 units @ ₹ 3,843.16)		
Sundaram Mutual Fund	3,607.43	207.77
34,553,586.854 units @ 1,044.01 (March 31, 2018 : 567,141.34 units @ ₹ 36.61)		
Aditya Birla Sun Life Saving Fund	1,602.07	12,109.15

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
533,248.902 units @ ₹ 300.4362 (March 31, 2018 : 4,335,309.18 units @ ₹ 279.31)		
Reliance Money Market Fund	3,607.08	-
127,040.226 units @ ₹ 2,839.3181 (March 31, 2018 - Nil units)		
L&T Ultra Short-term Fund	3,606.58	-
11,582,079.949 units @ ₹ 31.1393 (March 31, 2018 - Nil units)		
Reliance Liquid Fund	1,602.02	-
35,117.483 units @ ₹ 4,561.8889 (March 31, 2018 - Nil units)		
Canara Robeco Savings Fund	1,502.22	-
5,083,797.936 units @ ₹ 29.5491 (March 31, 2018- Nil units)		
SBI Liquid Fund	170.21	-
5,812.176 units @ ₹ 2,928.5700 (March 31, 2018 - Nil units)		
Aditya Birla Sun Life Money Manager Fund	6,313.53	-
2,508,356.210 units @ ₹ 251.7000 (March 31, 2018 - Nil units)		
Total (B)	22,703.96	16,432.80
Total (A+B)	22,704.36	21,460.48
Aggregate book value of quoted investments	22,703.96	21,460.08
Market value of quoted investments	22,703.96	21,460.08
Aggregate amount of unquoted investments	0.40	0.40

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Note 6: Loans				
(Unsecured, considered good, unless otherwise stated)				
Unamortised transaction cost	-	-	406.93	-
Loans to employees	40.34	1.72	34.17	-
Security and other deposits	83.66	-	-	-
Total	124.00	1.72	441.10	-

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Note 7: Other financial assets				
Receivable from government authorities	1,075.37	-	1,004.27	-
Security and other deposits	-	-	0.16	80.53
Interest accrued on fixed deposits	7.89	-	1.49	-
Retention money receivable	120.78	-	24.36	41.80
Other receivables	331.63	-	103.75	-
Total	1,535.67	-	1,134.03	122.33

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 8: Deferred tax assets (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	3,260.53
Deferred tax assets (A)	3,260.53	3,260.53
Deferred tax liabilities:		
Difference in depreciation and other differences in block of Property, plant and equipment as per tax books & financial books	37.51	37.51
Deferred tax liabilities (B)	37.51	37.51
Deferred tax assets (net) (A-B)	3,223.02	3,223.02

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 9: Other non - current assets		
Prepaid expenses	-	0.05
Total	-	0.05

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 10: Trade receivables		
(Unsecured, considered good unless otherwise stated)		
Others	41.47	55.41
Total	41.47	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.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 11: Cash and cash equivalents		
Cash and bank balances		
Balances with banks:		
- on current accounts	97.41	1,474.06
- on trust, retention and other escrow accounts*	546.99	7.86
Cash on hand	768.70	462.89
Deposits with banks		
- Original maturity less than 3 months (Earmarked)	-	7,358.89
Total	1,413.10	9,303.70

* Escrow account of the subsidiary companies are hypothecated in favour of lenders of the Fund.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 12: Bank balances other than cash and cash equivalent		
- Unpaid distribution accounts	31.09	13.20
Deposits with banks		
- Original maturity of more than 3 months but less than 12 months	5,030.22	57.53
Total	5,061.31	70.73

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 13: Income tax assets (net)		
Advance income-tax (net of provision for tax)	584.16	830.83
Total	584.16	830.83

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 14: Other current assets		
Advance with suppliers	3.60	105.91
Work-in-progress	396.68	455.51
Prepaid expenses	5.29	18.38
Duties and taxes receivable	125.83	213.72
Total	531.40	793.52

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
Note 15 : Equity		
I. Unit capital		
580,500,000 (March 31, 2018 : 580,500,000) units (issue price : ₹ 102)	560,763.00	579,919.50
Initial settlement amount	0.10	0.10
	560,763.10	579,919.60

Rights of Unit holders

Subject to the provisions of the InvIT Regulations, the Indenture of Fund, 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:

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of units	Amount	No. of units	Amount
At the beginning of the year	580,500,000	579,919.50	-	-
Issued during the year	-	-	580,500,000	592,110.00
Less: Capital reduction during the year	-	19,156.50	-	12,190.50
At the end of the year	580,500,000	560,763.00	580,500,000	579,919.50

Details of unit holders holding more than 5% units :

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of units	% of total unit capital	No. of units	% of total unit capital
IRB Infrastructure Developers Limited	92,705,000	15.97%	92,705,000	15.97%
Government Of Singapore	47,555,000	8.19%	41,650,000	7.17%
Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Equity Hybrid '95 Fund	37,100,000	6.40%	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 16: Other equity		
Retained earnings		
At the beginning of the year	(18,280.44)	(0.02)
Profit/(loss) for the year	19,776.49	23,242.27
Other comprehensive income/(loss) for the year		
Re-measurement gains/(losses) on defined benefit plans	(32.80)	6.26
Unit issue expenses	-	(9,891.70)
Interest distribution (refer note 43)	(51,374.25)	(31,637.25)
At the end of the year	(49,911.00)	(18,280.44)
Total	(49,911.00)	(18,280.44)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 17: Borrowings		
Non-current borrowings		
Term loans		
Indian rupee loan from banks (secured)	151,298.81	154,610.50
Less: current maturities expected to be settled within 12 month from balance sheet date	(4,637.81)	(3,299.50)
	146,661.00	151,311.00
From other parties		
Deferred premium obligation (secured)	29,771.45	23,839.45
Unamortised transaction cost	(1,206.25)	(1,291.79)
Total	175,226.20	173,858.66

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 share holding 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 State Bank of India is MCLR + 0.15% & IDFC First Bank is 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.

2. Deferred premium obligation

National Highways Authority of India 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.

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Note 18: Other financial liabilities				
Current maturities of long-term borrowings	4,637.81	-	3,299.50	-
Interest accrued on borrowings	10.90	-	746.92	-
Premium obligation/negative grant to NHAI	20,166.42	572,929.56	13,938.25	599,027.98
Interest on premium deferment	-	8,019.27	-	5,293.25
Unclaimed distribution	31.09	-	13.20	-
Deposits	-	-	31.26	1.15
Retention money payable	3,953.81	-	3,892.85	-
Revenue share payable	3,543.43	-	3,258.45	-
Employee benefits payable	228.34	-	221.80	-
Other payable	46.70	-	85.50	-
Total	32,618.50	580,948.83	25,487.73	604,322.38

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Note 19: Provisions				
Provision for employee benefits				
- Leave encashment	4.94	-	3.82	-
- Gratuity (Refer Note 42)	14.42	160.47	13.67	108.05
Others				
Resurfacing expenses *	18,493.83	4,512.41	4,038.00	18,725.69
Total	18,513.19	4,672.88	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, 2019	As at March 31, 2018
Opening balance	22,763.69	-
Additions on acquisition of projects	-	19,131.14
Add: Provision made during the year	5,558.55	5,208.55
Less: Utilised during the year	(5,316.00)	(1,576.00)
Total	23,006.24	22,763.69

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 20: Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note 33)	34.44	85.25
Total outstanding dues of creditors other than micro and small enterprises	9,695.41	12,107.22
Total	9,729.85	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.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 21: Other liabilities		
Advance from customers	36.35	36.35
Duties and taxes payable	134.43	35.44
Total	170.78	71.79

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 22: Revenue from operations		
Contract revenue (Utility shifting)	1,604.32	129.17
Income arising out of toll collection (net)	119,504.61	98,843.98
Toll collection charges (net of additional revenue share paid to NHAI)	93.91	77.55
Sale of material	-	96.12
Other operating income	82.22	54.02
Total	121,285.06	99,200.84
Disaggregated revenue information		
The table below presents disaggregated revenue from contracts with customers for the year ended March 31, 2019.		
Income from services (Revenue from contracts with Customers)		
Services transferred over time		
Income from toll collection	119,504.61	98,843.98
Contract revenue (Utility shifting)	1,604.32	129.17
Toll collection charges	93.91	77.55
Revenue from contracts with customers	121,202.84	99,050.70
Other operating revenue		
Claim received	82.22	54.02
Total revenue from operation	121,285.06	99,104.72

Performance obligation

Income from toll collection

The performance obligation in service of toll collection is recorded as per rates notified by NHAI and approved by management and payment is generally due at the time of providing service.

Contract Revenue

The performance obligation under contractual agreements is due on completion of work as per terms of contracts.

Contract balances

There are no reconciling items in the revenue recognised in the statement of profit and loss with contracted price.

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 23: Other income		
Interest income on		
- Bank deposits	308.42	99.85
- Others	79.30	20.81
Gain on sale of property, plant and equipment (net)	0.06	38.73
Profit on sale of investments (net)	1,348.71	883.04
Fair value gain on mutual funds	52.92	100.77
Other non operating income	266.12	171.74
Total	2,055.53	1,314.94

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 24: Operating expenses		
Operation and maintenance expenses	242.55	5,070.81
Site and other direct expenses	2,609.42	986.85
Total	2,851.97	6,057.66

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 25: Employee benefits expense		
Salaries, wages and bonus	2,102.79	1,699.35
Contribution to provident and other funds	105.64	97.61
Gratuity expenses	24.57	25.44
Staff welfare expenses	291.24	204.24
Total	2,524.24	2,026.64

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 26: Depreciation and amortisation expenses		
Depreciation on property, plant and equipment	4.03	5.70
Amortisation on intangible assets	64,050.26	48,707.18
Total	64,054.29	48,712.88

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 27: Finance costs		
Interest expense		
- Banks and financial institutions	12,649.21	7,151.91
- Premium deferment	2,726.02	1,898.10
Other finance cost	533.46	874.69
Total	15,908.69	9,924.70

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 28: Other expenses		
Power and fuel	209.83	187.84
Rent	75.15	62.65
Rates and taxes	76.13	41.83
Water charges	-	2.09
Travelling and conveyance	48.22	29.72
Vehicle expenses	71.30	40.30
Communication cost	9.81	7.12
Printing and stationery	162.52	135.64
Advertisement expenses	35.85	5.11
Directors sitting fees (including GST/service tax)	32.40	24.38
Legal and professional expenses	230.76	142.40
Payment to Auditor (including GST/service tax)		
- Statutory audit fees	43.77	42.86
- Limited review fees	26.57	19.64
- Tax audit fees	1.18	1.83
- Certification	9.70	2.58
- Reimbursement of expenses	2.37	0.26
Bank charges	110.14	67.55
Donation	0.50	0.06
Miscellaneous expenses	26.37	434.50
Total	1,172.57	1,248.36

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 29: Earnings per unit (EPU)

The following reflects the income and share data used in the basic and diluted EPU computations:

Particulars	(₹ in lakhs)	
	For year ended March 31, 2019	For year ended March 31, 2018
Profit/(loss) attributable to Unit holders for basic and diluted earnings	19,776.49	23,242.27
Weighted average number of Units in calculating basic and diluted EPU	580,500,000	580,500,000
Basic earning per Unit (Rupees/unit)	3.41	4.00
Diluted earning per Unit (Rupees/unit)	3.41	4.00

Note 30: Components of other comprehensive income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	(₹ in lakhs)	
	For year ended March 31, 2019	For year ended March 31, 2018
Re-measurement gains/(losses) on defined benefit plans (Refer note 42)	(32.80)	6.26
Total	(32.80)	6.26

Note 31: Commitment and Contingencies

a. Commitments

Particulars	(₹ in lakhs)	
	For year ended March 31, 2019	For year ended March 31, 2018
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

	(₹ in lakhs)	
	As at March 31, 2019	As at March 31, 2018
NHAI claim for shortfall in Revenue share	3,289.08	3,289.08
Total	3,289.08	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 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.
- iii) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident fund dated February 28, 2019. Management believed and evaluated that the impact is not material. The company will update its provision, on receiving further clarity on the subject.

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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

The following details 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.

(₹ in lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount remaining unpaid to any supplier as at the period end	34.44	85.25
Interest due thereon	-	-
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Note 34: Fair Values

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

(₹ in Lakhs)				
	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets				
Loans	125.72	125.72	441.10	441.10
Other financial assets	1,535.67	1,535.67	1,256.36	1,256.36
Trade receivable	41.47	41.47	55.41	55.41
Cash and cash equivalents	1,413.10	1,413.10	9,303.70	9,303.70
Bank balance other than cash and cash equivalents	5,061.31	5,061.31	70.73	70.73
Investments	22,704.36	22,704.36	21,460.48	21,460.48
Total	30,881.63	30,881.63	32,587.78	32,587.78
Financial liabilities				
Borrowings	175,226.20	176,432.45	173,858.66	175,150.45
Trade payables	9,729.85	9,729.85	12,192.47	12,192.47
Other financial liabilities	613,567.33	613,567.33	629,810.10	629,810.10
	798,523.38	799,729.63	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, 2019

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 at March 31, 2019	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments in mutual fund	22,703.96	22,703.96	-	-

(₹ in lakhs)				
	As at 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	-	-

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

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, 2019, and 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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)	
	For year ended March 31, 2019	For year ended March 31, 2018
Increase in basis points		
- INR	50	50
Effect on profit before tax		
- INR	(905.35)	(892.25)
Decrease in basis points		
- INR	50	50
Effect on profit before tax		
- INR	905.35	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.

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

As at March 31, 2019	(₹ in lakhs)			
	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	12,595.01	67,580.14	223,779.86	303,955.01
Other financial liabilities	32,618.50	83,305.08	497,643.74	613,567.33
Trade payables	9,729.85	-	-	9,729.85
Total	54,943.36	150,885.22	721,423.60	927,252.19

As at March 31, 2018	(₹ in lakhs)			
	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	17,712.34	80,233.99	239,890.81	337,837.14
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

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, 2019 and March 31, 2018. 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings (Note 17)	181,070.26	178,449.95
Less: Cash and cash equivalents (Note 11)	(1,413.10)	(9,303.70)
Net debt	179,657.16	169,146.25
Equity (Note 15 & 16)	510,852.10	561,639.16
Total equity	510,852.10	561,639.16
Capital and net debt	690,509.26	730,785.41
Gearing ratio (%)	26.02%	23.15%

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.

Note 38: Details of Project management fees and Investment management 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: 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 recognised 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 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 November 29, 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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) Major maintenance expenses/Resurfacing expenses

As per the Service Concession Agreements, 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 costs on a straight line basis over the period at the end of which resurfacing would be required, in the statement of profit and loss in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

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 recognised any deferred tax asset/liability on such non-taxable income.

iv) Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 42 for details of the key assumptions used in determining the accounting for these plans.

v) Amortisation of intangible assets

The intangible assets which are recognised in the form of Right to charge users of the infrastructure asset are amortised by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets. The estimation of total projection revenue requires significant assumption about expected growth rate and traffic projection for future. All assumptions are reviewed at each reporting date.

Note 40: Revenue share/Premium payment to NHAI

- (a) During the year ended March 31, 2019, the Group has paid/accrued ₹ 37,103.11 Lakhs (March 31, 2018 ₹ 28,178.46 Lakhs) 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Note 41 :Statement of related party transactions :

i. List of Related Parties

a) 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)
b) Promoters	Mr. Virendra D. Mhaiskar Mrs. Deepali V. Mhaiskar Virendra D. Mhaiskar HUF	IRB Infrastructure Developers Limited	IRB Infrastructure Developers Limited	IDBI Bank Limited Life Insurance Corporation of India General Insurance Corporation of India
Directors	Mr. Virendra D. Mhaiskar Mrs. Deepali V. Mhaiskar 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 Mr. Swapan Kumar Bagchi Mr. Saurabh Chandra (w.e.f. 21.05.2018) Ms. Sashikala Muralidharan
	Independent Directors Mr. C S. Kaptan Mr. Sunil H. Talati Mr. Sandeep J. Shah Mr. Sunil Tandon	Independent Directors Mr. R P Singh Mr. B L Gupta Mr. Sumit Banerjee	Independent Directors Mr. C S. Kaptan Mrs. Heena Raja	
c) 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 (w.e.f.30.03.2019) 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)			

iii. Statement of related party transactions

(₹ in lakhs)

Sr. No.	Particulars	Relation	Year ended March 31, 2019	Year ended March 31, 2018
1	Project Manager Fees		13,937.00	8,308.82
	MRMPL	Project Manager	13,937.00	8,308.82
2	Investment Management fees paid (including indirect taxes)		1,246.79	1,053.36
	IRBFL	Investment Manager	1,246.79	1,053.36
3	Repayment of loan given		-	2,353.21
	IRBIDL	Sponsor	-	2,353.21
4	Repayment of loan taken		-	62,742.77
	IRBIDL	Sponsor	-	47,521.20
	MRMPL	Project Manager	-	15,221.57

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Sr. No.	Particulars	Relation	Year ended March 31, 2019	Year ended March 31, 2018
5	Subordinated debts repaid		-	99,431.00
	IRBIDL	Sponsor	-	81,305.51
	MRMPL	Project Manager	-	18,125.49
6	Repayment of retention money/Security Deposit		-	25,750.00
	MRMPL	Project Manager	-	25,750.00
7	Performance security received		-	2,950.00
	MRMPL	Project Manager	-	2,950.00
8	Director sitting fees	Director	27.46	20.89
	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		4.46	4.74
	Mr. Tushar Kawedia		2.10	3.46
	Mr. Urmil Shah		2.10	3.56
	Mr. Sumit Banarjee		6.70	1.78
	Mrs. Heena Raja		8.00	1.81
	Mr. Jitendra Sharma		1.40	0.96
	Mr. M L Gupta		-	0.29
	Mr. Omprakash Singh		-	0.40
	Mrs. Arati Taskar		-	0.11
	Mr. Bajrang Lal Gupta		2.70	0.83
	Mr. Darshan Sangurdekar		-	0.31
	Mr. Naresh Taneja		-	0.10
9	Purchase of equity shares of subsidiaries through issue of Unit Capital		-	1,06,501.76
	IRBIDL	Sponsor	-	1,01,795.26
	MRMPL	Project Manager	-	4,706.50
10	Purchase of equity shares of IPATRL		-	9,909.00
	IRBIDL	Sponsor	-	8,918.10
	MRMPL	Project Manager	-	990.90
11	Trading sales		-	96.12
	MRMPL	Project Manager	-	96.12
12	Payment against trade payable		-	1,807.98
	MRMPL	Project Manager	-	1,807.98
13	Trusteeship Fees		29.50	-
	ITSL	Trustee	29.50	-
14	Contract expenses		68.62	-
	MRMPL	Project Manager	68.62	-
15	Distribution in the form of interest		8,816.39	4,874.89
	IRBIDL	Sponsor	8,204.39	4,869.61
	Mr. Virendra D. Mhaikar	Director of Sponsor	520.36	-
	Mrs. Deepali V. Mhaikar	Director of Sponsor	69.26	3.74
	Mr. Sudhir Rao Hoshing	Director of Sponsor	7.74	1.32
	Mr. Mukeshlal Gupta	Director of Sponsor & Project Manager	4.29	-
	Mr. Vinodkumar Menon	Director of Investment Manager	1.32	-
	Mr. B.L. Gupta	Director of Investment Manager	0.44	-
	Mr. Sumit Banerjee	Director of Investment Manager	1.77	0.22
	Mr. Dhananjay K. Joshi	Director of Project Manager	0.66	-
	Mr. Ajay P. Deshmukh	Director of Project Manager	5.72	-
	Mr. Rajpaul S. Sharma	Director of Project Manager	0.44	-
16	Distribution in the form of return of capital		3,295.47	1,875.60
	IRBIDL	Sponsor	3,059.27	1,873.68
	Mr. Virendra D. Mhaikar	Director of Sponsor	200.90	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Sr. No.	Particulars	Relation	Year ended March 31, 2019	Year ended March 31, 2018
	Mrs. Deepali V. Mhaskar	Director of Sponsor	26.71	1.36
	Mr. Sudhir Rao Hoshing	Director of Sponsor	2.90	0.48
	Mr. Mukeshlal Gupta	Director of Sponsor & Project Manager	1.70	-
	Mr. Vinodkumar Menon	Director of Investment Manager	0.51	-
	Mr. B.L.Gupta	Director of Investment Manager	0.17	-
	Mr. Sumit Banerjee	Director of Investment Manager	0.67	0.08
	Mr. Dhananjay K. Joshi	Director of Project Manager	0.26	-
	Mr. Ajay P. Deshmukh	Director of Project Manager	2.21	-
	Mr. Rajpaul S. Sharma	Director of Project Manager	0.17	-

iv. Related party balances :

(₹ in lakhs)

Sr. No.	Particulars	Relation	As on March 31, 2019	As on March 31, 2018
1	Trade Payables		9,291.09	11,382.91
	MRMPL	Project Manager	8,999.60	11,116.61
	IRBFL	Investment Manager	291.49	266.30
2	Performance security		2,950.00	2,950.00
	MRMPL	Project Manager	2,950.00	2,950.00
3	Director sitting fees payable	Director	-	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
4	Retention money/Security Deposit		759.23	750.00
	MRMPL	Project Manager	759.23	750.00

During the previous year, 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.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

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 Rs. 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 Rs. 15,500 million @ 8.15% p.a. rate of interest

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 valuation of each of the above SPVs.
- 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.

Note 42: Gratuity and other post employment benefit plans

(a) Defined contribution plan

The following amount recognised 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.

(₹ in lakhs)		
	For the year ended March 31, 2019	For the year ended March 31, 2018
Contribution in defined plan	105.64	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 summarises 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	15.75	13.77
Past service cost	-	3.92
Interest cost on benefit obligation	9.02	7.76
(Gain)/losses on settlement	-	-
Net benefit expense recognised in statement of profit and loss (A) (before tax)	24.76	25.44
Amount recorded in other comprehensive income (OCI)		
Remeasurement during the year due to :		
Actuarial loss/(gain) arising from change in financial assumptions	22.53	5.65
Actuarial loss/(gain) arising from change in Demographic Assumptions	(3.05)	2.85
Actuarial loss/(gain) arising on account of experience changes	13.32	(2.24)
Amount recognised in OCI during the year (B) (before tax)	32.80	6.26
Total charge recognised during the year in statement of profit and loss and OCI (A+B)	57.56	31.70
Reconciliation of net liability/asset		
Opening defined benefit liability/(assets)	121.72	-
Additions on acquisition of projects	-	100.37
Expense charged to profit & loss account	24.76	25.44
Amount recognised in outside profit and loss statement	32.80	6.26
Actual Benefits paid	(4.39)	(10.34)
Closing net defined benefit liability/(asset)	174.89	121.72
Balance sheet		
Benefit liability/(asset)		
Defined benefit obligation	174.89	121.72
Fair value of plan assets	-	-
Present value of unfunded obligations	174.89	121.72
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	121.72	-
Additions on acquisition of projects	-	100.37
Current service cost	15.75	13.77
Past service cost	-	3.92
Interest on defined benefit obligation	9.02	7.76
Remeasurement during the period due to :		
Actuarial loss/(gain) arising from change in financial assumptions	22.53	5.65
Actuarial loss/(gain) arising from change in Demographic Assumptions	(3.05)	2.85
Actuarial loss/(gain) arising on account of experience changes	13.32	(2.24)
Benefits paid	(4.39)	(10.34)
Closing defined benefit obligation	174.89	121.72
Net liability is bifurcated as follows :		
Current	14.42	13.67
Non-current	160.47	108.05
Net liability	174.89	121.72

The principal assumptions used in determining gratuity benefit obligation for the Group's plans are shown below:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	7.75%	7.85%
Expected rate of return on plan assets (p.a.)	N.A.	N.A.
Salary escalation	8.50%	7.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

A quantitative analysis for significant assumption is as shown below:

Indian gratuity plan:

(₹ in lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Assumptions - Discount rate		
Sensitivity Level	0.50%	0.50%
Impact on defined benefit obligation		
Impact of Increase in 50 bps on defined benefit obligation	(8.24)	(4.21)
Impact of Decrease in 50 bps on defined benefit obligation	8.96	4.50
Assumptions - Salary Escalation rate		
Sensitivity Level	0.50%	0.50%
Impact on defined benefit obligation		
Impact of Increase in 50 bps on defined benefit obligation	7.89	4.32
Impact of Decrease in 50 bps on defined benefit obligation	(7.25)	(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

(₹ in lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Within the next 12 months (next annual reporting period)	14.42	13.67
Between 2 and 5 years	54.61	52.18
Between 6 and 10 years	68.73	52.23
Total expected payments	137.76	118.08
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	9.93 - 10.56 years	6.44 - 8.61 years

(₹ in lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Note 43: Distribution made		
Distributed during the year as :		
Interest	51,374.25	31,637.25
Return on capital	19,156.50	12,190.50
	70,530.75	43,827.75

Note 44: Income tax

The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are:

(₹ in lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax:		
Current income tax charge	150.77	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	150.77	33.61

Notes to Consolidated Financial Statements

for the year ended March 31, 2019

Reconciliation of tax expenses and the accounting of profit multiplied by Indian domestic tax rate for March 31, 2019 and March 31, 2018 are:

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit/(loss) before tax	19,927.26	23,275.88
Tax rate	34.61%	34.61%
Expected income tax at India's statutory rate	(6,896.43)	(8,055.32)
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	6,896.43	8,055.32
MAT liability on book profit	150.77	33.61
Income tax expense reported in the statement of profit and loss	150.77	33.61

Note 45: Deferral capitalisation of exchange differences

The Group had opted to defer/capitalise exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of AS 11 under Previous GAAP. However, Ind AS 21 does not allow capitalisation of exchange differences arising from settlement of non current non-monetary items in relation to acquisition of depreciable assets and required recognition of the same to statement of comprehensive income. Ind AS 101 gives an exemption whereby the company will continue its Previous GAAP policy for accounting of exchange differences arising from translation of non-current foreign currency monetary items recognised in the Previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. However, for any new non-current foreign currency monetary item recognised from the first Ind AS financial reporting period, the Group will follow Ind AS 21 for recognition of gain and losses.

The Ministry of Corporate Affairs (MCA) has issued the amendment dated December 29, 2011 to AS 11 "The Effects of Changes in Foreign Exchange Rate" to allow companies deferral capitalisation of exchange differences arising on long-term currency monetary items.

In accordance with the amendment/earlier amendments to AS 11 and circular no. 25/2012 dated August 9, 2012, the Group has capitalised exchange loss, arising on long-term foreign currency loan in INR as follows to the cost of intangible asset under development - toll collection rights.

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Amount of exchange (gain)/loss capitalised arising on long-term foreign currency loan	-	(775.93)

Note 46 : NHAI Claim

Traffic for the toll road has been impacted due to ban on mining in the area. Management believes this is temporary and expects traffic will be normalised by the end of next financial year. In accordance with the Concession Agreement, the subsidiary company has lodged claim with NHAI towards loss of revenue due to ban on mining and competing road. Pending approval from NHAI, there is uncertainty and the claim is not recognised as revenue in the current period.

Note 47 : Subsequent events

The Board of Directors of the Investment Manager have approved 4th Distribution of ₹ 3.10 per unit which comprises of ₹ 2.20 per unit as interest and ₹ 0.90 per unit as return of capital in their meeting held on May 2, 2019.

As per our report of even date
For Suresh Surana & Associates LLP
 Chartered Accountants
 Firm's Registration Number: 121750W/W-100010

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

Ramesh Gupta
 Partner
 Membership No.: 102306

Vinod Kumar Menon
 Wholtime Director
 DIN: 03075345

Bajranglal Gupta
 Director
 DIN: 07175777

Tushar Kawedia
 Chief Financial Officer

Urmil Shah
 Company Secretary

Place: Mumbai
 Date: May 2, 2019

Place: Mumbai
 Date: May 2, 2019

Independent Auditors' Report

To,
The Unit holders of IRB InvIT Fund

Report on the Audit of Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of **IRB InvIT Fund ("the Fund")**, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Statement of Cash Flows 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, 2019 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 information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by 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 in the manner so required and give a true and fair view in conformity with Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in the Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rule, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Fund as at

March 31, 2019, its profit including other comprehensive income, its cash movements and movement of the unit holders' funds for the year ended March 31, 2019, the net assets as at March 31, 2019, the total returns and the net distributable cash flows for the year ended March 31, 2019.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements Section of our report. We are independent of the Fund in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No. Key Audit Matter	Auditor's Response
1 Impairment of investments in subsidiary companies The Fund has made investments in equity instruments of subsidiary companies which operates the toll assets. The toll assets were constructed on Build Operate and Transfer (BOT) basis. In accordance with its accounting policy (Refer Note 3.9) and requirements under Ind AS 36 "Impairment of Assets", the Management has performed an impairment assessment by comparing the carrying value of the investments in subsidiary companies to their recoverable amount. For the purpose of impairment testing, value in use has been determined by forecasting and discounting future cash flows of subsidiary companies. Further, the value in use is highly sensitive to changes in critical variable used for forecasting the future cash flows including traffic projection for revenues and discounting rate. The determination of the recoverable amount from subsidiary companies involves significant judgement and accordingly, the evaluation of impairment of investments in subsidiary companies has been determined as a key audit matter.	Our audit procedures included the following: <ul style="list-style-type: none"> - Assessed the appropriateness of the Fund's valuation methodology applied in determining the recoverable amount. In making this assessment, we also evaluated the objectivity, independence and competency of specialists involved in the process; - Assessed the assumptions around the key drivers of the cash flow forecasts, discount rates, revenue projection based on the independent experts traffic study report, etc.; - Assessed the appropriateness of the weighted average cost of capital used in the determining recoverable amount by engaging valuation expert; - Discussed/Evaluated potential changes in key drivers as compared to previous year/actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable; - Assessed the recoverable value headroom by performing sensitivity analysis of key assumptions used - Tested the arithmetical accuracy of the model.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The management of IRB Infrastructure Private Limited ("Investment Manager") is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Investment Manager's Report including Annexures to Investment Manager's Report and Investment Manager's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Management of IRB Infrastructure Private Limited ("Investment Manager"), is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial

position as at March 31, 2019, financial performance including other comprehensive income, cash movements and the movement of the unit holders' funds for the year ended March 31, 2019, the net assets as at March 31, 2019, the total returns and the net distributable cash flows of the Fund for the year ended March 31, 2019, 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 also includes maintenance of adequate accounting records in accordance with the provisions InvIT Regulations for safeguarding of the assets of the Fund and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; 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.

In preparing the standalone financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Investment Manager is also responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 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: May 2, 2019

Balance Sheet

as at March 31, 2019

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I ASSETS			
(1) Non-current assets			
Financial assets	4		
i) Investments	4.1	226,936.48	231,963.76
ii) Loans	4.2	415,785.51	449,520.41
Total non-current assets		642,721.99	681,484.17
(2) Current assets			
Financial assets	5		
i) Investments	5.1	22,703.96	13,609.07
ii) Cash and cash equivalents	5.2	4.30	5,926.22
iii) Bank balance other than (ii) above	5.3	5,031.09	13.20
iv) Loans	5.4	40,434.28	35,739.73
v) Other financial assets	5.5	7.68	0.78
Current tax assets (net)	6	29.54	-
Total Assets		710,932.84	736,773.17
II EQUITY AND LIABILITIES			
Equity			
Unit capital	7	560,763.10	579,919.60
Other equity	8	(291.14)	2,493.01
Total unit holder's equity		560,471.96	582,412.61
(1) Non-current liabilities			
Financial liabilities			
Borrowings	9	145,454.75	150,019.21
		145,454.75	150,019.21
(2) Current liabilities			
Financial liabilities			
i) Trade payables	10.1		
a) total outstanding dues of micro enterprises and small enterprises		-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		322.93	289.55
ii) Other financial liabilities	10.2	4,679.80	4,049.25
Other current liabilities	11	3.40	2.55
		5,006.13	4,341.35
Total liabilities		150,460.88	154,360.56
Total Equity and Liabilities		710,932.84	736,773.17
Summary of significant accounting policies	3		

See accompanying notes to the financial statements.

As per our report of even date
For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration Number: 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: May 2, 2019

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: May 2, 2019

Bajranglal Gupta
Director
DIN: 07175777

Urmil Shah
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in lakhs)			
Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	12	61,725.95	51,122.81
Other income	13	1,117.14	446.14
Total Income		62,843.09	51,568.95
Expenses			
Finance costs	14	12,775.74	6,412.99
Investment Manager Fees		1,246.79	1,053.36
Annual listing fee		60.81	-
Trustee fee		29.50	-
Other expenses	15	140.15	80.62
Total Expenses		14,252.99	7,546.97
Profit/(loss) before tax		48,590.10	44,021.98
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total Tax Expenses		-	-
Profit/(loss) after tax (A)		48,590.10	44,021.98
Other comprehensive income/(loss) for the year (net of tax) (B)		-	-
Total comprehensive income for the year, net of tax : (A+B)		48,590.10	44,021.98
Earnings per unit	16		
Basic		8.37	7.58
Diluted		8.37	7.58
Summary of significant accounting policies	3		

See accompanying notes to the financial statements.

As per our report of even date

For Suresh Surana & Associates LLP

Chartered Accountants

Firm's Registration Number: 121750W/W-100010

Ramesh Gupta

Partner

Membership No.: 102306

For and on behalf of IRB Infrastructure Private Limited

(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon

Wholetime Director

DIN: 03075345

Bajranglal Gupta

Director

DIN: 07175777

Tushar Kawedia

Chief Financial Officer

Urmil Shah

Company Secretary

Place: Mumbai

Date: May 2, 2019

Place: Mumbai

Date: May 2, 2019

Cash Flow Statement

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	48,590.10	44,021.98
Adjustments to reconcile profit before tax to net cash flows:		
Finance costs	12,775.74	6,412.99
Fair value gain on investments	(52.92)	(96.54)
Profit on sale of investments	(761.88)	(348.82)
Interest income on		
- Fixed deposits	(302.34)	(0.78)
Transaction cost on loan given	20.83	9.59
Operating profit/(loss) before working capital changes	60,269.53	49,998.42
Movement in working capital:		
Increase/(decrease) in trade payables	33.38	289.55
Increase/(decrease) in other financial liabilities	(13.21)	-
Increase/(decrease) in other current liabilities	14.06	2.55
Cash generated from/(used in) operations	60,303.76	50,290.52
Direct taxes paid (net of refunds)	(29.54)	-
Net cash flows from/(used in) operating activities	60,274.22	50,290.52
B. Cash flows from investing activities		
Purchase of units of mutual fund	(110,998.07)	(64,377.85)
Proceeds on sales of units of mutual fund	107,745.26	46,186.86
Investment in subsidiaries [#]	-	(38,688.98)
Investment in sub debt of subsidiaries	-	(99,431.00)
Loan given to subsidiaries	(2,110.00)	(510,489.91)
Transaction cost on loan	-	(416.52)
Repayment of loan given to subsidiaries	31,129.52	25,636.71
Bank deposits placed (having original maturity of more than three months)	(5,000.00)	-
Interest received on fixed deposit	295.44	-
Net cash flows from/(used in) investing activities	21,062.15	(641,580.69)
C. Cash flow from financing activities		
Proceeds from issuance of unit capital [#]	(19,156.50)	503,293.50
Unit issue expenses	-	(9,891.70)
Distribution to unit holders	(51,374.25)	(43,827.75)
Proceeds from long-term borrowings	-	155,000.00
Repayment of long-term borrowings	(3,311.69)	(389.50)
Transaction cost on long-term borrowings	-	(1,336.68)
Finance cost paid	(13,415.85)	(5,631.56)
Net cash flows from/(used in) financing activities	(87,258.29)	597,216.31
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(5,921.92)	5,926.14
Cash and cash equivalents at the beginning of the year	5,926.22	0.08
Cash and cash equivalents at the end of the year (refer 5.2)	4.30	5,926.22

[#]The Fund had issued its 870,075 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 accounting policies 3

See accompanying notes to the financial statements.

Notes:

1. All figures in bracket are outflow.
2. Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. Reconciliation between opening and closing balances for liabilities arising from financing activities.

Cash Flow Statement

for the year ended March 31, 2019

(₹ in lakhs)	
Particular	Long-term borrowing
April 1, 2017	-
Cash flow	
- Interest	(6,968.24)
- Net of proceeds and repayment of long-term borrowings	154,610.50
Accrual for the year	6,412.99
March 31, 2018	154,055.25
Cash flow	
- Interest	(13,415.85)
- Net of proceeds and repayment of long-term borrowings	(3,311.69)
Accrual for the year	12,775.74
March 31, 2019	150,103.45

4. The cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows" as notified under Section 133 of the Companies Act, 2013.

As per our report of even date

For Suresh Surana & Associates LLP

Chartered Accountants

Firm's Registration Number: 121750W/W-100010

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

Ramesh Gupta

Partner

Membership No.: 102306

Vinod Kumar Menon

Wholetime Director

DIN: 03075345

Bajranglal Gupta

Director

DIN: 07175777

Tushar Kawedia

Chief Financial Officer

Urmil Shah

Company Secretary

Place: Mumbai

Date: May 2, 2019

Place: Mumbai

Date: May 2, 2019

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)

A. Statement of Net Asset at Fair Value

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Book value	Fair value	Book value	Fair value
A. Assets	710,932.84	755,738.02	736,773.17	826,225.73
B. Liabilities (at book value)	150,460.88	150,460.88	154,360.56	154,360.56
C. Net Assets (A-B)	560,471.96	605,277.14	582,412.61	671,865.18
D. Number of units (in Lakhs)	5,805.00	5,805.00	5,805.00	5,805.00
E. NAV (C/D) (Amount in ₹)	96.55	104.27	100.33	115.74

B. Statement of total returns at Fair Value

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Total Comprehensive Income (As per the Statement of Profit and Loss)	48,590.09	44,021.98
Add/(less): Other Changes in Fair Value	44,805.18	89,452.56
Comprehensive Income -	93,395.28	133,474.54

Notes:

Fair value of assets as at March 31, 2019 and 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 Registration Number: 121750W/W-100010

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

Ramesh Gupta

Partner

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Vinod Kumar Menon

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DIN: 03075345

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DIN: 07175777

Tushar Kawedia

Chief Financial Officer

Urmil Shah

Company Secretary

Place: Mumbai

Date: May 2, 2019

Place: Mumbai

Date: May 2, 2019

Statement of Net Distributable Cash Flows (NDCFs)

		Amount ₹ in Lakhs	
Sr. No.	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1	Cash flows received from Project SPVs in the form of Interest	61,725.95	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	1,117.14	446.14
4	Cash flows received from the project SPVs towards the repayment of the debt issued to the Project SPVs by the Trust	31,109.52	21,911.70
5	Total cash inflow at the Trust level (A)	93,952.61	73,480.65
	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	(14,252.99)	(7,546.97)
7	Income tax (if applicable) at the Standalone Trust Level	-	-
8	Repayment of external debt	(3,311.69)	(389.50)
9	Total cash outflows / retention at the Trust level (B)	(17,564.68)	(7,936.47)
10	Net Distributable Cash Flows (C) = (A+B)	76,387.92	65,544.18

During the year, an amount of ₹ 70,530.75 lakhs (P.Y. ₹ 43,827.75 lakhs) has already been distributed to unit holders (Refer note 26)

Statement of changes in unit holders equity

for the year ended March 31, 2019

(₹ in lakhs)

	As at March 31, 2019	As at March 31, 2018
a) Unit Capital		
At the beginning of the year	579,919.50	-
Issued during the year	-	592,110.00
Less: Capital reduction during the year (Refer Note 26)	(19,156.50)	(12,190.50)
At the end of the year	560,763.00	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		
At the beginning of the year	2,493.01	(0.02)
Profit/(loss) for the year	48,590.10	44,021.98
Other comprehensive income/(loss) for the year	-	-
Unit issue expenses	-	(9,891.70)
Interest distribution (Refer Note 26)	(51,374.25)	(31,637.25)
At the end of the year	(291.14)	2,493.01
Summary of Significant Policies (refer 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 Registration Number: 121750W/W-100010

Ramesh Gupta

Partner

Membership No.: 102306

For and on behalf of IRB Infrastructure Private Limited

(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon

Wholtime Director

DIN: 03075345

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Director

DIN: 07175777

Tushar Kawedia

Chief Financial Officer

Urmil Shah

Company Secretary

Place: Mumbai

Date: May 2, 2019

Place: Mumbai

Date: May 2, 2019

Notes to Financial Statements

for the year ended March 31, 2019

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2019

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 previous year, the Fund had 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 Toll Road Limited (IRBPA) #*

^Acquired on May 9, 2017

Acquired on September 28, 2017

* During the previous 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 May 2, 2019.

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
- 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.

Notes to Financial Statements

for the year ended March 31, 2019

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 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

Notes to Financial Statements

for the year ended March 31, 2019

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 be measured reliably. The Fund 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 asset 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

Notes to Financial Statements

for the year ended March 31, 2019

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 recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a the 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 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 recognised 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 recognises 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 recognised 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:

Notes to Financial Statements

for the year ended March 31, 2019

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.

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 Fund 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 the statement of 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.

Notes to Financial Statements

for the year ended March 31, 2019

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.

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 (notes 27)
- Financial instruments (including those carried at amortised cost) (notes 22 and 23)
- Quantitative disclosure of fair value measurement hierarchy (notes 22 and 23)

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 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 Recent accounting pronouncements

Adoption of New standard : Effective from April 1, 2018 the Fund has adopted Ind AS 115 "Revenue from contracts with customers" based on the assessment done by the management, there is no impact on the revenue recognised during the year.

Notes to Financial Statements

for the year ended March 31, 2019

3.18 Standard issued but not effective

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
 - Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
 - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Fund does not have any impact on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or

group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Fund has evaluated the effect of this on the financial statements and the impact of this is not material.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. This amendment will not have any impact on the financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Fund does not have any impact on account of this amendment.

Notes to Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 4: Financial assets (Non-current)		
4.1 Investments		
A) Investments at cost		
<i>Investments in equity instruments of subsidiaries (unquoted)</i>		
510,842,000 (March 31, 2018 - 510,842,000) equity shares of IRB Surat Dahisar Tollway Limited	53,232.48	53,232.48
131,750,000 (March 31, 2018 - 131,750,000) equity shares of IRB Jaipur Deoli Tollway Limited	13,175.00	13,175.00
198,120,003 (March 31, 2018 - 198,120,003) equity shares of IDAA Infrastructure Limited	19,812.00	19,812.00
98,600,000 (March 31, 2018 - 98,600,000) equity shares of IRB Pathankot Amritsar Toll Road Limited	9,909.00	9,909.00
49,250,000 (March 31, 2018 - 49,250,000) equity shares IRB Talegaon Amravati Tollway Limited	4,925.00	4,925.00
155,500,002 (March 31, 2018 - 155,500,002) equity shares IRB Tumkur Chitradurga Tollway Limited	15,550.00	15,550.00
6,910,170 (March 31, 2018 - 6,910,170) equity shares M.V.R. Infrastructure & Tollways Limited	10,902.00	10,902.00
<i>Investment in equity instruments of related parties (unquoted)</i>	127,505.48	127,505.48
B) Investments at fair value through profit & loss		
<i>Investments in mutual fund (quoted)</i>		
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan-Growth Nil (March 31, 2018 : 172,812.256 units @ ₹ 2,909.0976)	-	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)		
<i>Investments in Mutual Funds</i>	-	5,027.28
C) Investments at cost		
<i>Investments in sub debt of subsidiaries (unquoted)</i>		
IRB Jaipur Deoli Tollway Limited	39,525.00	39,525.00
IRB Pathankot Amritsar Toll Road Limited	29,581.00	29,581.00
IRB Talegaon Amravati Tollway Limited	14,775.00	14,775.00
IRB Tumkur Chitradurga Tollway Limited	15,550.00	15,550.00
Subordinated debt to related parties (interest free)	99,431.00	99,431.00
Total non-current investments (A + B + C)	226,936.48	231,963.76
Aggregate book value of quoted investments	-	5,027.28
Aggregate market value of quoted investments	-	5,027.28
Aggregate amount of unquoted investments	226,936.48	226,936.48
4.2 Loans		
(Secured, considered good, unless otherwise stated)		
Loans to related parties (Refer note no. 21)		
- Interest bearing	375,858.01	406,967.53
Less: Current maturities of loans to related parties	(27,808.63)	(31,112.53)
Total - (A)	348,049.38	375,855.00
(Unsecured, considered good, unless otherwise stated)		
Loans to related parties (Refer note no. 21)		
- Interest bearing	73,258.47	73,258.47
Less: Current maturities of loans to related parties	(5,908.45)	-
Total - (B)	67,350.02	73,258.47
Add : Unamortised transaction cost (C)	386.11	406.93
Total (A+B+C)	415,785.51	449,520.41

Notes to Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Note 5: Financial assets (current)		
5.1 Investments		
Investments at fair value through Profit & Loss		
<i>Investments in mutual fund (quoted)</i>		
IDBI Liquid Fund 34,589.4630 units @ ₹ 2,002.9905 (March 31, 2018 - Unit nil)	692.82	-
Aditya Birla Sun Life Money Manager Fund 2,508,356.210 units @ ₹ 251.7000 (March 31, 2018 - Unit nil)	6,313.53	-
Sundaram Money Market Fund 34,553,586.854 units @ ₹ 10.4401 (March 31, 2018 - Unit nil)	3,607.43	-
Reliance Money Market Fund 127,040.226 units @ ₹ 2,839.3181 (March 31, 2018 - Unit nil)	3,607.08	-
L&T Ultra Short Term Fund 11,582,079.949 units @ ₹ 31.1393 (March 31, 2018 - Unit nil)	3,606.58	-
Aditya Birla Sun Life Liquid Fund 533,248.902 units @ ₹ 300.4362 (March 31, 2018 - Unit nil)	1,602.07	-
Reliance Liquid Fund 35,117.483 units @ ₹ 4,561.8889 (March 31, 2018 - Unit nil)	1,602.02	-
Canara Robeco Savings Fund 5,083,797.936 units @ ₹ 29.5491 (March 31, 2018 - Unit nil)	1,502.22	-
SBI Liquid Fund 5,812.176 units @ ₹ 2,928.5700 (March 31, 2018 - Unit nil)	170.21	-
SBI Magnum Insta Cash -Direct Plan - Growth Unit - Nil (March 31, 2018 : 104,830.335 units @ ₹ 3,843.1599)	-	4,028.80
Aditya Birla Sun Life Saving Fund - Growth-Direct Plan Units - Nil (March 31, 2018 : 3,429,922.285 units @ ₹ 279.3146)	-	9,580.27
Investments in Mutual Funds (quoted) (FVTPL)	22,703.96	13,609.07
Aggregate book value of quoted investments	22,703.96	13,609.07
Aggregate market value of quoted investments	22,703.96	13,609.07
5.2 Cash and cash equivalents		
Cash on hand	0.04	0.03
Balances with banks:		
- In current accounts	2.17	2.34
- In escrow accounts	2.09	973.85
Deposits with banks		
- Original maturity less than 3 months	-	4,950.00
	4.30	5,926.22
Escrow account as hypothecated against secured loan.		
5.3 Other bank balances		
Debt service reserve account with banks		
- Maturity more than 3 months but upto 12 months	5,000.00	-
Unpaid dividend distribution accounts	31.09	13.20
	5,031.09	13.20
5.4 Loans		
(Secured, considered good, unless otherwise stated)		
Current maturities of long-term loans to related parties	27,808.63	31,112.53
(Unsecured, considered good, unless otherwise stated)		
Loans to related parties	6,717.20	4,627.20
Current maturities of long-term loans to related parties	5,908.45	-
	40,434.28	35,739.73
5.5 Other financial assets		
(Unsecured, considered good, unless otherwise stated)		
Interest accrued on fixed deposits	7.68	0.78
	7.68	0.78

Notes to Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
NOTE 6: Current tax assets (net)		
Advance income tax (net of provision for tax ₹ Nil) (March 31, 2018 - Nil)	29.54	-
	29.54	-

(₹ in lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Note 7: Equity		
I. Unit capital		
a) Issued, subscribed and fully paid up unit capital		
580,500,000 (March 31, 2018 - 580,500,000)	560,763.00	579,919.50
b) Initial settlement amount	0.10	0.10
At the end of the year	560,763.10	579,919.60

c) Terms/rights attached to units

Rights of unit holders

Subject to the provisions of the InvIT Regulations, the Indenture of Fund, 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:

(₹ in lakhs)				
Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of units in lakhs	Amount ₹ in lakhs	No. of units in lakhs	Amount ₹ in lakhs
At the beginning of the year	5,805.00	579,919.50	-	-
Issued during the year	-	-	5,805.00	592,110.00
Less: Capital reduction during the year (Refer note 26)	-	19,156.50	-	12,190.50
At the end of the year	5,805.00	560,763.00	5,805.00	579,919.50

Notes to Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 8: Other Equity		
A. Retained earnings		
At the beginning of the year	2,493.01	(0.02)
Profit/(loss) for the year	48,590.10	44,021.98
Unit issue expenses	-	(9,891.70)
Interest distribution (Refer Note 26)	(51,374.25)	(31,637.25)
Total Other Equity (A+B)	(291.14)	2,493.01

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, 2019	As at March 31, 2018
Note 9: Non-current financial liabilities		
Borrowings		
Secured		
<i>Term loans</i>		
Indian rupee loan from banks	151,298.81	154,610.50
Less: Current maturities of long-term loans	(4,637.81)	(3,299.50)
Sub-total	146,661.00	151,311.00
Less: Unamortised transaction cost	(1,206.25)	(1,291.79)
Total	145,454.75	150,019.21

1. Secured Term loans

- 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 share holding 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 State Bank of India is MCLR + 0.15% & IDFC First Bank is 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.
- There have been no breaches in the financial covenants with respect to borrowings.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 10: Current financial liabilities		
10.1 Trade Payables		
a) total outstanding dues of micro enterprises and small enterprises	-	-
b) total outstanding dues of creditors other than micro and small enterprises	322.93	289.55
Total	322.93	289.55
Trade payables are non-interest bearing and are normally settled on 90 day terms.		
10.2 Other financial liabilities		
Current maturities of long-term borrowings		
- Indian rupee loan from banks (Refer note 9)	4,637.81	3,299.50
Interest accrued but not due on borrowings	10.90	736.55
Unpaid distribution	31.09	13.20
Total	4,679.80	4,049.25

Notes to Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Note 11: Other current liabilities		
Statutory dues payable	3.40	2.55
Total	3.40	2.55

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 12: Revenue from operations		
Operating income		
Interest income	61,725.95	51,122.81
	61,725.95	51,122.81

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 13: Other income		
Interest income on bank deposits	302.34	0.78
Gain on sale of investments	761.88	348.82
Fair value gain on investments	52.92	96.54
	1,117.14	446.14

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 14: Finance costs		
Interest expense		
- Term loan from bank	12,649.21	6,362.20
Other borrowing cost		
- Other finance costs	126.53	50.79
	12,775.74	6,412.99

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 15: Other expenses		
Legal and professional fees	107.93	62.61
Payment to auditor (refer note below)	12.69	12.66
Miscellaneous expenses	19.53	5.35
	140.15	80.62
Payment to auditor (including service tax/GST)		
As auditors:		
- Statutory audit fees	7.08	7.08
- Limited review fees	3.54	3.66
- Tax audit fees	1.18	1.18
In other capacity:	-	-
- Other services (certification fees)	0.47	0.71
Reimbursement of expenses	0.42	0.03
	12.69	12.66

Notes to Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Note 16: Earnings per unit (EPU)		
The following reflects the income and unit data used in the basic and diluted EPU computations:		
Profit attributable to unit holders of the Fund for basic & diluted earnings	48,590.10	44,021.98
Weighted average number of unit for basic & diluted EPU* (in lakhs)	5,805.00	5,805.00
Basic earning per unit (Amount in ₹)	8.37	7.58
Diluted earning per unit (Amount in ₹)	8.37	7.58

Note 17: Capital and other commitments

There are no capital and other commitments as at March 31, 2019 (March 31, 2018 : ₹ NIL).

Note 18: Contingent liabilities

There are no contingent liabilities as at March 31, 2019 (March 31, 2018 : ₹ NIL).

Note 19: Details of dues to micro and small enterprises as per SMED Act, 2006

The following details 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.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount remaining unpaid to any supplier as at the period end	-	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Note 20: 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.

Note 21: Related party transaction

I. List of Related Parties

i. Subsidiaries/SPVs

IDAA Infrastructure Limited (IDAAIL)
 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

Notes to Financial Statements

for the year ended March 31, 2019

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. Mhaiskar Mrs. Deepali V. Mhaiskar Virendra D. Mhaiskar HUF	IRB Infrastructure Developers Limited	IRB Infrastructure Developers Limited	IDBI Bank Limited Life Insurance Corporation of India General Insurance Corporation of India
	Mr. Virendra D. Mhaiskar Mrs. Deepali V. Mhaiskar 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 Mr. Swapan Kumar Bagchi Mr. Saurabh Chandra (w.e.f. 21.05.2018) Ms. Sashikala Muralidharan
Directors	Independent directors	Independent directors	Independent directors	
	Mr. Chandrashekhar S. Kaptan	Mr. R. P. Singh	Mr. Chandrashekhar S. Kaptan	
	Mr. Sunil H. Talati Mr. Sandeep J. Shah Mr. Sunil Tandon Mrs. Heena Raja (w.e.f. 30.03.2019)	Mr. B. L. Gupta Mr. Sumit Banerjee	Mrs. Heena Raja	

I. Related party transactions during the year

			(₹ in lakhs)	
Sr. No.	Particulars	Relation	Year ended March 31, 2019	Year ended March 31, 2018
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)		-	428,879.23
	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)		31,109.52	21,911.70
	IRB Surat Dahisar Tollway Limited	Subsidiary	18,172.90	14,421.76
	IDAA Infrastructure Limited	Subsidiary	11,326.75	7,386.98
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	149.77	102.96
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	1,460.10	-
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)		2,110.00	8,352.20
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	2,110.00	3,052.20

Notes to Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Sr. No.	Particulars	Relation	Year ended March 31, 2019	Year ended March 31, 2018
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	-	5,300.00
6	Repayment of unsecured loan given (Short term)		20.00	3,725.00
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	20.00	2,200.00
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	-	1,525.00
7	Interest income		61,746.77	51,122.81
	IRB Surat Dahisar Tollway Limited	Subsidiary	7,302.20	7,964.43
	IRB Jaipur Deoli Tollway Limited	Subsidiary	12,450.03	10,846.88
	IDAA Infrastructure Limited	Subsidiary	5,182.05	5,555.46
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	14,158.15	7,138.12
	IRB Talegaon Amravati Tollway Limited	Subsidiary	5,987.71	5,216.69
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	13,376.41	11,628.56
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	3,290.22	2,772.67
8	Investment Management fees (including indirect taxes)		1,246.79	1,053.36
	IRB Infrastructure Private Limited	Investment Manager	1,246.79	1,053.36
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		8,816.39	4,874.89
	IRB Infrastructure Developers Limited	Sponsor	8,204.39	4,869.61
	Mr. Virendra D. Mhaikar	Director of Sponsor	520.36	-
	Mrs. Deepali V. Mhaikar	Director of Sponsor	69.26	3.74
	Mr. Sudhir Rao Hoshing	Director of Sponsor	7.74	1.32
	Mr. Mukeshlal Gupta	Director of Sponsor & Project Manager	4.29	-
	Mr. Vinodkumar Menon	Director of Investment Manager	1.32	-
	Mr. B.L.Gupta	Director of Investment Manager	0.44	-
	Mr. Sumit Banerjee	Director of Investment Manager	1.77	0.22
	Mr. Dhananjay K. Joshi	Director of Project Manager	0.66	-
	Mr. Ajay P. Deshmukh	Director of Project Manager	5.72	-
	Mr. Rajpaul S. Sharma	Director of Project Manager	0.44	-
12	Capital distributed		3,295.47	1,875.60
	IRB Infrastructure Developers Limited	Sponsor	3,059.27	1,873.68
	Mr. Virendra D. Mhaikar	Director of Sponsor	200.90	-
	Mrs. Deepali V. Mhaikar	Director of Sponsor	26.71	1.36
	Mr. Sudhir Rao Hoshing	Director of Sponsor	2.90	0.48
	Mr. Mukeshlal Gupta	Director of Sponsor & Project Manager	1.70	-
	Mr. Vinodkumar Menon	Director of Investment Manager	0.51	-
	Mr. B.L.Gupta	Director of Investment Manager	0.17	-
	Mr. Sumit Banerjee	Director of Investment Manager	0.67	0.08
	Mr. Dhananjay K. Joshi	Director of Project Manager	0.26	-
	Mr. Ajay P. Deshmukh	Director of Project Manager	2.21	-
	Mr. Rajpaul S. Sharma	Director of Project Manager	0.17	-
13	Trustee fee		29.50	-
	IDBI Trusteeship Services Limited	Trustee	29.50	-

* IRBIDL and MRMPL has sold units in Offer for sale amounting to ₹ 12,973.66 lakhs and ₹ 4,706.50 lakhs respectively.

During the FY 2018-19, IRB InvIT Fund has not acquired any asset from related parties.

During the previous year ended March 31, 2018, Fund has acquired seven projects i.e. IDAATL, ISDTL, ITATL, IJDTL, MITL, ITCTL and IPATL 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:-

Notes to Financial Statements

for the year ended March 31, 2019

(₹ 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
IPATL	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.

- 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 31,2019	As on March 31,2018
1	Equity Investment		127,505.48	127,505.48
	IRB Surat Dahisar Tollway Limited	Subsidiary	53,232.48	53,232.48
	IRB Jaipur Deoli Tollway Limited	Subsidiary	13,175.00	13,175.00
	IDAA Infrastructure Limited	Subsidiary	19,812.00	19,812.00
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	9,909.00	9,909.00
	IRB Talegaon Amravati Tollway Limited	Subsidiary	4,925.00	4,925.00
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	15,550.00	15,550.00
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	10,902.00	10,902.00
2	Subordinated debt		99,431.00	99,431.00
	IRB Jaipur Deoli Tollway Limited	Subsidiary	39,525.00	39,525.00
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	29,581.00	29,581.00
	IRB Talegaon Amravati Tollway Limited	Subsidiary	14,775.00	14,775.00
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	15,550.00	15,550.00
3	Secured loan receivable (Long-term)		375,858.01	406,967.53
	IRB Surat Dahisar Tollway Limited	Subsidiary	33,587.39	51,760.29

Notes to Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

Sr. No.	Particulars	Relation	As on March 31, 2019	As on March 31, 2018
	IRB Jaipur Deoli Tollway Limited	Subsidiary	92,661.77	92,661.77
	IDAA Infrastructure Limited	Subsidiary	6,402.00	17,728.75
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	93,350.71	93,500.48
	IRB Talegaon Amravati Tollway Limited	Subsidiary	37,153.84	37,153.84
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	93,712.76	93,712.76
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	18,989.54	20,449.64
4	Unsecured loan receivable (Long-term)		73,258.47	73,258.47
	IRB Surat Dahisar Tollway Limited	Subsidiary	11,006.23	11,006.23
	IRB Jaipur Deoli Tollway Limited	Subsidiary	3,107.71	3,107.71
	IDAA Infrastructure Limited	Subsidiary	25,767.36	25,767.36
	IRB Pathankot Amritsar Toll Road Limited	Subsidiary	15,490.04	15,490.04
	IRB Talegaon Amravati Tollway Limited	Subsidiary	8,905.47	8,905.47
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	7,338.07	7,338.07
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	1,643.59	1,643.59
5	Unsecured loan receivable (Short term)		6,717.20	4,627.20
	IRB Tumkur Chitradurga Tollway Limited	Subsidiary	2,942.20	852.20
	M.V.R. Infrastructure & Tollways Limited	Subsidiary	3,775.00	3,775.00
6	Trade payables		291.49	266.30
	IRB Infrastructure Private Limited	Investment Manager	291.49	266.30

Note 22: Fair Values

Financial assets and liabilities

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

The accounting classification of each category of financial instruments, their carrying amounts and the categories of financial assets and liabilities measured at fair value, are set out below:

(₹ in lakhs)

	Carrying amount		Fair Value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets				
Loans	456,219.79	485,260.14	456,219.79	484,853.20
Other financial assets	7.68	0.78	7.68	0.78
Investments in mutual funds	22,703.96	18,636.35	22,703.96	18,636.35
Cash and cash equivalents	4.30	5,926.22	4.30	5,926.22
Financial liabilities				
Trade payables	322.93	289.55	322.93	289.55
Borrowings	150,092.55	153,318.71	151,298.81	154,610.50
Other financial liabilities	41.99	749.75	41.99	749.75

The management assessed that the fair value of 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.

Notes to Financial Statements

for the year ended March 31, 2019

The discount for lack of marketability represents the amounts that the Company 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.

Note 23: 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, 2019:

(₹ in lakhs)				
	As at March 31, 2019	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual funds(Quoted)	22,703.96	22,703.96	-	-

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 at March 31, 2018	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual funds(Quoted)	18,636.35	18,636.35	-	-

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

Note 24: 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 have overall responsibility for the establishment and oversight of the fund's risk management framework.

Notes to Financial Statements

for the year ended March 31, 2019

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, 2019, 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 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 the 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:

(₹ in lakhs)		
Particulars	For year ended March 31, 2019	For year ended March 31, 2018
Increase in basis points		
- INR	50	50
Effect on profit before tax		
- INR	747.84	766.26
Increase in basis points		
- INR	50	50
Effect on profit before tax		
- INR	(747.84)	(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.

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:

(₹ in lakhs)						
March 31, 2019	On demand	Less than 3 months	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	-	4,318.36	12,914.45	67,580.14	194,008.41	278,821.37
Other financial liabilities	31.09	10.90	-	-	-	41.99
Trade payables	-	322.93	-	-	-	322.93
Total	31.09	4,652.19	12,914.45	67,580.14	194,008.41	279,186.29

Notes to Financial Statements

for the year ended March 31, 2019

(₹ in lakhs)

March 31, 2018	On demand	Less than 3 months	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	-	3,912.50	11,677.51	67,150.89	207,819.19	290,560.09
Other financial liabilities	13.20	736.55	-	-	-	749.75
Trade payables	-	289.55	-	-	-	289.55
Total	13.20	4,938.61	11,677.51	67,150.89	207,819.19	291,599.40

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.

Note 25: Capital Management

Capital includes equity attributable to the unit holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise unitholder value. The Company 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 Company may adjust the distribution payment to unitholders, return capital to unitholders or issue new units. No changes were made in the objectives, policies or processes during the year ended March 31, 2019 and March 31, 2018. The Company 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, 2019	As at March 31, 2018
Borrowings (Secured)	151,298.81	154,610.50
Trade and other payables	322.93	289.55
Other financial liabilities	41.99	749.75
Less: cash and cash equivalents (including unpaid dividend account)	(35.39)	(5,939.42)
Net debt (A)	151,628.34	149,710.38
Unit capital	560,763.00	579,919.50
Initial settlement amount	0.10	0.10
Total equity (B)	560,763.10	579,919.60
Capital and net debt C = A + B	712,391.44	729,629.98
Gearing ratio (%) (C/A)	21.28%	20.52%

In order to achieve this overall objective, the fund'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.

Note 26: Distribution made

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Distributed during the year as :		
Interest *	51,374.25	31,637.25
Return on capital*	19,156.50	12,190.50
	70,530.75	43,827.75

* Pertains to the distributions made during the financial year along with the distribution related to the last quarter of FY 2017-18 and does not include the distribution relating to the last quarter of FY 2018-19 which will be paid after March 31, 2019.

Notes to Financial Statements

for the year ended March 31, 2019

The distributions made by the Fund to its unit holders are based on the Net Distribution Cash Flow (NDCF) of Fund under the InvIT Regulations and hence part of the same includes repayment of capital as well.

Note 27: Significant accounting judgement, estimates and assumptions

The preparation of the Fund'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 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 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 or fair value disclosures within the next financial year, are described below. The Fund 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 Fund. Such changes are reflected in the assumptions when they occur.

Fair valuation and disclosures

SEBI Circulars issued under the InvIT Regulations required disclosures 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 22 & note 23 for details).

Impairment of non-financial assets

Non-financial assets of the Fund primarily comprise of investments in subsidiaries, 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 recordable amounts for the investments in subsidiaries are based on value in use of the underlying projects. The value in use calculation is based on a DCF model. The cash flows are derived from budgets/forecasts over the life of the projects.

Notes to Financial Statements

for the year ended March 31, 2019

Note 28: 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.

Note 29: Subsequent events

On May 2, 2019, the Board of directors of the Investment Manager approved a distribution of ₹ 3.10 per unit for the period January 1, 2019 to March 31, 2019 to be paid on or before 15 days from the date of declaration.

Note 30: Previous year comparatives

Consequent to the issuance of "Guidance Note on Division II – Ind AS Schedule III to the Companies Act, 2013" certain items of financial statements have been regrouped/reclassified.

As per our report of even date

For Suresh Surana & Associates LLP

Chartered Accountants

Firm's Registration Number: 121750W/W-100010

For and on behalf of IRB Infrastructure Private Limited

(Investment Manager of IRB InvIT Fund)

Ramesh Gupta

Partner

Membership No.: 102306

Vinod Kumar Menon

Wholetime Director

DIN: 03075345

Bajranglal Gupta

Director

DIN: 07175777

Tushar Kawedia

Chief Financial Officer

Urmil Shah

Company Secretary

Place: Mumbai

Date: May 2, 2019

Place: Mumbai

Date: May 2, 2019



Registered Office

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