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This document is available only to investors who are either (1) qualified institutional buyers (“QIBs”) under Rule 144A under the U.S. Securities Act of 1933 (the “Securities Act”) or (2) outside of the United States in compliance with Regulation S under the Securities Act.

Important: You must read this disclaimer before continuing. This disclaimer applies to the attached offering memorandum. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the offering memorandum. In accessing the offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of your representation: In order to be eligible to view the offering memorandum or make an investment decision with respect to the securities described therein, investors must be either (I) QIBs (within the meaning of Rule 144A under the Securities Act) or (II) outside the United States purchasing securities in compliance with Regulation S under the Securities Act. By accepting the e-mail and accessing the offering memorandum, you will be deemed to have represented to us that (1) you and any customers you represent are either (a) a QIB or (b) not located in the United States and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions or other areas subject to its jurisdiction and (2) you consent to the delivery of the offering memorandum and any amendments or supplements thereto by electronic transmission.

The offering memorandum has been made available to you in electronic form. You are reminded that documents may be altered when transmitted electronically and consequently none of the Issuer (as defined in the offering memorandum) or any of its directors, employees, representatives, affiliates or agents accept any liability or responsibility whatsoever in respect of any discrepancies between the offering memorandum distributed to you electronically and the hard copy version. A hard copy version will be provided to you upon request.

Restrictions: The offering memorandum is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein. The information in the offering memorandum is not complete and may be changed.

The securities have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. Nothing in this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation to subscribe for or purchase any of the securities described herein, and access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere.

You are reminded that you have accessed the offering memorandum on the basis that you are a person into whose possession it may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If you have gained access to this electronic transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Actions that you may not take: You should not reply by e-mail to this communication, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

You may not forward or deliver the offering memorandum, electronically or otherwise, to any other person or reproduce it in any manner whatsoever. Any forwarding, distribution or reproduction of the offering memorandum, in whole or in part, is unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the securities laws of other jurisdictions.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



IRB INFRASTRUCTURE DEVELOPERS LIMITED

(INCORPORATED IN INDIA WITH LIMITED LIABILITY)

US\$540,000,000 7.11% SENIOR SECURED NOTES DUE 2032

IRB Infrastructure Developers Limited, a company with limited liability incorporated under the laws of India (the "Company" or the "Issuer"), is offering US\$540,000,000 in aggregate principal amount of its 7.11% senior secured Notes due 2032 (the "Notes"). Interest on the Notes will be payable semi-annually in arrears on each March 11 and September 11, commencing on September 11, 2024. The Notes will mature on March 11, 2032. The Notes will not be guaranteed as of the Original Issue Date. The aggregate principal amount of the Notes will be amortized as described under "Description of the Notes – Amortization of Principal".

The Notes will be general obligations of the Company, senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes, will rank at least *pari passu* in right of payment with all other unsecured and unsubordinated obligations of the Company (subject to any priority rights of such Indebtedness pursuant to applicable law) and effectively subordinated to all existing and future obligations of the Company to the extent that it is secured by assets other than the Collateral, to the extent of the value of such assets and effectively subordinated to liabilities of any Subsidiaries (as defined herein) of the Company other than the Subsidiary Guarantors (as defined herein).

Within 60 days of the Original Issue Date, the obligations of the Company under the Notes will be secured by first-priority Liens on certain collateral, which shall initially consist of the following: (i) a first ranking pledge over 49.0% of the fully paid-up and voting equity shares in Mumbai Pune (excluding six shares held by nominee shareholders), together with all of the rights, title, interests, benefits, claims and demands whatsoever in respect of these shares, both present and future; (ii) a first ranking charge over the Escrow Account (as defined herein), together with all cash flows, receivables and other assets and securities which represent all amounts in such account and all of the moneys, securities, instruments, investments and other properties deposited in, credited to or required to be deposited in or credited to or lying to the credit of such account, both present and future; and (iii) a first ranking charge over the rights, title, interests, benefits, claims and demands whatsoever of the Company under all subordinated debt provided by the Company to Mumbai Pune, both present and future.

Within 60 days of the IRB MP Lien Release Date (as defined herein), first-priority Liens to secure the obligations of the Company under the Notes and Notes Hedging Arrangements (as defined herein) are created over the following collateral (over which Lien had been previously created for the benefit of the creditors of IRB MP Loan (as defined herein): (i) a pledge on remaining 51% of the fully paid-up and voting equity shares of Mumbai Pune that are held by the Company, together with all the rights, titles, interests, benefits, claims and demands whatsoever in respect of such shares; and (ii) a first ranking charge over all accounts of Mumbai Pune, including, inter alia, any escrow account, trust and retention account, debt service reserve account and sub-accounts that may have been opened in accordance with any facility agreement, escrow agreement and/or any supplementary escrow agreement, or any of the other project agreements, and all funds from time to time deposited therein, the receivables and authorised investments or other securities for the purpose of being applied to the extent of the waterfall of priority of payment specified in the applicable concession agreement. See "Description of the Notes – Security".

At any time prior to March 11, 2027, upon not less than 10 nor more than 60 days' prior notice, the Company may, on any one or more occasions, redeem up to 40% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 107.11% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date with the net cash proceeds of one or more Equity Offerings (as defined herein), subject to certain conditions. At any time prior to March 11, 2027, upon not less than 10 nor more than 60 days' prior notice, the Company may, on any one or more occasions, redeem all or any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium (as defined herein) as of, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date. At any time on or after March 11, 2027, upon not less than 10 nor more than 60 days' prior notice, the Company may, on any one or more occasions, redeem all or any portion of the Notes at the redemption prices (expressed as percentages of principal amount) set forth under "Description of the Notes – Optional Redemptions", plus accrued and unpaid interest, if any, on the Notes redeemed, to (but not including) the applicable redemption date.

Not later than 30 days following a Change of Control Triggering Event (as defined herein), the Company will make an Offer to Purchase (as defined herein) all outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest (including Additional Amounts (as defined herein)), if any, to the Offer to Purchase Payment Date (as defined herein). Subject to certain conditions as more fully described under "Description of the Notes – Redemption for Taxation Reasons", the Notes may be redeemed at the option of the Issuer, as a whole but not in part, at a redemption price equal to 100.0% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date, upon the occurrence of certain changes in applicable tax law.

Subject to certain conditions as more fully described under "Description of the Notes – Redemption for Taxation Reasons", the Notes may be redeemed at the option of the Company or a Surviving Person (as defined herein) with respect to the Company, as a whole but not in part, at a redemption price equal to 100.0% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date, upon the occurrence of certain changes in applicable tax law.

Investing in the Notes involves a high degree of risk. See "Risk Factors."

Price: 99.917%

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold in the United States only to investors reasonably believed to be "qualified institutional buyers" ("QIBs") as defined in, and in accordance with, Rule 144A under the Securities Act ("Rule 144A"), acting for their own account or for the account of another QIB (and meets the other requirements set forth herein), and outside the United States in compliance with Regulation S under the Securities Act ("Regulation S").

This offering memorandum has not been and will not be registered or published as a prospectus or a statement in lieu of prospectus in respect of a public offer or any other offering material with the Registrar of Companies in India in accordance with the Companies Act (as defined below), and the rules framed thereunder and other applicable laws in India for the time being in force. This offering memorandum has not been and will not be reviewed or approved by any regulatory or statutory authority in India (including but not limited to the Securities and Exchange Board of India, the Reserve Bank of India and any registrar of companies) or Indian stock exchange or any other statutory or regulatory body of like nature in India, save and except for any information from any part of this offering memorandum which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchanges pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or (ii) pursuant to the directive of any regulatory, statutory and adjudicatory body in India. This offering memorandum, the Notes and any other document or material relating to the Notes are not and should not be construed as an advertisement, invitation, offer, invitation to subscribe or sale of any securities to the public in India. The Notes have not been, and will not be, offered or sold to any person resident in India. This offering memorandum will be made available to the India International Exchange (IFSC) Limited ("India INX") for the purpose of listing of the Notes.

The Company has received in-principle approval from the India INX for the Notes to be admitted to trading on the India INX. **The India INX has not approved or verified the contents of the listing particulars.**

The Notes are expected to be assigned a rating of BB+ by Fitch Ratings and Ba2 by Moody's. A rating is not a recommendation to buy, sell or hold the Notes and may be subject to suspension, reduction or withdrawal at any time. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

The Notes offered in the United States to persons that are QIBs (and which meet the other requirements set forth in the section below headed "Transfer Restrictions") in transactions meeting the requirements of Rule 144A will be evidenced by a Rule 144A Global Certificate (as defined herein). The Notes offered outside of the U.S. in compliance with Regulation S (and which meet the other requirements set forth in the section below headed "Transfer Restrictions") will be evidenced by a Regulation S Global Certificate (as defined herein). Notes evidenced by a Rule 144A Global Certificate and a Regulation Global Certificate, in each case in registered form, will be registered in the name of a nominee of, and shall be deposited on or about March 11, 2024 (the "Closing Date") with a common depository for, Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream"). Beneficial interests in the Rule 144A Global Certificate and the Regulation S Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream.

Joint Bookrunners

Barclays

Citigroup

CLSA

**Deutsche
Bank**

J.P. Morgan

**Standard
Chartered
Bank**

The date of this offering memorandum is February 29, 2024.

NOTICE TO INVESTORS

This offering memorandum is not an offer to sell the Notes and is not soliciting an offer to buy the Notes in any jurisdiction in which the offer or sale is prohibited.

Neither the delivery of this offering memorandum nor any sale made under the terms described herein shall imply that the information herein is correct as of any date after the date hereof. Our business, financial condition, results of operations, cash flows and prospects may have changed since that date.

This offering memorandum has not been and will not be filed or registered as a prospectus or a statement in lieu of a prospectus in respect of a public offer, information memorandum or private placement offer letter or any other offering material with the Registrar of Companies in India and is not an offer document (as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended). This offering memorandum has not been and will not be reviewed or approved by any regulatory authority in India, including the Securities and Exchange Board of India, the Reserve Bank of India, any Registrar of Companies or any stock exchange in India or any other statutory or regulatory body of like nature in India, save and except for any information from any part of this Offering Memorandum which is (i) required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India. This offering memorandum is not and should not be construed as an advertisement, offer, invitation to offer, invitation to subscribe, or sale, of any securities to the public in India. This offering memorandum or any other document or material relating to the Notes has not been and will not be circulated or distributed in India, directly or indirectly, to the public or members of the public in India. If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase the Notes under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes.

This offering is being made in reliance upon exemptions from registration under the Securities Act, for an offer and sale of securities which does not involve a public offering. The Notes will be initially purchased by Barclays Bank PLC, Citigroup Global Markets Inc., CLSA Limited, Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc and Standard Chartered Bank (the “Initial Purchasers”) in accordance with such exemptions. If you purchase any of the Notes, you will be deemed to make certain acknowledgments, representations and agreements set forth under “Transfer Restrictions.” You may be required to bear the financial risks of this investment for an indefinite period of time.

This offering memorandum does not constitute a prospectus for the purposes of the Prospectus Rules of the United Kingdom’s Financial Conduct Authority (“FCA”) or section 85 of the United Kingdom’s Financial Services and Markets Act 2000 (as amended) (“FSMA”) and has not been, and will not be, approved by or filed with the FCA. This offering memorandum does not constitute an offer or any part of an offer to the public within the meaning of sections 85 and 102B of FSMA.

The Issuer prepared this offering memorandum solely for use in connection with this offering. In accepting this offering memorandum, you have agreed that this offering memorandum is confidential and that you will hold the information contained herein in confidence. The Issuer reserves the right to reject any offer to purchase any of the Notes for any reason, or to sell less than the principal amount of the Notes for which any prospective purchaser has subscribed. This offering memorandum is personal to each offeree and is not an offer to any other person or to the public generally to subscribe for the Notes. You represent that you are basing your investment decision solely on this offering memorandum and your own examination of the Issuer and the terms of this offering. You cannot distribute this offering memorandum or the information contained in it, by electronic or other means, to any person other than your professional advisor without the Issuer’s prior written consent. You cannot make any photocopies of this offering memorandum.

By receiving this offering memorandum and by purchasing the Notes, you acknowledge that (1) you have done your own independent investigation regarding the accuracy of such information or your investment decision, and (2) no person has been authorized to give information or to make any representation concerning the Issuer or the Notes other than as contained in this offering memorandum and information given by the Issuer's duly authorized representatives in connection with your examination of the Issuer and the terms of this offering. You cannot rely on any such other information or representation.

None of the Initial Purchasers, the Trustee, the Security Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent makes any representation or warranty, express or implied, concerning the accuracy or completeness of the information in this offering memorandum, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation, from such party whether as to the past or the future. To the fullest extent permitted by law, none of the Initial Purchasers, the Trustee, the Security Trustee, the Principal Agent, the Registrar or the Transfer Agent accept any responsibility for the contents of this offering memorandum or for any statement made or purported to be made by the Initial Purchasers or on their behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Initial Purchasers, the Trustee, the Security Trustee, the Principal Paying Agent, the Registrar and the Transfer Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (to the fullest extent permitted by law) which they might otherwise have in respect of this offering memorandum or any such statement.

The contents of this offering memorandum do not constitute legal, business or tax advice, and the Issuer makes no representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. You should consult your own attorney, business advisor and tax advisor as to legal, business or tax advice related to a purchase of the Notes.

You must comply with all applicable laws and regulations in any jurisdiction in which you purchase, offer or sell the Notes. The Issuer has no responsibility for any purchase, offer or sale of the Notes by you.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission nor any other securities regulatory authority has approved or disapproved of these securities or determined if this offering memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PRIIPs REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as

amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Initial Purchasers, are “capital market intermediaries” (together, the “CMI”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “SFC Code”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

Certain CMIs may also be acting as “overall coordinators” (together, the “OCs”) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an “Association”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Initial Purchaser, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Initial Purchaser or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any Initial Purchaser, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Initial Purchaser when placing such order. Prospective investors who do not indicate this information when placing an order are hereby

deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Initial Purchasers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

This offering memorandum is being sent at your request and by accepting the e-mail and accessing this Offering Memorandum you shall be deemed to have represented to us and agreed that you meet the requirements of the ECB Regulations, are eligible to purchase the Notes (as defined in this offering memorandum) and will meet, for so long as you hold any Notes, the requirements of the ECB Regulations. Further, all Noteholders represent and agree that the Notes will not be offered or sold on the secondary market to any person who does not comply with the requirements of the ECB Regulations.

PRESENTATION OF FINANCIAL AND OTHER DATA

Unless otherwise specified or the context otherwise requires:

- the “Company” or the “Issuer” refers to IRB Infrastructure Developers Limited;
- “financial year” refers to the financial year ended or ending on March 31 of the year indicated;
- the “Group” refers to the Company and its subsidiaries;
- the “Overall IRB Group” refers to the Group, the Private InvIT and the Public InvIT;
- the “Private InvIT” refers IRB Infrastructure Trust, an infrastructure investment trust in which the Issuer holds a 51% interest;
- “Project SPV” refers to a special purpose vehicle through which a Overall IRB Group’s project is implemented and held;
- the “Public InvIT” refers to IRB InvIT Fund, an infrastructure investment trust in which the Issuer holds an approximately 16% interest; and
- “we”, “us” and “our” refers to the Company, the Group or the Overall IRB Group, as the context requires.

Financial Statements

Financial Statements of the Group

This offering memorandum includes the Group’s audited consolidated financial statements as at and for the years ended March 31, 2021, 2022 and 2023, which have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, and other relevant provisions of the Act, and the Group’s unaudited condensed interim consolidated financial statements as at and for the nine months ended December 31, 2023, which have been prepared in accordance with the Indian Accounting Standard 34 “Interim Financial Reporting” (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. The Group’s audited consolidated financial statements as at and for the years ended March 31, 2021 and 2022, have been jointly audited by B S R & Co. LLP and Gokhale & Sathe, and their auditor’s reports thereon are included herein. The Group’s audited consolidated financial statements as at and for the year ended March 31, 2023, have been jointly audited by M S K A & Associates and Gokhale & Sathe, and their auditor’s reports thereon are included herein. The Group’s unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2022 shall be referred to in the comparative amounts presented in the unaudited condensed interim consolidated financial statements of the Group as at and for the nine months ended December 31, 2023.

Financial Statements of the Private InvIT

This offering memorandum includes the Private InvIT’s audited consolidated financial statements as at and for the years ended March 31, 2021, 2022 and 2023, which have been prepared in accordance with accounting principles generally accepted in India, and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and the circulars, notifications, guidelines and clarifications issued thereunder (the “InvIT Regulations”). This offering memorandum includes the Private InvIT’s unaudited condensed consolidated interim financial statements as at and for the nine months ended December 31, 2023, which have been prepared in accordance with Indian Accounting Standards 34 “Interim Financial Reporting” (Ind AS 34) notified under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. The Private InvIT’s audited consolidated financial statements as at and for the year ended March 31, 2023 have been audited by Gokhale & Sathe, and their auditor’s reports thereon are included herein.

EBITDA and Non-Ind AS Financial Measures (Non-GAAP)

This offering memorandum contains EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Debt-to-Adjusted EBITDA ratio, Adjusted Gross Debt, Adjusted Net Debt, Adjusted Net Debt-to-Equity Ratio, Adjusted Net Debt to EBITDA Ratio, Profit Margin, Net worth, BOT Assets, Adjusted Capital Employed, and EBITDA (Private InvIT) which are not required by, or presented in accordance with, SEC requirements, Ind AS or the accounting standards of any other jurisdiction. We present these measures because management uses them in measuring operating performance, in presentations to our directors and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of our operating cash flow and liquidity. We also believe that these measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

We calculate EBITDA by adding depreciation and amortisation expense, finance costs, tax expenses to profit/(loss) after tax for the year/period. We calculate Adjusted EBITDA by adding Profit/(loss) from joint ventures to EBITDA. We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by revenue from operations. We calculate Adjusted Gross Debt by aggregating Non current borrowings and current borrowings excluding deferred premium obligation, interest on premium deferment, interest accrued but not due on borrowings, interest free loan from related party, unamortised transaction cost and effective interest rate impact. We calculate Adjusted Net Debt by deducting Cash and cash equivalents, Bank balances other than cash and cash equivalents and Current investments from Adjusted Gross Debt. We calculate Adjusted Net Debt-to-Adjusted EBITDA Ratio as Adjusted Net Debt divided by Adjusted EBITDA. We calculate Adjusted Net Debt-to-Equity Ratio as Adjusted Net Debt divided by Equity. We calculate Adjusted Net Debt-to-EBITDA Ratio as Adjusted Net Debt divided by EBITDA. We calculate Profit Margin as Profit after tax divided by Revenue from operations. We calculated Net worth as Total assets less total liabilities. We calculate BOT Assets as Aggregate of Other Intangible assets and Intangible assets under development. We calculate Adjusted Capital Employed as Equity added by Adjusted Gross Debt. We calculate EBITDA (Private InvIT) by adding amortisation of intangible assets, depreciation on plant property and equipment, finance costs (interest), finance costs (others) and tax expenses to profit/(loss) after tax for the year/period. Our definitions of EBITDA and Adjusted EBITDA are different from Combined EBITDA and Consolidated EBITDA as defined in the debenture trust deed governing the Notes. See “*Description of the Notes – Certain Definitions.*”

EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Debt-to-Adjusted EBITDA Ratio, Adjusted Net Debt to EBITDA Ratio, Adjusted Gross Debt, Adjusted Net Debt, Adjusted Net Debt-to-Equity Ratio, Profit Margin, Net worth, BOT Assets, Adjusted Capital Employed and EBITDA (Private InvIT), should not be considered in isolation and are not measures of our financial performance or liquidity under Ind AS and should not be considered as an alternative to operating profit or loss for the period or any other performance measures derived in accordance with Ind AS or as an alternative to cash flow from operating, investing or financing activities or any other measure of our liquidity derived in accordance with Ind AS. EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Debt-to-Adjusted EBITDA ratio, Adjusted Gross Debt, Adjusted Net Debt, Adjusted Net Debt-to-Equity Ratio, Profit Margin, Net worth, BOT Assets, Adjusted Capital Employed and EBITDA (Private InvIT), do not necessarily indicate whether cash flow will be sufficient or available for cash requirements and may not be indicative of our results of operations.

Our EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Debt-to-Adjusted EBITDA ratio, Adjusted Net Debt to EBITDA Ratio, Adjusted Gross Debt, Adjusted Net Debt, Adjusted Net Debt-to-Equity Ratio, Profit Margin, Net worth, BOT Assets, Adjusted Capital Employed and EBITDA (Private InvIT), may not be comparable to other similarly titled measures of other companies. EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Debt-to-Adjusted EBITDA ratio, Adjusted Gross Debt, Adjusted Net Debt, Adjusted Net Debt-to-Equity Ratio, Profit Margin, Net worth, BOT Assets, Adjusted Capital Employed and EBITDA (Private InvIT), have limitations as analytical tools. Some of these limitations include the following: (i) they do not reflect our capital expenditures, future requirements for capital expenditures or contractual commitments; (ii) they do not reflect changes in, or cash requirements for, our working capital needs; (iii) they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt; and (iv) other companies may calculate these measures differently from the way we do, limiting their usefulness as comparative measures.

Due to these limitations, none of these measures should be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our Ind AS results and using these measures only to supplement your evaluation of our performance.

Rounding

Certain amounts in this offering memorandum have been rounded. Accordingly, amounts shown as totals may not be the arithmetic sum of the amounts that precede them.

Currency Translations

This offering memorandum contains translations of Indian rupee amounts to U.S. dollars solely for the convenience of the reader. Unless otherwise stated, all translations were made at the exchange rate of Rs.83.1164 per US\$1.00, being the closing exchange rate published by the RBI as at December 29, 2023. No representation is made that the Indian rupee amounts referred to in this offering memorandum have been, could have been or could be converted into U.S. dollars at that rate or any other rate.

Currency Presentation

Unless otherwise specified or the context otherwise requires, all references to “rupee(s),” “Rs.,” “Indian rupee(s)” and “INR” are to the lawful currency of India and all references to “\$,” “US\$” and “U.S. dollar(s)” are to the lawful currency of the United States.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data in this offering memorandum has been obtained through internal company research, management estimates and industry and general publications. Management estimates are based on publicly available information released by third party sources, data from our internal research and our knowledge of industries and markets, which we believe to be reasonable.

This offering memorandum includes industry and market data that we have obtained from industry publications, government reports and other publicly available information, including the National Infrastructure Pipeline – Report of the Task Force, Department of Economic Affairs, Ministry of Finance, Government of India – Volume I and the report “An assessment of the roads sector in India” by CRISIL Market Intelligence & Analytics (“CRISIL MI&A”), a division of CRISIL Limited (“CRISIL”), included as Appendix A to this offering memorandum. Industry publications generally state that the information contained in those publications has been obtained from sources that are believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry and market data in this offering memorandum is reliable, such data has not been verified by us or any independent source nor do we make any representation regarding the accuracy of such data. The market data include projections that are based on a number of assumptions. In addition, the extent to which the market data presented in this offering memorandum is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data-gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information.

CRISIL MI&A, a division of CRISIL, has taken due care and caution in preparing the industry report (the “Industry Report”) based on the Information obtained by CRISIL from sources which it considers reliable (the “Data”). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/Industry Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Industry Report. The Industry Report is not a recommendation to invest/disinvest in any entity covered in the Industry Report and no part of the Industry Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers/users/transmitters/distributors of the Industry Report. Without limiting the generality of the foregoing, nothing in the Industry Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. IRB Infrastructure Developers Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Industry Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by, CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Industry Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of the Industry Report may be published/reproduced in any form without CRISIL’s prior written approval.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements. Forward-looking statements may contain words such as “aim,” “anticipate,” “believe,” “estimate,” “expect,” “goal,” “intend,” “plan,” “seek,” “will” and similar expressions. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant statement.

The future events referred to in these forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of and the environment in which we will operate and are not a guarantee of future performance. Important factors that could cause the actual results, performance or achievements to differ materially from those in the forward-looking statements include the following:

- general, political, social and economic conditions in India and elsewhere;
- accidents, natural disasters or outbreaks of diseases;
- delays in the completion of construction of our current and future projects;
- timely supply of construction materials and equipment;
- delays in the acquisition of private land by the Government of India (the “Gol”) or eviction of encroachments from land owned by the Gol;
- financial performance of the special purpose vehicles through which our projects are implemented and held and other subsidiaries;
- our ability to raise required funds in future in a timely manner;
- infrastructure development and construction projects undertaken by a limited number of Gol or state government entities;
- leakage of the tolls collected on our build, operate and transfer toll roads;
- increase in operation and maintenance costs to comply with industry and regulatory specifications and standards; and
- the effects of the COVID-19 pandemic.

Additional factors that could cause the actual results, performance or achievements to differ materially include those discussed under “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Group*” and “*Business*”. When relying on forward-looking statements, including projections, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as at the date on which they are made. Accordingly, we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved. Accordingly, you should not place undue reliance on any forward-looking statements.

TABLE OF CONTENTS

SUMMARY	1
THE OFFERING.....	4
SUMMARY FINANCIAL AND OTHER DATA OF THE GROUP	10
RISK FACTORS.....	21
USE OF PROCEEDS	70
CAPITALIZATION	71
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GROUP	72
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE PRIVATE INVIT	105
BUSINESS	128
REGULATION	173
BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL	192
PRINCIPAL SHAREHOLDERS	197
RELATED PARTY TRANSACTIONS.....	198
DESCRIPTION OF OTHER INDEBTEDNESS.....	199
FINANCIAL INDEBTEDNESS OF GROUP COMPANIES OF THE COMPANY AND THE PRIVATE INVIT	209
DESCRIPTION OF THE NOTES	224
TAXATION	284
INDIAN GOVERNMENT FILINGS AND APPROVALS.....	291
PLAN OF DISTRIBUTION	293
TRANSFER RESTRICTIONS.....	300
LEGAL PROCEEDINGS.....	304
LEGAL MATTERS.....	320
INDUSTRY CONSULTANT	321
INDEPENDENT AUDITORS.....	322
ENFORCEABILITY OF CIVIL LIABILITIES	323
DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN IND AS AND IFRS.....	324
INDEX TO FINANCIAL STATEMENTS	F-1
APPENDIX A – INDUSTRY REPORT	A-1

SUMMARY

This summary highlights certain information contained in this offering memorandum. This overview does not contain all the information you should consider before investing in the Notes. You should read this entire offering memorandum carefully, including “Risk Factors” and the financial statements and related notes thereto set forth herein, before making an investment decision.

Overview

We are one of India’s leading infrastructure developers specializing in roadways and highways, with an operating history of over 40 years. Our fully integrated business model consists of build, operate and transfer (“BOT”), toll-operate-transfer (“TOT”) and hybrid annuity model (“HAM”) and verticals supported by dedicated and experienced in-house engineering, procurement and construction (“EPC”) and operation and maintenance (“O&M”) teams. We, together with IRB Infrastructure Trust (the “Private InvIT”), in which we own a 51% stake as sponsor, with the remaining 49% held by GIC, a Singaporean sovereign wealth fund (“GIC”), and IRB InvIT Fund (the “Public InvIT”), in which we own an approximately 16% stake as sponsor, have 26 projects as of December 31, 2023, comprising 18 BOT projects, 4 HAM projects and 4 TOT projects. Of these projects, we hold the concessions of 5 projects (1 TOT, 1 BOT and 3 HAM); the Private InvIT holds the concessions of 15 projects (12 BOT and 3 TOT); and the Public InvIT holds the concessions of 6 projects (5 BOT and 1 HAM). The Private InvIT’s 12 BOT projects include the Ganga Expressway project, which is currently under construction, and which is expected to be transferred to the Private InvIT once 50% of the total project cost is incurred, which is expected to occur in the next couple of months. The Private InvIT is rated “AAA” by CRISIL while the Public InvIT is rated “AAA” by India Rating and CARE rating. We are the project manager for both the Private InvIT and the Public InvIT. Of the 5 projects for which we hold the concessions, 2 projects (1 TOT project and 1 BOT project) are operational and tolling, and 3 HAM projects are under construction. The Overall IRB Group has an approximately 20% share of the 5,000 km traffic intensive Golden Quadrilateral, a national highway network connecting most of the major industrial, agricultural and cultural centers of India. We believe that we are one of the largest road BOT, HAM and TOT project businesses in India, and the Overall IRB Group has a combined asset base of Rs.800 billion, spanning 15,444 kilometers of lanes (“Lane Kilometers”) in roads and highways projects currently under operation, construction or development across 12 Indian states. As of February 20, 2024, IRB Infrastructure Developers Limited had a market capitalization of Rs.397,366.20 million and the Public InvIT had a market capitalization of Rs.39,723.62 million, in each case according to the Bombay Stock Exchange.

We have recently won concessions for two significant TOT projects, namely, the Lalitpur Lakhnadon NH 44 TOT Project (“TOT 12”) and the Kota Bypass and Cable Stay Bridge on NH 76 TOT Project and Gwalior – Jhansi section of NH-75 (New NH-44) (“TOT 13”), both of which are under financial closure and would be executed under Private InvIT. We also have the largest single TOT project in terms of revenue in India, namely, the Yashwantrao Chavan Expressway (Mumbai Pune Expressway) and Mumbai – Pune section of NH 48 (collectively, the “Mumbai – Pune Project”). Our BOT projects include the Ahmedabad – Vadodara NH 48 Highway and the Ahmedabad – Vadodara Expressway NE1. Our HAM project portfolio includes Gandeva to Ena section of the Vadodara – Mumbai Expressway, the Pathankot-Mandi four-laning project on NH 154 and the Chittoor – Thachur six-laning project on NH 716B. Our projects span a total of 2,456 Lane Kilometers, while the Private InvIT and the Public InvIT projects span a total of 10,567 Lane Kilometers and 2,421 Lane Kilometers, respectively, totaling 15,444 Lane Kilometers. We also have experience in developing road and highway infrastructure and have received various industry awards and recognitions.

All of our BOT, HAM and TOT projects are implemented and held through Project SPVs. We are involved in the design, development, construction, O&M of national and state highways and roads, many of which are in the high growth states of Maharashtra, Gujarat, Rajasthan, Punjab, Haryana, Telangana, Karnataka, Tamil Nadu, Madhya Pradesh and Uttar Pradesh.

To complement and support our BOT, HAM and TOT infrastructure development business verticals, we also operate in-house construction and O&M activities through Modern Road Makers Private Limited (“MRMPL”) with requisite outsourcing, involving EPC and O&M work for projects on a contract basis with the Overall IRB Group’s Project SPVs.

We believe that our large fleet of sophisticated construction equipment and our experienced employee resources, including a labor force of 2,280 skilled employees in our construction segment, as of December 31, 2023, along with our engineering knowhow and capabilities, enable us to implement modern infrastructure and construction methodologies effectively and efficiently while differentiating us from our peers, and aligning with industry best practices for sustainability.

Strengths

Our principal competitive strengths are:

- diversified and large asset portfolio of income generating assets with presence in high growth markets;
- extensive experience and demonstrated track record in infrastructure development and construction projects in the roads and highways sector in India;
- long term strategic partnership with marquee investors and sovereign wealth funds;
- thought leader in the industry;
- strong ability to meet pre-qualification credentials;
- fully integrated player with in-house management across tolling, construction and O&M through a strong EPC segment;
- strong financial performance underpinned by stable cash flows and attractive concession terms;
- prudent capital management with efficient churning of capital at various stages of development;
- attractive sector with strong underlying fundamentals; and
- experienced management team with a strong track record and a qualified and skilled employee base.

Strategies

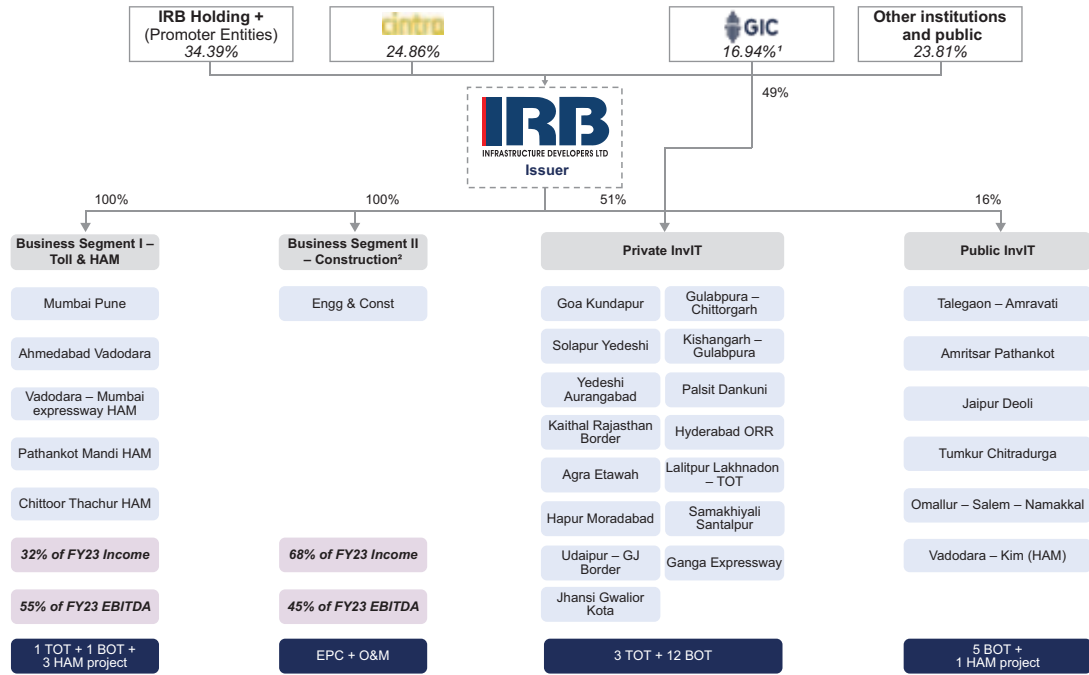
Our principal business strategies are to:

- continue to focus on BOT, TOT and HAM projects in the roads and highways sector and leverage the government-led grid expansion plan for the sector;
- selectively expand the geographical distribution of our infrastructure projects;
- further enhance our project execution capabilities through an integrated approach;
- continue to focus on prudent financial management and strengthen internal processes and systems; and
- continue to leverage our strong market position and integrated approach.

Corporate Information

The Issuer was incorporated in India in 1998. The Issuer's equity shares have been listed on BSE Limited and National Stock Exchange of India Limited since 2008. The registered office of the Issuer is located at 1101, Hiranandani Knowledge Park, 11th Floor, Technology Street, Hill Side Avenue, Opp. Hiranandani Hospital, Powai, Mumbai 400 076, India. The Issuer's principal website address is <http://www.irb.co.in>. The information on the Issuer's website is not incorporated in, and does not form part of, this offering memorandum.

Corporate Structure



Note; 1 GIC's public fund owns additional c.3% stake in the Company; 2. Operated through 100% subsidiary, Modern Road Makers Pvt Ltd; *The company also has non core business in Airport and Real Estate segment

THE OFFERING

The summary below describes the principal terms of the Notes. Some of the terms described below are subject to important limitations and exceptions. Terms used but not defined in the summary below have the meanings given to them in “Description of the Notes”. For a more complete understanding of the Notes, see “Description of the Notes” herein.

Company	IRB Infrastructure Developers Limited.
Subsidiary Guarantors	Each Subsidiary of the Company, if any, that guarantees the Notes after the Original Issue Date. As of the Original Issue Date, none of the Subsidiaries of the Company will be Subsidiary Guarantors.
Notes Offered	US\$540,000,000 of 7.11% Secured Notes due 2032 (the “Notes”).
Issue Price	99.917%
Maturity Date	March 11, 2032.
Interest	7.11% per annum, payable semi-annually in arrear on each March 11 and September 11, commencing on September 11, 2024.
Restricted Group	The Company and the Restricted Subsidiaries.
Ranking	The Notes will be: • general obligations of the Company; • senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; • at least <i>pari passu</i> in right of payment with all other unsecured and unsubordinated obligations of the Company (subject to any priority rights of such Indebtedness pursuant to applicable law); • effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral over which the Company has created security for the Notes (subject to any priority rights of such obligations pursuant to applicable law); • effectively subordinated to all existing and future obligations of the Company to the extent that is it secured by assets other than the Collateral, to the extent of the value of such assets and effectively subordinated to liabilities of any Subsidiaries of the Company other than the Subsidiary Guarantors.

See “Description of the Notes – Brief Description of the Notes”.

Security.....

The obligations of the Company under the Notes will be secured by first-priority Liens on certain collateral, which shall initially consist of the following (the “Original Collateral”):

- (i) a first ranking pledge over 49.0% of the fully paid-up and voting equity shares in Mumbai Pune (excluding six shares held by nominee shareholders), together with all of the rights, title, interests, benefits, claims and demands whatsoever in respect of these shares, both present and future;
- (ii) a first ranking charge over the Escrow Account, together with all cash flows, receivables and other assets and securities which represent all amounts in such account and all of the moneys, securities, instruments, investments and other properties deposited in, credited to or required to be deposited in or credited to or lying to the credit of such account, both present and future; and
- (iii) a first ranking charge over the rights, title, interests, benefits, claims and demands whatsoever of the Company under all subordinated debt provided by the Company to Mumbai Pune, both present and future.

The Lien over the Original Collateral shall be created within 60 days of the Original Issue Date.

The Lien over the Original Collateral shall be created in favour of the Security Trustee on a first ranking *pari passu* basis and held for the benefit of (i) the Trustee, (ii) the Holders and (iii) the counterparties of the hedging arrangements executed by the Company to hedge currency exposure in relation to the Notes (such hedge counterparties, the “Notes Hedge Counterparties” and such hedging arrangements, the “Notes Hedging Arrangements”). Any amounts recovered from enforcement of the Lien over the Collateral shall be distributed in the priority set forth under “*Description of the Notes – Security Trustee Appointment Agreement*”.

The Company shall ensure that within 60 days of the IRB MP Lien Release Date, first-priority Liens to secure the obligations of the Company under the Notes and Notes Hedging Arrangements are created over the following collateral (over which Lien had been previously created for the benefit of the creditors of IRB MP Loan) (the “Additional IRB MP Collateral”):

- (i) a pledge on remaining 51% of the fully paid-up and voting equity shares of Mumbai Pune that are held by the Company, together with all the rights, titles, interests, benefits, claims and demands whatsoever in respect of such shares; and

- (ii) a first ranking charge over all accounts of Mumbai Pune, including, inter alia, any escrow account, trust and retention account, debt service reserve account and sub-accounts that may have been opened in accordance with any facility agreement, escrow agreement and/or any supplementary escrow agreement, or any of the other project agreements, and all funds from time to time deposited therein, the receivables and authorised investments or other securities for the purpose of being applied to the extent of the waterfall of priority of payment specified in the applicable concession agreement. Mumbai Pune will have the right to operate such accounts in its ordinary course of business, provided that no Event of Default has occurred.

The Lien on the Additional IRB MP Collateral shall be created in favor of the Security Trustee on a first ranking *pari passu* basis and held for the benefit of (i) the Trustee, (ii) the Holders and (iii) the Notes Hedge Counterparties.

If, as of an SCR Testing Date, the Security Coverage Ratio is less than the Required Security Coverage Ratio, the Company shall, no later than 60 days from the delivery of the applicable CFO SCR Certificate, create and perfect or cause to be created and perfected a Lien in favour of the Security Trustee, on a first ranking *pari passu* basis (subject to Permitted Liens) for the benefit of (i) the Trustee, (ii) the Holders, and (iii) the Notes Hedge Counterparties, over the following assets, in the order of priority set out below (with the assets set forth in each of the clauses (i), (ii) and (iii) sharing the same priority) (such assets, the “Common Collateral”):

- (i) pledge over one or more of the following: (a) listed equity shares in any Indian company in the Restricted Group or any Qualified Investee, which are Frequently Traded; (b) units of an infrastructure investment trust duly registered with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014; or (c) equity shares of any Indian company in the Restricted Group or any Qualified Investee that are unlisted or not Frequently Traded;
- (ii) pledge over any unencumbered assets of the Company (not covered under paragraphs (i) above and (iii) below) which is (x) not related to an airport business, (y) not a real estate asset, or (z) not an asset under litigation or dispute; and
- (iii) charge over the rights, title, interests, benefits, claims and demands whatsoever of the Company under any subordinated debt provided by the Company to one or more of its Subsidiaries, both present and future.

See “Description of the Notes – Security”.

**Repurchase of Notes Upon a
Change of Control
Triggering Event**

Not later than 30 days following a Change of Control Triggering Event, the Company will make a Change of Control Offer at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest (including Additional Amounts), if any, to the Offer to Purchase Payment Date.

See “*Description of the Notes – Repurchase of Notes Upon a Change of Control Triggering Event*”.

Optional Redemptions

At any time prior to March 11, 2027, upon not less than 10 nor more than 60 days’ prior notice, the Company may, on any one or more occasions, redeem up to 40% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 107.11% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date, with the net cash proceeds of one or more Equity Offerings, subject to certain conditions.

At any time prior to March 11, 2027, upon not less than 10 nor more than 60 days’ prior notice, the Company may, on any one or more occasions, redeem all or any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date.

At any time on or after March 11, 2027, upon not less than 10 nor more than 60 days’ prior notice, the Company may, on any one or more occasions, redeem all or any portion of the Notes at the redemption prices (expressed as percentages of principal amount) set forth under “*Description of the Notes – Optional Redemptions*”, plus accrued and unpaid interest, if any, on the Notes redeemed, to (but not including) the applicable redemption date, subject to the rights of Holders on the relevant Record Date to receive interest on the relevant Interest Payment Date.

See “*Description of the Notes – Optional Redemptions*”.

**Redemption for Taxation
Reasons**

In the event of certain developments affecting taxation, at the option of the Company or a Surviving Person with respect to the Company, the Notes may be redeemed, as a whole but not in part, upon giving not less than 10 days’ nor more than 60 days’ notice to the Holders (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or the Surviving Person.

See “*Description of the Notes – Redemption for Taxation Reasons*”.

Certain Covenants	The Indenture will contain certain covenants and restrictions that, among other things, limit the Company's and its Restricted Subsidiaries' ability to: • incur or guarantee additional indebtedness; • issue disqualified or preferred stock; • declare or pay dividends or make other distributions on capital stock or purchase or redeem capital stock; • make investments or other specified restricted payments; • issue or sell capital stock of Restricted Subsidiaries; • sell assets; • create liens; • enter into transactions with affiliates; and • merge, consolidate, or sell, lease or transfer all or substantially all of the Company and the Restricted Subsidiaries' assets. See "<i>Description of the Notes – Certain Covenants</i>".
Form, Denomination and Registration	The Notes will be issued in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The Notes will be evidenced on issue by a Regulation S Global Certificate and a Rule 144A Global Certificate, in each case, will be deposited on the Closing Date with a common depository or its nominee for the accounts of Euroclear and Clearstream.
Delivery of the Notes	The Company expects that delivery of the Notes will be made, against payment therefore on or about March 11, 2024.
Business Day	A day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in each of New York, Hong Kong, London, Mauritius, Mumbai, Delhi and Singapore.
Trustee	DB Trustees (Hong Kong) Limited.
Principal Paying Agent, Transfer Agent and Registrar	Deutsche Bank AG, Hong Kong Branch.
Security Trustee	Catalyst Trusteeship Limited.

No Registration Rights; Transfer Restrictions	The Company has not registered, and does not intend to register, the Notes under the Securities Act or the securities laws of any other jurisdiction. The Company does not intend to offer to exchange the Notes for notes registered under the Securities Act or the securities laws of any other jurisdiction. The Notes are subject to restrictions on transfer and may only be offered or sold in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See “<i>Transfer Restrictions</i>” of this offering memorandum.
Listing	The Company has received in-principle approval from the India INX for the Notes to be admitted to trading on the India INX. The India INX has not approved or verified the contents of the listing particulars.
Governing Law	The Notes and the Indenture will be governed by and will be construed in accordance with the laws of the State of New York. The Collateral Documents relating to the Collateral will be governed by the laws of the Republic of India.
Risk Factors	You should carefully consider the information under the caption “ <i>Risk Factors</i> ” and the other information included in this offering memorandum before deciding whether to invest in the Notes.
Common Code	144A: 277569973 Reg S: 277569957
ISIN	144A: XS2775699734 Reg S: XS2775699577

SUMMARY FINANCIAL AND OTHER DATA OF THE GROUP

The summary financial information presented below has been derived from the financial statements of the Group included elsewhere in this offering memorandum.

The Group's audited consolidated financial statements as at and for the years ended March 31, 2023, 2022 and 2021 and unaudited condensed consolidated interim financial statements as at and for the nine months ended December 31, 2023 have been prepared in accordance with Ind AS. The Group's summary financial information as at and for the years ended March 31, 2023, 2022 and 2021 presented below should be read in conjunction with the audited consolidated financial statements as at and for the years ended March 31, 2023, 2022 and 2021 and the notes thereto included elsewhere in this offering memorandum and "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group". The summary financial information presented below for the nine months ended December 31, 2022 has been derived from the comparative amounts presented in the Group's unaudited condensed consolidated interim financial statements as at and for the nine months ended December 31, 2023.

The Group's financial statements across the periods being presented in this memorandum may not be directly comparable due to the following: (i) the transfer of one project from the Group to the Public InvIT in October 2022, as a result of which our financial results for the financial year 2023 reflects approximately six months of such project's results; (ii) our financial results for the financial years 2021 and 2022 reflect the results of nine BOT projects in the Private InvIT, our financial results for the financial year 2023 reflect the results of ten BOT projects and our financial results for the nine months ended December 2023 reflect the results of eleven BOT projects and 1 TOT project.

Group's Summary Consolidated Financial Data

The following tables set out summary financial data derived from the Group's consolidated financial statements as at the dates and for the periods indicated:

	As at March 31,				As at December 31,	
	2021	2022	2023	2023	2023	2023
				(US\$ million)	(Rs. million)	(US\$ million)
		(Rs. million)				
Consolidated Summary Balance Sheet Data						
Non-current assets						
Property, plant and equipment	1,377.31	9,458.46	9,348.85	112.48	9,222.72	110.96
Capital work-in-progress	360.60	267.55	75.35	0.91	57.03	0.69
Right to use asset	86.18	115.83	76.13	0.92	46.22	0.56
Goodwill on consolidation	78.04	78.04	78.04	0.94	78.04	0.94
Other intangible assets	269,479.66	263,058.62	255,298.04	3,071.57	248,509.23	2,989.89
Intangible assets under development	6,369.61	357.73	–	–	–	–
Financial assets						
Investments						
a. Investments in joint ventures	39,895.53	39,525.10	43,188.64	519.62	76,254.55	917.44
b. Other investments	4,971.08	4,882.14	6,263.71	75.36	6,398.59	76.98
Trade receivables	2,476.18	5,998.85	1,341.72	16.14	–	–
Loans	0.04	–	–	–	–	–
Other financial assets	31,002.45	49,322.13	41,701.12	501.72	48,608.76	584.83
Deferred tax assets	710.66	1,289.09	636.60	7.66	499.71	6.02
Other non-current assets	29.44	38.10	2.58	0.03	1.94	0.02
Total non-current assets	356,836.78	374,391.64	358,010.78	4,307.35	389,676.79	4,688.33
Current assets						
Inventories	3,216.72	3,174.59	2,990.01	35.97	3,003.62	36.14

	As at March 31,			As at December 31,		
	2021	2022	2023	2023	2023	2023
		(Rs. million)		(US\$ million)	(Rs. million)	(US\$ million)
Financial assets						
Investments	3,122.58	4,634.98	1,956.99	23.55	3,045.89	36.65
Trade receivables	3,403.08	9,935.47	16,352.31	196.74	5,989.26	72.06
Cash and cash equivalents	6,534.85	529.75	3,005.60	36.16	790.45	9.51
Bank balances other than cash and cash equivalents	16,854.88	16,908.71	21,165.80	254.65	17,272.80	207.81
Loans	4,248.34	4,179.61	6,176.03	74.31	1,580.27	19.01
Other financial assets	13,127.44	2,691.10	6,140.86	73.88	5,633.17	67.77
Current tax assets (net)	767.03	816.61	122.57	1.47	119.91	1.44
Other current assets	3,624.74	8,403.74	11,740.82	141.26	14,442.77	173.77
Total current assets	54,899.66	51,274.56	69,650.99	837.99	51,878.14	624.16
Total assets	411,736.44	425,666.20	427,661.77	5,145.34	441,554.93	5,312.49
Equity and liabilities						
Equity						
Equity share capital	3,514.50	6,039.00	6,039.00	72.66	6,039.00	72.66
Other equity	65,493.19	119,617.41	127,749.99	1,537.00	131,056.70	1,576.79
Total equity	69,007.69	125,656.41	133,788.99	1,609.66	137,095.70	1,649.45
Non-current liabilities						
Financial liabilities						
Borrowings	170,524.14	154,747.17	142,476.99	1,714.19	131,492.35	1,582.03
Lease liabilities	43.17	85.06	45.49	0.55	7.60	0.09
Other financial liabilities	119,283.37	112,063.99	106,490.26	1,281.22	102,429.16	1,232.36
Provisions	421.55	520.43	537.52	6.47	719.67	8.66
Deferred tax liabilities	24.06	853.71	1,273.83	15.33	1,810.02	21.77
Other non-current liabilities	—	2,965.63	3.88	0.05	114.34	1.38
Total non-current liabilities	290,296.29	271,235.99	250,827.97	3,017.81	236,573.14	2,846.29
Current liabilities						
Financial liabilities						
Borrowings	21,572.80	12,105.50	24,919.87	299.82	48,633.57	585.13
Lease liabilities	45.02	34.92	39.58	0.48	47.14	0.57
Trade payables						
Total outstanding dues of micro enterprises and small enterprises	777.59	514.59	419.20	5.04	332.90	4.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,368.02	3,302.66	4,603.10	55.38	5,481.28	65.95
Other financial liabilities	17,427.32	10,717.31	8,367.53	100.67	8,625.73	103.78
Other current liabilities	5,681.09	1,824.80	4,637.45	55.79	4,431.07	53.30
Provisions	80.18	75.80	34.39	0.40	63.47	0.75
Current tax liabilities (net)	480.44	198.22	23.69	0.29	270.93	3.26
Total current liabilities	52,432.46	28,773.80	43,044.81	517.87	67,886.09	816.75
Total liabilities	342,728.75	300,009.79	293,872.78	3,535.68	304,459.23	3,663.04
Total equity and liabilities	411,736.44	425,666.20	427,661.77	5,145.34	441,554.93	5,312.49

	For the year ended March 31,				For the nine months ended December 31,		
	2021	2022	2023	2023	2022	2023	2023
				(US\$ million)			(US\$ million)
	(Rs. million)				(Rs. million)		
Consolidated Statement of Profit and loss data							
Income							
Revenue from operations	52,986.30	58,037.00	64,016.41	770.20	47,816.64	53,477.56	643.41
Other income	1,889.00	5,517.47	3,016.73	36.30	2,227.37	3,495.11	42.05
Total income	54,875.30	63,554.47	67,033.14	806.50	50,044.01	56,972.67	685.46
Expenses							
Cost of material consumed	3,990.75	4,701.25	4,187.56	50.38	3,079.53	2,890.60	34.78
Road work and site expenses	17,627.90	19,083.84	20,767.30	249.86	14,800.37	20,307.10	244.32
Employee benefits expenses	2,618.57	2,873.21	3,461.62	41.65	2,646.31	2,981.79	35.87
Finance costs	16,924.43	18,906.23	15,146.26	182.23	11,413.51	12,487.70	150.24
Depreciation and amortisation expense ..	5,817.04	6,827.70	8,321.20	100.12	6,099.93	7,207.20	86.71
Other expenses	3,622.46	3,403.77	3,309.60	39.82	2,587.36	2,878.79	34.65
Total expenses	50,601.15	55,796.00	55,193.54	664.06	40,627.01	48,753.18	586.57
Profit before tax and share of							
profit/(loss) of joint ventures	4,274.15	7,758.47	11,839.60	142.44	9,417.00	8,219.49	98.89
Profit/(loss) from joint ventures	(1,657.96)	(2,262.15)	(1,070.09)	(12.87)	(702.47)	(1,795.31)	(21.60)
Profit before tax	2,616.19	5,496.32	10,769.51	129.57	8,714.53	6,424.18	77.29
Tax expenses							
Current tax (including earlier years*)	1,862.39	1,781.97	2,500.18	30.08	2,089.92	1,600.06	19.25
Deferred tax (credit)/charge	(417.69)	100.38	1,069.22	12.86	726.02	654.74	7.88
Total tax expenses	1,444.70	1,882.35	3,569.40	42.94	2,815.94	2,254.80	27.13
Profit after tax	1,171.49	3,613.97	7,200.11	86.63	5,898.59	4,169.38	50.16
*earlier years	8.83	(37.23)	(14.80)	(0.18)	(4.47)	11.79	0.14

	For the year ended March 31,				For the nine months ended December 31,		
	2021	2022	2023	2023	2022	2023	2023
				(US\$			(US\$
	(Rs. million)			million)	(Rs. million)		million)
Consolidated Summary Statement of Cash Flows Data							
Net cash flows generated from operating activities	8,668.04	3,641.13	17,641.30	212.25	12,024.87	28,357.28	341.18
Net cash flows (used in) investing activities	(81,760.67)	(15,534.33)	(6,503.49)	(78.25)	(5,712.85)	(27,357.72)	(329.15)
Net cash flows generated from financing activities	75,198.80	5,885.65	(8,605.04)	(103.53)	(5,694.97)	(3,214.71)	(38.68)
Cash and cash equivalents at the end of the year/period	6,480.38	472.83	3,005.60	36.16	1,089.88	790.45	9.51

Group's Consolidated Operational and Other Data

The following table sets forth certain consolidated operational and other data for the Group, for the periods indicated:

	For the year ended March 31,				For the nine months ended December 31,		
	2021	2022	2023	2023	2022	2023	2023
	(Rs. million)		(US\$ million)		(Rs. million)		(US\$ million)
Profit after tax.....	1,171.49	3,613.97	7,200.11	86.63	5,898.59	4,169.38	50.16
EBITDA ⁽¹⁾	25,357.66	31,230.25	34,236.97	411.92	26,227.97	26,119.08	314.24
Adjusted EBITDA ⁽²⁾	27,015.62	33,492.40	35,307.06	424.79	26,930.44	27,914.39	335.85
Adjusted EBITDA Margin ⁽³⁾ (%)	51.0%	57.7%	55.2%	55.2%	56.3%	52.2%	52.2%
Profit Margin ⁽⁴⁾ (%)	2.2%	6.2%	11.2%	11.2%	12.3%	7.8%	7.8%
Adjusted Net Debt-to-Adjusted EBITDA Ratio ⁽⁵⁾	5.3	3.5	3.0	3.0	n/a ⁽¹²⁾	4.3	4.3
Net Worth ⁽⁶⁾	69,007.69	125,656.41	133,788.99	1,609.66	n/a ⁽¹²⁾	137,095.70	1,649.45
Adjusted Gross Debt ⁽⁷⁾	168,548.49	138,220.03	133,123.00	1,601.65	n/a ⁽¹²⁾	140,622.05	1,691.87
Adjusted Net Debt ⁽⁸⁾	142,036.18	116,146.59	106,994.61	1,287.29	n/a ⁽¹²⁾	119,512.91	1,437.90
Adjusted Net Debt-to-Equity Ratio ⁽⁹⁾	2.1	0.9	0.8	0.8	n/a ⁽¹²⁾	0.9	0.9
BOT Assets ⁽¹⁰⁾	275,849.27	263,416.35	255,298.04	3,071.57	n/a ⁽¹²⁾	248,509.23	2,989.89
Adjusted Capital Employed ⁽¹¹⁾	237,556.18	263,876.44	266,911.99	3,211.30	n/a ⁽¹²⁾	277,717.75	3,341.31

Notes:

- (1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax. EBITDA is not a measure of performance and liquidity under Ind AS and you should not consider EBITDA as an alternative to (a) operating profit or profit for the year/period as a measure of the Group's operating performance, (b) cash flows from operating, investing and financing activities as a measure of the Group's ability to meet the Group's cash needs or (c) any other measures of performance under Ind AS. For a description of the limitations of EBITDA as a financial measure, see "Presentation of Financial and Other Data—EBITDA and Non-Ind AS Financial Measures (Non-GAAP)".
- (2) Adjusted EBITDA is calculated by adding Depreciation and amortisation expense, finance costs, tax expenses, and Profit/(loss) from joint ventures to profit after tax.
- (3) Adjusted EBITDA divided by Revenue from operations.
- (4) Profit after tax divided by Revenue from operations.
- (5) Adjusted Net Debt divided by Adjusted EBITDA.
- (6) Total assets minus total liabilities.
- (7) Adjusted Gross Debt is calculated by aggregating Non current borrowings and current borrowings excluding deferred premium obligation, interest on premium deferment, interest accrued but not due on borrowings, interest free loan from related party, unamortised transaction cost and effective interest rate impact.
- (8) Adjusted Net Debt is calculated by deducting Cash and cash equivalents, Bank balances other than cash and cash equivalents and Current investments from Adjusted Gross Debt.
- (9) Adjusted Net Debt divided by equity.
- (10) Aggregate of Other Intangible assets and Intangible assets under development.
- (11) Equity plus Adjusted Gross Debt.
- (12) The Group's balance sheet information as of December 31, 2022, is not included in this offering memorandum.

The following table reconciles Profit after tax to (i) EBITDA and (ii) EBITDA to Adjusted EBITDA for the years/period indicated:

	For the year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Profit after tax.....	1,171.49	3,613.97	7,200.11	5,898.59	4,169.38
Add: Depreciation and amortisation expense	5,817.04	6,827.70	8,321.20	6,099.93	7,207.20

	For the year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Add: Finance costs	16,924.43	18,906.23	15,146.26	11,413.51	12,487.70
Add: Tax expenses	1,444.70	1,882.35	3,569.40	2,815.94	2,254.80
EBITDA	25,357.66	31,230.25	34,236.97	26,227.97	26,119.08
Add: Loss from joint ventures	1,657.96	2,262.15	1,070.09	702.47	1,795.31
Adjusted EBITDA	27,015.62	33,492.40	35,307.06	26,930.44	27,914.39

The following table provides calculation of Adjusted EBITDA margin for the years/period indicated:

	For the year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Revenue from operations.....	52,986.30	58,037.00	64,016.41	47,816.64	53,477.56
Adjusted EBITDA.....	27,015.62	33,492.40	35,307.06	26,930.44	27,914.39
Adjusted EBITDA Margin	51.0%	57.7%	55.2%	56.3%	52.2%

The following table provides calculation of Profit Margin for the years/period indicated:

	For the year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Revenue from operations.....	52,986.30	58,037.00	64,016.41	47,816.64	53,477.56
Profit after tax	1,171.49	3,613.97	7,200.11	5,898.59	4,169.38
Profit Margin	2.2%	6.2%	11.2%	12.3%	7.8%

The following table provides calculation of Adjusted Net Debt-to-Adjusted EBITDA Ratio for the years/period indicated:

	For the year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Adjusted Net Debt	142,036.18	116,146.59	106,994.61	n/a	119,512.91
Adjusted EBITDA.....	27,015.62	33,492.40	35,307.06	n/a	27,914.39
Adjusted Net Debt-to-Adjusted EBITDA Ratio	5.3	3.5	3.0	n/a	4.3

The following table reconciles Net Worth for the years/period indicated:

	For the year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Total Assets.....	411,736.44	425,666.20	427,661.77	N/a	441,554.93
Less: Total Liabilities	342,728.75	300,009.79	293,872.78	N/a	304,459.23
Net Worth	69,007.69	125,656.41	133,788.99	N/a	137,095.70

The following table reconciles borrowings to (i) Adjusted Gross Debt and (ii) Adjusted Gross Debt to Adjusted Net Debt for the years/period indicated:

	As at March 31,			As at December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Non current borrowings	170,524.14	154,747.17	142,476.99	N/a	131,492.35
Current borrowings	21,572.80	12,105.50	24,919.87	N/a	48,633.57
	192,096.94	166,852.67	167,396.86	N/a	180,125.92
Less:					
Deferred Premium obligation	(19,180.34)	(22,626.65)	(25,463.25)	N/a	(27,881.35)
Interest on premium deferment	(5,490.39)	(7,100.85)	(9,495.97)	N/a	(11,860.51)
Interest accrued but not due on borrowings	(785.78)	(453.46)	(479.83)	N/a	(893.10)
Interest free loan from related party	(13.67)	(13.67)	(13.67)	N/a	(13.67)
	(25,470.18)	(30,194.63)	(35,452.72)	N/a	(40,648.63)
Add:					
Effective interest rate impact	973.59	805.30	543.73	N/a	414.83
Unamortised transaction cost	948.14	756.69	635.13	N/a	729.93
	1,921.73	1,561.99	1,178.86	N/a	1,144.76
Adjusted Gross Debt	168,548.49	138,220.03	133,123.00	N/a	140,622.05
Less:					
Cash and cash equivalents	6,534.85	529.75	3,005.60	N/a	790.45
Bank balances other than cash and cash equivalents	16,854.88	16,908.71	21,165.80	N/a	17,272.80
Current Investments	3,122.58	4,634.98	1,956.99	N/a	3,045.89
	26,512.31	22,073.44	26,128.39	N/a	21,109.14
Adjusted Net Debt	142,036.18	116,146.59	106,994.61	N/a	119,512.91

The following table provides calculation of Adjusted Net Debt-to-Equity Ratio for the years/period indicated:

	For the year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Adjusted Net Debt	142,036.18	116,146.59	106,994.61	N/a	119,512.91
Equity	69,007.69	125,656.41	133,788.99	N/a	137,095.70
Adjusted Net Debt-to-Equity Ratio	2.1	0.9	0.8	N/a	0.9

The following table provides reconciliation of BOT Assets for the years/period indicated:

	For the year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Other Intangible assets	269,479.66	263,058.62	255,298.04	N/a	248,509.23
Intangible assets under development	6,369.61	357.73	—	N/a	—
BOT Assets	275,849.27	263,416.35	255,298.04	N/a	248,509.23

The following table provides reconciliation of Adjusted Capital Employed for the years/period indicated:

	For the year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Equity	69,007.69	125,656.41	133,788.99	N/a	137,095.70
Adjusted Gross Debt	168,548.49	138,220.03	133,123.00	N/a	140,622.05
Adjusted Capital Employed	237,556.18	263,876.44	266,911.99	N/a	277,717.75

Summary Consolidated Financial Information of the Private InvIT

	As at March 31,				As at December 31,	
	2021	2022	2023	2023	2023	2023
				(US\$ million)	(Rs. million)	(US\$ million)
	(Rs. million)					
Consolidated Summary Balance Sheet						
ASSETS						
Non-current assets						
Property, Plant and Equipment	10.59	8.85	7.59	0.09	6.87	0.08
Goodwill	604.54	604.54	604.54	7.27	604.54	7.27
Other Intangible assets.....	211,717.65	221,859.48	228,418.29	2,748.17	308,561.98	3,712.41
Intangible assets under development	4,684.26	1,290.89	2,421.67	29.14	6,218.25	74.81
Financial assets						
(i) Others	3.28	2.74	0.33	–	32.06	0.39
Other non-current assets	0.14	656.55	174.07	2.09	8.00	0.10
Deferred tax assets	–	287.67	755.80	9.09	1,280.76	15.41
	217,020.47	224,710.72	232,382.29	2,795.85	316,712.46	3,810.47
Current assets						
Financial assets						
(i) Investments	572.50	659.54	1,283.09	15.44	7,095.52	85.37
(ii) Trade receivables	100.24	51.55	84.67	1.02	213.05	2.56
(iii) Cash and cash equivalents	413.49	287.23	731.31	8.80	687.54	8.27
(iv) Bank balance other than (iii) above	1,744.35	2,469.97	4,866.69	58.55	9,453.30	113.74
(v) Others	635.99	1,604.18	1,448.56	17.43	2,219.42	26.70
Current tax assets (net).....	147.11	114.22	24.81	0.30	176.67	2.13
Other current assets	2,166.40	1,677.46	2,657.07	31.98	2,250.32	27.07
	5,780.08	6,864.15	11,096.20	133.52	22,095.82	265.84
Total assets	222,800.55	231,574.87	243,478.49	2,929.37	338,808.28	4,076.31

	As at March 31,			As at December 31,		
	2021	2022	2023	2023	2023	2023
		(Rs. million)		(US\$ million)	(Rs. million)	(US\$ million)
EQUITY AND LIABILITIES						
Equity						
Unit capital.....	81,688.00	85,504.33	87,929.33	1,057.91	115,445.40	1,388.96
Subordinated debt.....	—	—	—	—	16,916.65	203.53
Other equity	—	—	—	—	—	—
Other reserves	(3,669.05)	(8,108.29)	(10,395.80)	(125.08)	(14,777.41)	(177.79)
Total Equity.....	78,018.95	77,396.04	77,533.53	932.83	1,17,584.64	1,414.70
Non-controlling interests	—	—	0.81	0.01	1.39	0.02
	78,018.95	77,396.04	77,534.34	932.84	1,17,586.03	1,414.72
Non-current liabilities						
Financial liabilities.....						
(i) Borrowings	89,161.31	92,559.82	98,943.95	1,190.43	1,69,150.24	2,035.10
(ii) Other financial liabilities	24,720.81	35,168.79	35,780.80	430.49	37,493.58	451.10
(iii) Trade payables						
(a) total outstanding dues of micro enterprises and small enterprises ...	—	—	—	—	—	—
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,463.41	5,998.85	4,165.72	50.12	—	—
Provisions.....	357.84	1,350.57	2,965.03	35.67	3,418.74	41.13
Deferred tax liabilities	424.33	—	—	—	235.60	2.83
	117,127.70	135,078.03	141,855.50	1,706.71	2,10,298.16	2,530.16
Current liabilities						
Financial liabilities.....						
(i) Borrowings	4,784.87	4,719.18	6,135.65	73.82	1,261.08	15.17
(ii) Trade payables						
(a) total outstanding dues of micro enterprises and small enterprises ...	13.18	3.69	1.61	0.02	1.50	0.02
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,547.07	11,214.65	15,303.87	184.13	7,945.74	95.60
(iii) Other financial liabilities	20,198.86	3,023.13	2,549.37	30.67	1,623.92	19.54
Other current liabilities	109.78	140.15	98.15	1.18	91.85	1.10
Current tax liabilities (net)	0.14	—	—	—	—	—
	27,653.90	19,100.80	24,088.65	289.82	10,924.09	131.43
Total liabilities.....	144,781.60	154,178.83	165,944.15	1,996.53	221,222.25	2,661.59
Total equity and liabilities	222,800.55	231,574.87	243,478.49	2,929.37	338,808.28	4,076.31

	For the year ended March 31,				For the nine months ended December 31,		
	2021	2022	2023	2023	2022	2023	2023
		(Rs. million)		(US\$ million)	(Rs. million)		(US\$ million)
Consolidated Statement of Profit and Loss data							
Income							
Revenue from operations	10,361.51	12,404.84	26,912.59	323.79	19,896.67	26,535.36	319.26
Other income	112.71	100.13	263.08	3.17	161.32	527.86	6.35
Total income.....	10,474.22	12,504.97	27,175.67	326.96	20,057.99	27,063.22	325.61
Expenses							
Valuation Expenses	0.46	1.46	2.67	0.03	0.97	2.29	0.03
Audit Fees	3.88	3.13	5.04	0.06	3.85	3.68	0.04
Operating Expenses	2,157.13	2,029.53	12,865.52	154.79	9,305.29	13,201.29	158.83
Project Management Fees	1,826.28	1,960.27	2,647.70	31.86	1,997.38	2,931.62	35.27
Insurance and Security Expenses	11.43	1.12	14.72	0.18	8.13	66.74	0.80
Trustee Fees	3.41	4.16	5.95	0.07	3.33	4.54	0.05
Depreciation on Property, plant and Equipment.....	2.59	1.74	1.25	0.02	0.95	0.72	0.01
Amortisation of Intangible Assets.....	1,253.09	1,673.16	2,809.17	33.8	1,957.61	2,614.32	31.45
Finance costs (Interest).....	8,046.33	8,670.13	9,005.28	108.35	6,698.66	9,531.37	114.67
Finance costs (Others).....	181.84	868.58	1,249.41	15.03	990.24	814.76	9.80
Investment Manager Fees	46.25	42.48	56.52	0.68	42.39	122.60	1.48
Legal and Professional Fees ⁽¹⁾	—	—	—	—	136.14	239.81	2.89
Custodian fees	0.18	0.18	0.09	0	0.24	1.10	0.01
Loss on sale of assets	—	—	0.01	—	—	—	—
Fair value loss on measurement of other payable	—	2,161.31	560.53	6.74	356.63	1,676.37	20.17
Other expenses	118.97	235.06	256.29	3.07	86.20	63.25	0.77
Total expenses	13,651.84	17,652.31	29,480.14	354.68	21,588.00	31,274.46	376.27
Profit/(loss) before tax	(3,177.62)	(5,147.34)	(2,304.47)	(27.72)	(1,530.02)	(4,211.24)	(50.66)
Tax expenses							
Current tax.....	46.20	8.87	435.25	5.24	351.25	(75.08)	(0.90)
Deferred tax	369.63	(720.23)	(468.13)	(5.63)	(445.56)	(289.36)	(3.48)
MAT Credit utilisation/(Entitlement) ...	(340.97)	—	—	—	—	—	—
Total tax expenses.....	74.86	(711.36)	(32.88)	(0.39)	(94.30)	(364.44)	(4.38)
Profit/(loss) after tax.....	(3,252.48)	(4,435.98)	(2,271.59)	(27.33)	(1,435.72)	(3,846.80)	(46.28)
Other comprehensive income							
Item that will not be reclassified to profit or loss:							
(a) Re-measurement (loss)/gain on defined benefit plans (net of taxes).....	—	—	—	—	—	—	—
Other comprehensive (loss) for the year/period, net of tax.....	—	—	—	—	—	—	—
Total comprehensive income for the year/period.....	(3,252.48)	(4,435.98)	(2,271.59)	(27.33)	(1,435.72)	(3,846.80)	(46.28)

Note:

(1) For the financial years 2021, 2022 and 2023, Legal and Professional Fees are included in Other expenses.

The following table sets forth the EBITDA (Private InvIT) and the reconciliation of the EBITDA (Private InvIT) to its Profit/(loss) after tax for the years/period indicated:

	For the year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Profit/(loss) after tax	(3,252.48)	(4,435.98)	(2,271.59)	(1,435.72)	(3,846.80)
Add: Amortisation of Intangible Assets ...	1,253.09	1,673.16	2,809.17	1,957.61	2,614.32
Add: Depreciation on Property Plant & Equipment	2.59	1.74	1.25	0.95	0.72
Add: Finance costs (Interest)	8,046.33	8,670.13	9,005.28	6,698.66	9,531.37
Add: Finance costs (Others).....	181.84	868.58	1,249.41	990.24	814.76
Add: Tax expenses	74.86	(711.36)	(32.88)	(94.30)	(364.44)
EBITDA (Private InvIT)	6,306.23	6,066.27	10,760.64	8,117.44	8,749.93

Note:

- (1) EBITDA (Private InvIT) is calculated by adding amortisation of intangible assets, depreciation on plant property and equipment, finance costs (interest), finance costs (others) and tax expenses to profit/(loss) after tax for the year/period. EBITDA is not a measure of performance and liquidity under Ind AS and you should not consider EBITDA as an alternative to (a) operating profit or profit for the year/period as a measure of the Private InvIT's operating performance, (b) cash flows from operating, investing and financing activities as a measure of the Private InvIT's ability to meet the Private InvIT's cash needs or (c) any other measures of performance under Ind AS.

The following table sets forth the calculation of the revenue from toll collection (net) for the years/period indicated:

	For the year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Revenue from toll collection (gross)	9,425.30	12,377.44	21,097.46	15,442.74	19,638.74
Less – Revenue Share to NHAI	(875.53)	(1,779.36)	(5,671.70)	(3,845.40)	(5,659.54)
Revenue from toll collection (net)	8,549.77	10,598.07	15,425.76	11,597.34	13,979.20

The following table sets forth the gross toll revenue of the Mumbai – Pune Project and each of the projects held by the Private InvIT for the months indicated:

	Month ended April 30,		Month ended May 31,		Month ended June 30,		Month ended July 31,		Month ended August 31,		Month ended September 30,		Month ended October 31,		Month ended November 30,		Month ended December 31,	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
	(Rs. million)																	
Mumbai-Pune Project	1,154.79	1,372.23	1,263.87	1,489.88	1,187.61	1,376.35	1,118.19	1,348.85	1,150.26	1,411.30	1,078.27	1,345.12	1,154.97	1,409.02	1,211.25	1,411.48	1,320.89	1,584.25
Ahmedabad-Vadodara Project	514.84	572.94	544.80	609.77	512.03	542.24	473.92	536.79	501.18	567.35	488.14	544.04	530.55	581.45	580.38	593.13	600.67	660.30
Hyderabad Outer Ring Road Project ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	563.62	-	589.02	-	556.49	-	627.17
Agra – Etawah NH-2 Project	183.10	190.61	185.47	201.81	181.29	195.55	170.84	184.79	167.89	184.65	171.64	189.18	184.29	215.23	195.33	210.71	196.14	212.84
Gulabpura – Chittorgarh NH-79 Project	278.21	316.76	273.07	311.93	270.29	302.73	273.80	300.89	280.04	310.39	288.09	294.47	277.90	317.66	285.44	276.39	307.31	314.72
Hapur – Moradabad NH-9 Project ⁽²⁾	125.82	243.32	130.03	260.13	131.72	263.33	171.71	182.12	189.90	190.22	190.94	237.49	222.95	268.09	224.97	255.82	230.89	261.26
Goa – Kundapur NH-17 Project ⁽³⁾	102.86	119.85	105.74	129.47	89.54	100.16	81.36	90.05	91.95	104.70	88.54	97.12	102.52	109.83	101.21	105.84	122.20	128.57
Kishangarh – Gulabpura NH-79/79A Project ⁽⁴⁾	102.25	209.07	101.56	206.57	99.53	199.19	129.32	195.98	189.39	200.83	198.21	191.59	190.56	206.49	194.03	179.09	207.30	201.02
Kaithal – Rajasthan Board NH-152/65 Project	132.36	123.56	131.89	120.30	129.61	118.01	121.96	111.89	126.47	122.39	118.15	115.94	120.68	126.69	128.84	116.60	126.61	125.28
Solapur – Yedeshi NH-211 Project ...	103.10	119.96	106.42	127.30	98.83	119.29	97.29	111.29	100.60	106.06	97.38	90.18	102.36	87.54	120.00	98.17	121.04	114.05
Udaipur – Rajasthan NH-8 Project ...	208.51	232.40	214.54	244.27	214.86	227.85	196.35	229.66	194.26	239.07	199.19	228.31	204.66	251.21	209.01	238.16	225.56	263.07
Yedeshi – Aurangabad NH-211 Project	184.70	229.70	200.88	247.61	187.93	235.79	194.95	229.10	204.16	214.24	200.35	184.66	213.48	191.99	237.81	189.80	240.40	217.08
Palsit Dankuni NH-19 Project ⁽⁵⁾	179.88	153.77	176.79	162.45	187.93	153.02	170.32	129.01	163.80	139.28	163.48	127.81	145.99	123.36	171.33	138.78	181.01	154.51
Samkhiyali Santalpur Project ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.56

Notes:

- (1): The project received its appointed date and commenced its toll operations from August 12, 2023.
- (2): The project received COD on July 1, 2022, and COD-II on April 7, 2023.
- (3): The project received PCOD-III on March 19, 2023.
- (4): The project received completion certificate on July 20, 2022
- (5): The project received its appointed date and commenced its toll operations from April 2, 2022.
- (6): The project received its appointed date and commenced its toll operations from December 28, 2023.

RISK FACTORS

Investing in the Notes involves risk. You should carefully consider all the information in this offering memorandum, including the risks and uncertainties described below, before making an investment decision with regard to the Notes. The risks and uncertainties described below are those that we believe are material to us, but they may not be the only ones we face. Additional risks and uncertainties, extraneous or otherwise, including those that we are not aware of or currently consider immaterial which may become material, may decrease the value of the Notes. If any of the following risks occur, our business, prospects, financial condition, results of operations and cash flows could suffer, the value of the Notes could decline, the Company may not be able to meet its obligations under the Notes and you may lose all or part of your investment.

Prospective investors should pay particular attention to the fact that the Company is incorporated under the laws of India and is subject to a legal and regulatory and statutory environment which differs in certain respects from that of other countries. This offering memorandum also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this offering memorandum. For further details, see “Forward-Looking Statements”.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of this offering, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of investing in the Notes.

Risks Related to Our Business

A decline in traffic revenues would materially and adversely affect our business prospects, financial condition and results of operations.

Our toll revenues depend on toll receipts, which in turn depend on toll fees and traffic volumes on the toll roads. Traffic volumes are directly or indirectly affected by many external factors, including:

- toll fees;
- fuel prices in India;
- the frequency of traveler use;
- the number and affordability of automobiles;
- the quality, convenience and travel efficiency of alternative routes outside of our network of toll roads;
- the convenience and extent of a toll road’s connections with other parts of the local, state and national highway networks;
- road and traffic conditions on the local, state or national highway networks to which our projects are connected;
- the availability and cost of alternative means of transportation, including rail networks and air transport;
- the level of commercial, industrial and residential development in areas served by our projects;
- the overall level of security of the toll roads as managed by relevant security contractors;
- any changes to axle load norms that increase the permissible axle load limits on Indian roads and highways, which may accelerate the deterioration of the condition of the toll roads;
- adverse weather conditions; and
- seasonal holidays.

In addition, under the terms of our concession agreements, the Government of India (the “GoI”) and state governments have the right to construct and open additional roads which may serve as alternate routes to the road assets after the expiry of between 8 and 15 years, depending on terms of the concession. The construction of such alternative roads and highways may result in a diversion of vehicular traffic from the road assets and a reduction of revenue from toll receipts. Further, local roads and state highways may be improved so as to serve as alternate routes to the road assets, and tolls may or may not be charged on such alternate roads. The existence or improvement of such alternative roads and highways may also result in a diversion of vehicular traffic from our road assets and a reduction of our revenue from toll receipts.

While most of our concession agreements provide for an extension in the concession period if the actual traffic volumes are significantly lower than the target traffic volumes set forth in the respective concession agreements, the NHAI may not extend the concession *period*. If the actual traffic volumes are significantly less than the projected traffic volumes, the revenue generated from toll receipts may be lower than anticipated and our business prospects, financial condition and results of operations may be materially and adversely affected.

Restrictive covenants under our financing agreements could limit our flexibility to manage our business or to use cash or other assets.

Some of our financing agreements contain restrictive covenants, including requirements that we obtain consent from the lenders prior to:

- effecting any change in the nature or scope of the project or any change in the financing plan;
- effecting any change in capital structure (including shareholding pattern);
- raising any equity or preference share capital;
- making any capital expenditure other than permitted investments;
- making any dividend payments to the Company or making any other restricted payments (including redemption of any shares of any class, prepayment in relation to any indebtedness, payment of interest on unsecured loans, investment in any entity) except as permitted under the financing agreements;
- creating of any security interest in any of the secured assets;
- incurring any other indebtedness, including the issuance of debentures, other than permitted indebtedness;
- entering into any partnership, profit-sharing or royalty agreement;
- removing any person exercising substantial powers of management over the affairs of the Project SPVs in case of an event of default;
- amending the constitutional documents of the Project SPVs;
- undertaking of any new project or making any investment or taking any assets on lease;
- providing guarantees, indemnities or similar assurances in respect of indebtedness of any other person (other than in the ordinary course of business);
- repaying or prepaying any subordinated loan or loans brought in as equity taken by the Project SPVs;
- creating any subsidiary or permit the Project SPVs to become a subsidiary;
- undertaking or permitting any scheme of arrangement or compromise with its creditors or shareholders; and
- changing the management/management control or the composition of the board of directors of any Project SPV.

In addition, these restrictive covenants may also affect some of our rights as the shareholder of the Project SPV and the Project SPV’s ability to pay dividends if it is in breach of its obligations under the applicable financing agreement.

In case of any shortfall in project receivables, the relevant Project SPV may need to make good the shortfall from its own sources and/or arrange for the loan to be repaid through revenue shortfall loans from the relevant concession authority. Such financing agreements also require us to maintain certain financial ratios. In the event of any breach of any covenant contained in these financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may not be able to secure consents from, and/or negotiate revised terms with, the lenders on terms favorable to us or at all.

Further, the financing agreements also contain cross default provisions which will automatically trigger defaults under other financing agreements. Certain lenders are also entitled to accelerate the repayment of the loans at any time based on the lenders' assessment of the cash flows, subject to any approval *required* from the concessioning authority.

If a Project SPV is suspended under the concession in relation to any default by such Project SPV, at any time during such suspension, the senior lenders of each Project SPV have the right to request the concessioning authority to substitute the concessionaire in accordance with the substitution agreement.

Any downgrading of the credit rating of the Project SPVs by a credit rating agency or any adverse comment from the statutory auditors of such Project SPV may qualify as an event of default *under* the relevant financing agreements. Certain financing agreements also provide the banks and financial institutions with the right to convert amounts due into equity in the event of default, with the approval of the relevant concessioning authority. Some of these banks and financial institutions also have a right to appoint nominee directors under these financing agreements in the event of default. Pursuant to the provisions of certain loan facilities availed by us, the lenders are entitled to recall the loan at any time on demand or call notice, requiring the borrower to repay (either in full or in part) the amount outstanding on any particular day.

Any or all of the above restrictive covenants may restrict our ability to conduct business and any breach thereof may adversely affect our results of operations and financial condition. In the past, defaults have been reported by banks under some of our Project SPV financings. While these defaults were reported due to technical issues and the banks later clarified that there was no actual default, if any such instances were to occur again in the future then they may adversely affect our results of operations and financial condition.

Our financial results depend on the financial performance of our Project SPVs and other subsidiaries and their ability to declare and pay dividends. If any of our operations are disrupted, or we are unable to collect toll, it could adversely affect our business, results of operations, financial condition and cash flows.

Our BOT, HAM and TOT infrastructure development projects are operated through our Project SPVs, while our O&M and construction activities and wind power business are operated through our subsidiary, Modern Road Makers Private Limited ("MRMPL"). The ability of our Project SPVs and other subsidiaries to make dividend *payments* is subject to applicable laws and regulations relating to payment of dividends. Financing arrangements entered into by these Project SPVs and other subsidiaries stipulate various conditions relating to the payment of dividends, including obtaining the consent of the lenders, meeting the financial covenants and certain debt service accounts being adequately funded prior to the declaration and/or payment of dividends by these Project SPVs and other subsidiaries. Further, in the event of disruption in receipt of toll by Project SPVs and/or other subsidiaries, our business, results of operations and financial condition may be adversely affected.

Further, while we focus on the capital efficiency of our investments by bidding from or transferring assets from time to time to the Private InvIT, the timing of the transfer of any Project SPV to the Private InvIT may have an impact on our results of operations and financial performance from year to year, and *such* impact may be material.

Moreover, various lenders to our Project SPVs also typically have a charge over all assets of the respective Project SPVs, including dividend payments by, and all cash of, these Project SPVs, effectively providing such lenders a first priority lien over any distribution by the Project SPV upon the occurrence of an event of default under the respective financing arrangements. The charge of the lenders, however, extends only to the project assets mentioned in their respective concession agreements. In the event of bankruptcy, liquidation or reorganization of a Project SPV, the Company's claim to the assets of such Project SPV as a shareholder in the Project SPV remains subordinated to the claims of lenders and other creditors. Should any such event occur, our business, results of operations, financial condition or cash flows could be adversely affected.

The Issuer is a holding company that has limited revenue generating operations of its own and largely depends on cash generated from its subsidiaries including the Mumbai – Pune Project.

While the Issuer owns certain project assets, the operating companies within it are subsidiaries and conduct substantially all of its business. Consequently, the Issuer's cash flow and ability to service its debt obligations, including in relation to the Notes, largely depend upon the earnings of its subsidiaries and the distribution of those earnings to its. The ability of the Issuer's subsidiaries to generate sufficient cash flow from operations to allow the Issuer to make scheduled payments on its debt obligations, including in respect of the Notes, will depend on their future financial performance, which will be affected by a range of economic, competitive, legislative, regulatory and business factors, many of which are outside of our control. The ability of the Issuer's subsidiaries to then pay dividends or make other loans, advances or payments to us will be subject to applicable laws and regulations.

If the Issuer's subsidiaries do not generate sufficient cash flow from operations to satisfy its debt obligations, including in respect of the Notes, the Issuer may need to undertake alternative financing plans, such as refinancing or restructuring its debt, or take actions such as selling assets, reducing or delaying capital investments or seeking to raise additional capital; provided, however, any such alternative refinancing may not be possible, any assets may not be able to be sold, or, if sold, timing of the sales and the amount of proceeds realized from those sales cannot be determined in advance, additional financing may not be obtained on a timely basis or on acceptable terms, if at all, or additional financing may not be permitted under the terms of our various debt instruments then in effect. The Issuer's inability to generate sufficient cash flow to satisfy its debt obligations, or to refinance its obligations on commercially reasonable terms, would have an adverse effect on its business, financial condition, results of operations and cash flow, as well as its ability to satisfy its obligations under the Notes.

In particular, the Issuer derives a significant portion of its cash flows from IRB MP Expressway Private Limited. Accordingly, any failure by IRB MP Expressway Private Limited to generate sufficient cash flow could impact the Issuer's business, financial condition, results of operations and cash flows, the value of the collateral securing the Notes and the Issuer's ability to satisfy its obligations under the Notes.

We have incurred significant indebtedness which may restrict our ability to raise required funds in a timely manner, on favorable terms or at all.

The road infrastructure sector is capital intensive and requires significant expenditure. We have incurred significant indebtedness to finance our projects. Our ability to incur further indebtedness and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions for infrastructure companies, economic and political conditions in the markets where we operate and our capacity to service debt. As of December 31, 2023, our total secured and unsecured borrowings on a consolidated basis were Rs.168,517.07 million in principal amount (secured borrowings of Rs.140,622.05 million and unsecured borrowings of Rs.27,895.02 million). Our significant indebtedness results in substantial debt service obligations which could reduce availability of cash flows to pursue growth plans, increase vulnerability to any economic downturn and limit flexibility in our operations. Given the nature of our business, we expect to continue to incur substantial indebtedness, and these risks could adversely affect our results of operations and financial condition.

We may also need to refinance all or a portion of our debt on or before maturity. We may not be able to refinance our debt on commercially reasonable terms or at all. The Company and its Promoters have provided guarantees as collateral security for amounts borrowed under certain of the financing agreements for funding our Project SPVs. We and our Promoters may not pay or be able to pay the entire amount called under such collateral security if we and/or such Promoters are required to do so.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

While we seek to manage interest rate risk by maintaining a balanced portfolio of fixed and variable rate loans and borrowing, we are exposed to interest rate risk in connection with our long-term debt obligations that bear interest at floating interest rates. Interest rate changes could impact the amount of our interest payments, and accordingly, our future earnings and cash flow, assuming other factors are held constant. As of December 31, 2023, we had Rs.125,586.50 million of variable rate indebtedness outstanding (on a consolidated basis). We cannot assure you we will be effective in fully mitigating our interest rate risk from our variable rate indebtedness.

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 our current road assets may have a material adverse impact on our business, financial condition and results of operations.

Our concession agreements stipulate a limited concession period, ranging from 10 to 30 years. For example, the concession agreement for the Mumbai – Pune Project may expire before the maturity date of the Notes. In addition, certain concession agreements provide that if the actual traffic volume or revenue falls short of or exceeds the target traffic volume or revenue on a defined date, the concession period may be extended or reduced, respectively, by the concessioning authority according to a formula specified in the respective agreement.

There can also be no assurance that we will be able to acquire new road assets upon the expiry of our existing concession agreements or at any time thereafter. Accordingly, the number of assets forming part of our portfolio and the revenue generated by them may decrease. Further, even if new road assets are added to our portfolio, there can be no assurance that such road assets will be able to generate comparable or higher cash flows, revenues and profits than those whose concession periods have expired. If we are unable to extend our concession agreements, or if we are unable to acquire new road assets that generate comparable or higher cash flows, revenue or profits than our current road assets, our business, financial condition and results of operations may be materially and adversely affected.

Our toll-road concessions may be terminated prematurely under certain circumstances.

Our road assets comprise our principal assets. We will be unable to continue the operation of a particular road concession without a continuing concession right from the NHAI. A concession may be revoked by the NHAI for certain reasons set forth in the relevant concession agreement, including, but not limited to, one or more of the following:

- our failure to comply with prescribed minimum shareholding requirements;
- our failure to participate in, or match the bid of, the successful bidder in the event of any proposed augmentation of capacity of the road assets;
- our failure to augment the capacity of a project if the average daily traffic exceeds the traffic capacity for which the project was designed;
- our failure to make any payments, including negative grants, to the NHAI in a timely manner;
- our failure to comply with operational or maintenance standards, or to undertake the required maintenance of the road assets within specified time periods;
- any temporary or permanent halt of operations;
- any occurrence of an event of default under any financing document where the lender has recalled any part of the loan;
- any continuation of a force majeure event, such as an act of God, act of war, expropriation or compulsory acquisition of any project assets by the government, industrial strikes, and civil commotions, boycotts and political agitations, beyond a specified time; and
- our failure to comply with any other material terms of the relevant concession agreement.

If we do not complete the work within the period stipulated under the relevant concession agreement and the NHAI deems such delay to be a material breach or material default, then the NHAI has the right to suspend our rights, including the right to collect tolls and other fees, claim compensation for all direct, additional costs suffered or incurred by the NHAI arising out of such default, or terminate the relevant concession agreement.

The concession agreements also provide that, if the actual traffic volume exceeds the target traffic volume on a defined date, the NHAI may reduce the *concession* period according to a formula specified in such concession agreement or require the concessionaire to undertake additional capacity augmentation in lieu of a reduction in the concession period.

In accordance with the terms of the concession agreements, if threshold levels of traffic set out in the concession agreements are exceeded, we may be required to undertake certain development of the road assets during an extended concession period by way of augmenting the capacity of the relevant road assets. Any requirement to undertake such development may present additional risks to us. Certain concession agreements may impose penalties or provide for termination of such agreement for late or non-completion of certain development of the road assets.

Our business, financial condition, reputation and results of operations may be materially and adversely affected if the completion of the construction of the road assets and/or the conditions specified in the relevant provisional completion certificate is delayed or not achieved in the specified manner. There can be no assurance that these road assets will be completed in the *time* expected, or at all. Further, there can be no assurance that all potential liabilities that may arise from delays or shortfall in performance of contractors will be accurately estimated as part of the planned costs of the construction of the road assets or conditions specified in the relevant provisional completion certificate, or that the damages that may be claimed from such contractors may not be adequate to compensate any loss of revenues or profits resulting from such delays, shortfalls or disruptions. Such risks may increase if completion is delayed for an extended period. If we fail to manage any of the aforesaid risks or any unforeseen risks effectively, our revenues, profitability and results of operations could be materially and adversely affected. For further details on the events that may require us to undertake certain development of our road assets as contemplated under the relevant concession agreements, see “Business”.

If a concession agreement is terminated by the concessioning authority due to our default, or by us due to a default by the concessioning authority, we are entitled to termination payments or otherwise from the concessioning authority in accordance with the *terms* of the relevant concession agreement. The concessioning authority may not pay the termination payments promptly or at all, and such termination payments may not be adequate to enable us to recover our investments or meet our expected returns.

If any of the concession agreements are reduced or terminated prematurely, our business, financial condition and results of operations may be materially and adversely affected. For further details on the termination of the concession agreements, the termination *payments*, and the definition of “default” as contemplated under the relevant concession agreements, see “Business”.

We may face limitations and risks associated with debt financing, refinancing and restrictions on investment.

We are subject to regulatory restrictions in relation to our debt financing and refinancing. We may from time to time require debt financing and refinancing to carry out our investment strategy. If we undertake debt financing or refinancing, we may be limited by Indian law as to the form of financing or refinancing that we may undertake.

If we undertake debt financing or refinancing, we may also be subject to risks associated with such activity, including the risk that our cash flow may be insufficient to meet required payments of principal and interest under such financing. Our ability to generate sufficient cash to satisfy our debt obligations will depend on our operating performance, which may be affected by prevailing economic conditions and financial, business and other factors beyond our control. There can be no assurance that we will be able to generate sufficient cash flow to meet our debt obligations. If we are unable to make payments due under our debt facilities, the lenders may be able to declare an event of default and initiate enforcement proceedings relating to any security provided in respect of the loan facilities, and/or call upon any guarantees. In case of default, lenders could initiate proceedings against our assets. Such default may also result in the termination of certain concession agreements by the concessioning authority.

We may also be subject to certain covenants in connection with any future borrowings that may limit or otherwise materially and adversely affect our operations, such as covenants restricting our ability to acquire assets or undertake other *capital* expenditure, requirements to set aside funds for maintenance or repayment of security deposits or requirements to maintain certain financial ratios.

Further, if prevailing interest rates or other factors at the time of financing or refinancing (including changes in market *conditions* and maturity term imposed by any lenders) result in higher interest rates, the interest expense may be significant and may materially and adversely affect our cash flow.

Our business is subject to seasonal fluctuations that may adversely affect our cash flows.

Our cash flows are affected by seasonal factors, which may materially and adversely affect traffic volumes. Traffic volumes tend to decrease during the monsoon season and conversely tend to increase during holiday seasons. The monsoon season may also restrict our ability to carry on activities related to our O&M of the *road* assets. This may result in delays in periodic maintenance, additional unforeseen maintenance and repair work and reduce productivity, thereby materially and adversely affecting our business, financial condition and results of operations.

Changes in governmental policies or in our relationships with the Gol or state governments could materially and adversely affect our business, financial performance and results of operations.

We derive almost all of our revenue from our concession agreements and must maintain good relationships with the concessioning authorities, the Gol and the various state governments.

We expect that we will continue to depend on, and benefit from, policies relating to the terms of the concessions and other incentives that we will receive from governmental entities in respect our existing projects and any future projects. In addition, we benefit from, and depend on, the NHAI, the relevant state concessioning authority and various Gol and state government entities in terms of policies, incentives, budgetary allocations and other resources provided by these entities for the roads industry in general. Any adverse change in any existing governmental policies, incentives, allocations or resources, or any change in our relationships with governmental entities, could materially and adversely affect our business, financial condition and results of operations. Also see “Regulation”. There can also be no assurance that the Gol will continue to focus on and promote toll-road projects on a BOT, HAM or TOT basis.

Additionally, toll roads which involve public-private partnerships (“PPPs”) may be subject to delays, extensive internal processes, policy changes, changes due to local, national and internal political pressures and changes in governmental or external budgetary allocation and insufficiency of funds. Since governmental entities are responsible for awarding concessions and are a party to the development and operation of the awarded projects, our business will be directly and significantly dependent on their support. Any withdrawal of support or adverse changes in their policies, even if not quantifiable monetarily, may lead to our concession agreements being restructured or renegotiated or the concession period being decreased, which could materially and adversely affect our financing, capital expenditure, revenues, development and operations.

Certain provisions of the standard form of concession agreement may be non-negotiable or untested, which we may not be able to comply with, including maintenance obligations resulting in increased O&M costs which we may be unable to recover by increasing toll fees, and the concession agreements may also contain certain restrictive terms which may be subject to varying interpretations.

Our concession agreements have been entered into with the concessioning authorities and we have limited ability to negotiate the terms of these contracts. The concession agreements are based on a model concession agreement prescribed by the concessioning authority. For example, the toll fees under the concession agreements are fixed, subject to annual adjustments to account for inflation as specified in the concession agreements and the applicable rules issued by the concessioning authority. In addition, the O&M standards and specifications require us to incur O&M costs on a regular and periodic basis, which may increase due to factors beyond our control, including:

- increase in the cost of labor, materials and insurance;
- being required to install interoperable electronic toll-collection systems at our own cost, and integrate our collection or traffic administration systems with that of the NHAI;
- being required to restore our project roads in the event of any landslides, floods, road subsidence, other natural disasters, accidents or other events causing structural damage or compromising safety;
- increase in electricity tariff rates or other fuel costs resulting in an increase in the cost of energy;
- adverse weather conditions;
- unforeseen legal, tax and accounting liabilities relating to acquired assets; and
- other unforeseen operational and maintenance costs.

We may be unable to offset increased costs with higher revenues by increasing toll fees due to the restrictions of the concession agreements. Any significant increase in O&M costs beyond the amounts budgeted by us, or any failure to meet quality standards, may reduce our profits, could expose us to penalties imposed by the concessioning authorities and could materially and adversely affect our business, financial condition and results of operations. Such events may also impact our ability to service any debt obtained. As such, the inability to change the terms, including the toll fees of the concession during the concession period, may materially and adversely affect our operational and financial flexibility.

If we do not complete the work within the period stipulated under the relevant concession agreement and the concessioning authority deems such delay to be a material breach or material default, then the concessioning authority has the right to suspend our rights, including the right to collect tolls and other fees, claim compensation for all direct, additional costs suffered or incurred by the concessioning authority arising out of such default, or terminate the relevant concession agreement.

If any of the concession agreements is terminated, our right to collect tolls is suspended or we are required to pay compensation or damages, our business, financial condition and results of operations may be materially and adversely affected.

The model concession agreement prescribed by the concessioning authority also provides for a fixed term concession and, although all concession agreements provide for an extension or reduction of the concession period based on certain factors, including actual traffic volumes on the target date, the concession agreements do not provide for renewal of the concession agreement after the expiry of the term.

The form of the concession agreement has evolved within the last decade and there is limited guidance available on the interpretation of a number of provisions and conditions of such concession agreements. In addition, certain terms of the concession agreements, such as those related to an augmentation in the capacity of the toll roads, substitution of the concessioning authority in any or all of the project agreements, termination payments by the concessioning authority, construction of additional competing roads by the concessioning authority, the GoI or state governments and payment of compensation by the concessioning authority for changes in law are untested. Accordingly, courts or regulators may consider a different interpretation of certain provisions and conditions in our concession agreements, which may be adverse to our interests.

Our concession agreements also contain certain restrictive covenants. For instance, they contain provisions that mandate substitution clauses in the project agreements which allow the concessioning authority to step into project agreements in place of a Project SPV if the concession agreements are suspended or terminated due to a breach or default by such Project SPV. The concession agreements also provide that the lenders to a Project SPV may substitute the Project SPV with new concessionaires approved by the concessioning authority if the Project SPV defaults under the relevant concession agreement, financing agreements or other project agreements. Additionally, the NHAI or lenders may substitute the Project SPV in the event of a “financial default” by such Project SPV, which includes situations in which the NHAI or lenders have reason to believe that the Project SPV is likely to face financial distress and is likely to default in its compliance with the terms of the relevant concession agreement, financing agreements or other project agreements.

The terms of our concession agreements require us to indemnify the concessioning authority for losses arising out of the design, engineering, construction, procurement, O&M of the toll road or arising out of breach of our obligations under the concession agreements.

If the concessioning authority or a lender invokes any restrictive provision in the concession agreements or interprets any term or condition in an adverse manner, such invocation or interpretation may materially and adversely affect our business, financial condition and results of operations.

Certain of our actions 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.

Certain terms in our concession agreements, financing agreements and our other approvals require the NHAI’s prior written approval to be obtained for one or more of the following actions, among others:

- amendment, modification or replacement by the Project SPV of any project agreements (including financing agreements) relating to the operation of the road assets to which the Project SPV is a party if the amendment, modification or replacement of such agreement increases or imposes any financial liability or obligation on the concessioning authority;
- the creation of any encumbrance or security interest over, or transfer of rights and benefits of the Project SPVs under, the concession agreements or any project agreements; and
- the selection or replacement of any engineering, procurement and construction contract, O&M contractor and execution of the engineering, procurement and construction agreements and the O&M agreements (to the extent applicable).

The concession agreements also require the submission to the NHAI, for its review and comments, all project agreements to which a Project SPV is a party prior to entering, amending or replacing of such agreements, even if such agreements do not affect the financial liability or obligations of the NHAI.

The restrictions described above may impose constraints on our flexibility to conduct our business. Further, if as a result of these restrictions, we are unable to pursue a favorable course of action or to respond to an unfavorable event, condition or circumstance, then our business, financial condition and results of operations may be materially and adversely affected.

Any inability to collect toll fees or any disruption in digital tolling payment systems may materially and adversely affect our revenues and financial condition.

Our toll receipts primarily depend on the integrity of our toll-collection systems and the willingness of road users to pay toll fees. The level of revenues derived from collection of tolls may be reduced toll evasion (including through unlawful roadway entries or exits by road users), theft, fraud or technical issues in our toll systems. Further, we may, at times, need to allow users of the road assets to pass through without paying applicable tolls due to heavy traffic build-up, or may be unable to collect tolls due to political protests, strikes, work stoppages as a result of disputes with local labor unions or other agitations relating to tolling. Furthermore, there could be technical disruptions in the digital tolling payment system, FASTag, which has been made compulsory by the GoI. If the electronic toll collection infrastructure on one or more of our road assets malfunctions, road users may be able to pass through the fee plazas free of charge. Any technical disruption in the aforesaid digital tolling or toll collection payment system could materially and adversely affect our ability to collect toll fees.

In addition, in certain circumstances, the governmental authorities or Indian courts could seek to suspend toll-collection for or during certain periods, in full or in part, on our road assets, which suspension would result in a reduction in our revenues. For example, the NHAI temporarily suspended toll collection at toll plazas across India from March 25, 2020, to April 19, 2020, in light of the COVID-19 pandemic. During that period, we saw a significant decrease in the average monthly toll revenue as compared to the same period in financial year 2019. However, with the gradual opening up of economic activities since the resumption of tolling on April 20, 2020, traffic on the projects recovered quickly.

Further, toll-collection errors may amount to a loss of revenue as there is an inherent risk of under-collection of toll fees given that most users of toll roads pay in cash. Any significant failure by us to monitor and control leakage in toll-collection systems could materially and adversely affect our business, prospects, financial condition and results of operations.

We depend on certain directors, executive officers and key employees, and the non-availability of such personnel or our inability to retain such personnel or to replace them with similarly qualified personnel, which could materially and adversely affect our business, financial condition, and results of operations.

Our business demands an experienced management team with industry expertise and skilled workforce that is familiar with the transportation infrastructure and the operation of toll roads.

Our performance depends, in part, upon the continued service and performance of certain directors, executive officers and key employees. The continued operations and growth of our business will be dependent upon being able to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense due to the scarcity of qualified individuals in the toll roads business, and we may not be able to retain our executive officers and key employees or attract and retain fresh talent. Some of our executive officers and key employees have in the past been subject to civil and criminal proceedings by governmental authorities. While no such proceedings are outstanding, some past proceedings may presently be under review by the courts, and there can be no assurance that similar or other proceedings may not arise or restart in the future. Any such proceedings against our directors, executive officers and key employees or us may take up significant management time and disrupt our business and operations, and any adverse judicial orders imposing penalties or imprisonment could materially and adversely affect our business, financial condition and results of operations. Any inability to retain our respective directors, executive officers and key employees, or the inability to replace such individuals with similarly qualified personnel, could materially and adversely affect our business, financial condition and results of operations.

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.

Our growth strategy in the future may involve strategic acquisitions of toll roads and other road assets. We may not be able to conclude appropriate or viable acquisitions in a timely manner. The success of our past acquisitions and any future acquisitions will depend upon several factors, including:

- our ability to finance and acquire operational toll roads and other road assets on a cost-effective basis;
- our ability to integrate acquired personnel, operations, products and technologies into our organization effectively;
- unanticipated problems or legal liabilities of the acquired businesses; and
- tax or accounting issues relating to the acquired businesses.

There can be no assurance that we will be able to achieve the strategic purpose of such acquisitions or operational integration or an acceptable return on such investments, which may materially and adversely affect our profits, financial condition and distributions.

Further, concession agreements for future road projects may also contain terms that are more restrictive than those under the current Project SPVs' concession agreements for the road assets or the concession agreements. These restrictions may restrict our flexibility in managing our business or projects and could in turn materially and adversely affect our business prospects, financial condition and results of operations.

The Project SPVs' concessions are illiquid in nature, which may make it difficult for us to realize, sell or dispose of our shareholding in the Project SPVs.

The Project SPVs' concessions are illiquid in nature, among other reasons, on account of market conditions, the residual periods of the concession agreements, various approvals, consents and confirmations required by the concessioning authorities as per the concession agreements, and a scarcity of disposal options and/or potential acquirers. As a result, it may be difficult for us to realize, sell or dispose of our shareholding in the Project SPVs at an attractive price, or at the appropriate time, or at all, and such illiquidity may have a material, adverse effect on our market value, business, prospects, financial condition and results of operations. Further, in addition to the restrictions on minimum holding period and divestment under the InvIT Regulations, we are required to comply with the provisions of the concession agreement including holding at least 51% of each of the Project SPVs until two years after the completion of construction/provisional commercial operation date ("COD")/appointed date with respect to each of the road assets.

Our insurance policies may not provide adequate protection against all possible risks associated with our operations.

Our primary insurance coverage includes standard fire and special perils insurance, contractor all-risk insurance and money insurance. However, there can be no assurance that all possible risks are adequately insured against or that we will be able to procure adequate insurance coverage in the future at commercially reasonable rates or at all.

Further, the road assets are subject to various risks that we may not be insured against, adequately or at all, including:

- changes in governmental and regulatory policies;
- shortages of, or adverse price movement for, construction materials;
- design and engineering defects;
- breakdown, failure or substandard performance of the road assets and other equipment;
- improper installation or operation of the road assets and other equipment;

- labor disturbances;
- terrorism and acts of war;
- inclement weather and natural disasters;
- environmental hazards, including earthquakes, flooding, tsunamis and landslides; and
- adverse developments in the overall economic environment in India.

Further, we are subject to various risks in the operation of the road assets, including on account of accidents on the road assets. Our insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent we suffer damage or loss which is not covered by insurance, or exceed our insurance coverage, such damage or loss would have to be borne by us. We can make no assurance that material losses in excess of insurance proceeds (if any at all) will not occur in the future, which could materially and adversely affect our financial condition, business and results of operations.

We are involved in certain legal and other proceedings, which may not be decided in our or their favor.

We are involved in legal proceedings or claims which are pending at different levels of adjudication before various courts, tribunals and regulatory authorities. If the courts, tribunals or regulatory authorities decide against us, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase expenses and liabilities. Any adverse decision may adversely affect our reputation, business and results of operations. For details of certain material outstanding legal proceedings, see "Legal Proceedings".

We may not be able to detect and prevent fraud or other misconduct committed by our representatives.

While we have internal controls and procedures designed to prevent fraud and misconduct by our representatives, we may not always be able to detect or prevent such fraud or misconduct in a timely manner or at all, many of which are beyond our control. If such misconduct leads to negative publicity, our image may be harmed, and our business, financial condition and results of operations could be adversely affected.

If we are unable to maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

While we manage regulatory compliance by monitoring and evaluating our internal controls to ensure that we are in compliance with all relevant statutory and regulatory requirements, deficiencies in our internal controls and compliances could arise, and we may not be able to implement, or continue to maintain, adequate measures to rectify or mitigate any such deficiencies in a timely manner or at all. As we continue to grow, there could be instances of inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

We are required to comply with Sanctions, anti-money laundering, anti-bribery and anti-terrorism financing laws and regulations. The implementation of compliance procedures and related controls may be time consuming and expensive and possibly not effective, and any past non-compliance or any future failure to comply, if any, may subject us to civil or criminal penalties and other remedial measures.

Any failure to comply with Sanctions, anti-money laundering, anti-bribery and anti-terrorism financing laws applicable to us could result in fines, penalties, criminal sanctions on our officers, disgorgement of profits, prohibitions on doing business and other remedial measures, which could harm our reputation, and materially and adversely affect our business, financial condition, results of operations and prospects. Any violations of these laws, regulations and procedures by our personnel and agents could expose us to administrative, civil or criminal penalties, fines or restrictions and would adversely affect our business, financial condition and results of operations.

Our 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. Furthermore, certain projects in Maharashtra and Gujarat contribute to a higher proportion of our revenue.

Our road assets are concentrated in the infrastructure sector and toll-road industry in India. This concentration may expose us to the risk of economic downturns in the infrastructure sector and the toll-road industry to a greater extent than if our assets were more diversified across other industries in the infrastructure sector or other sectors of the economy.

In addition, our business significantly depends on the general economic conditions, market conditions and natural disasters in the states in which we operate, in particular Maharashtra and Gujarat, where we operate the Mumbai – Pune Expressway and the NH-48 project, and the Ahmedabad – Vadodara section of NH-8 and NE-1 project. These projects contribute to a significant proportion of our revenue, and any regional slowdown in economic activity in these areas, or increased competition in these key states from alternative routes or development of alternative modes of transportation may result in a reduction in traffic on the road assets. Any of the foregoing factors could materially and adversely affect our business, financial condition and results of operations.

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.

Over the past few years, there have been agitations by political parties and local community members against the collection of tolls on local road and state highway projects, or in congested residential or commercial areas, across various states, including Maharashtra. These agitations have often turned violent and resulted in the destruction of toll-collection booths and other related property. If such events spread to our projects, which are located on national highways and other roads, it may limit our ability to collect tolls over a prolonged period and may materially and adversely affect our business, financial condition and results of operations. For instance, due to a protest against certain agricultural laws in India, tolling for the Private InvIT's Kaithal-Rajasthan project operated by KTL was halted from December 25, 2020. The protest was called off on December 15, 2021, and toll collection resumed from December 16, 2021. Further, our concession agreements provide that if our ability to collect tolls is disrupted as a result of political and other agitations over a period of over 180 days, either party to the concession agreement may terminate the agreement. While the concession agreements provide for a specified payment mechanism in the case of such termination, there can be no assurance that we will receive such payments from the concessioning authorities in a timely manner or at all, or that any such payments may not be adequate to recover our investment or provide a return, which may materially and adversely affect our business, financial condition and results of operations.

We may be unable to renew or maintain the statutory and regulatory permits and approvals required to operate our road assets.

We are required to obtain and maintain certain permits, approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by various regulatory and governmental authorities for operating the road assets. For further details, see "Regulation". Certain approvals may lapse in normal course and we may make applications to the appropriate authorities for renewal of such licenses and/or approvals. If we or our third-party contractors fail to obtain or maintain such approvals, or if there is any delay in obtaining or renewing such approvals, our business, financial condition and results of operations could be materially and adversely affected. Further, these permits, approvals, licenses, registrations and permissions could be subject to several conditions, and we can give no assurance that we would be able to continuously meet such conditions, or be able to prove compliance with such conditions to the relevant statutory authorities. This could lead to the cancellation, revocation or suspension of the relevant permits, licenses or approvals, which may result in the interruption of our operations and may materially and adversely affect our business, financial condition and results of operations.

Any outbreaks of contagious diseases, such as the outbreak of COVID-19, may have a material adverse effect on our business operations, financial condition and results of operations.

Outbreaks of contagious diseases, such as novel strains of COVID-19, the H1N1 virus (Swine Flu) or the H7N9 strain of flu (Avian Flu) could be severe and widespread and may result in protracted volatility in international markets and/or result in a global or local recession or depression as a consequence of disruptions to travel, tourism, retail segments and supply chains. In particular, the COVID-19 pandemic has caused stock markets worldwide to experience significant volatility and has impacted economic activity worldwide. In response to the COVID-19 pandemic, over the period from 2020 to 2022, the GoI introduced various preventative or protective measures, such as nation-wide lockdowns. These measures have had a disruptive impact on business operations throughout India.

For example, as part of the GoI's response to the COVID-19 pandemic, the National Highway Authority of India (the "NHAI") temporarily suspended toll collection at toll plazas across India from March 25, 2020, to April 19, 2020. During this period, we saw a significant decrease in the average monthly toll revenue as compared to the same period in financial year 2019. The GoI also implemented an economic stimulus package of Rs.20,000 trillion to support economic recovery. With the gradual opening up of economic activities and the introduction of the economic stimulus package, since the resumption of tolling on April 20, 2020, traffic on the projects recovered quickly.

The NHAI also offered certain extensions of concession period by three to six months to compensate for reduced revenue due to the COVID-19 lockdowns, and, additionally, the NHAI offered certain loans to the Project SPVs to meet interest/principal repayments of project loans as well as operation and maintenance ("O&M") expenses during the COVID-19 pandemic.

There can be no assurance that the policies and controls for outbreak prevention and disease recurrence will be successful in preventing disease outbreaks or recurrences or that actual or suspected outbreaks of COVID-19 or other contagious diseases affecting India or elsewhere will not occur. There can also be no assurance that any future outbreak of contagious disease will not have a material adverse effect on our business, financial condition and results of operations.

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

Our business will be subject to environmental, health and safety laws and regulations and various labor, workplace and related laws and regulations in India and requirements under the concession agreements. For further details, see "Regulation". Any changes in, or amendments to, these standards or laws and regulations could further regulate our business and could require us to incur additional, unanticipated expenses in order to comply with these changed standards. Furthermore, our operations and construction activities may create environmental hazards or cause damage to the environment. If we fail to meet safety, health and environmental requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us. Penalties imposed by regulatory authorities on us or third parties upon whom we depend may also disrupt our business and operations.

There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future. Clean-up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, could materially and adversely affect our business, prospects, financial condition and results of operations.

Stringent labor laws may harm our ability to have flexible human resource policies and any labor unrest may negatively affect our operations, cash flows and overall profitability.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal, imposes financial obligations on employers upon employee layoffs and regulates contract labor. These laws may restrict our ability to have human resource policies that would allow us to react swiftly to the needs of our business, discharge employees or downsize. We may also experience labor unrest in the future, which may disrupt our operations. If such delays or disruptions occur or continue for a prolonged period of time, our cash flows and overall profitability could be negatively affected. We also depend on third party contract labor. It is possible under Indian law that we may be held responsible for wage payments to these laborers if their contractors default on payment. We may be held liable for any non-payment by contractors and any such order or direction from a court or any other regulatory authority may harm our business, prospects, financial condition, results of our operations and cash flows.

Our 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.

We are susceptible to changes in interest rates and the risks arising therefrom. For details, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosure about Market Risk – Interest Rate Risk”. These financing agreements entail interest at variable rates with a provision for the periodic reset of interest rates. Currently, certain of our borrowings are at floating rates of interest. Further, under our financing agreements, the lenders are entitled to change the applicable rate of interest depending upon the policies of the RBI and, in the event of an adverse change in the Project SPVs’ credit risk rating. Any increase in interest rates may adversely affect our results of operations, financial condition and cash flows.

We face risks relating to the Private InvIT and our Company has guaranteed a portion of the borrowings of the Private InvIT’s Project SPVs.

Following our “Bid, Execute, Stabilize and Transfer” (“BEST”) strategy, we focus on the capital efficiency of our investments by bidding from or transferring assets from time to time to the Private InvIT (in which we hold a 51% equity interest). We act as the Private InvIT’s sponsor and project manager and hold a 51% stake in the Private InvIT while the remaining 49% is held by affiliates of GIC (which holdings may change from time to time). The investment manager of the Private InvIT is MMK Toll Road Private Limited (a joint venture in which we hold a 51% stake), and the trustee is IDBI Trusteeship Services Limited. The Private InvIT holds 12 BOT projects and 3 TOT projects. Of these BOTs, 9 are operational and 3 are under construction. The Private InvIT’s 12 BOT projects include the Ganga Expressway project, which is currently under construction, and whose transfer from the Company to the Private InvIT is expected to be effected once 50% of construction completion is achieved. However, as a result of these transfers, our financial condition and results of operations may not be comparable from period to period. We expect to continue to grow in similar manner going forward with equity commitments from the Company being limited to 51% of total requirement. We are required to provide and have provided certain guarantees and capital expenditure contributions to the Project SPVs. The Private InvIT was established in January 2020 and therefore has a limited operating history and it may not be able to operate its business successfully or generate sufficient cash flows to make or sustain distributions. In addition, we do not have full control over the Private InvIT. If the Private InvIT is not managed effectively and efficiently, our interest in the Private InvIT may be adversely affected. Further, in the event any of the guarantees provided by the Company are invoked, we may not have sufficient monies available with us to discharge the Notes.

Shares of the Private InvIT and the Project SPVs are pledged in favor of lenders, who may exercise their rights under the respective share pledge agreements in the event of default under relevant financing agreements.

Shares of the Private InvIT have been pledged in favor of lenders and additional shares may be pledged from time to time. Further, shares of the Project SPVs are pledged in favor of the lenders to such Project SPVs to secure loan facilities obtained by the Project SPVs. 51% of the equity share capital of each of the Project SPVs has been pledged in favor of their respective lenders.

If there are any defaults in payment or any breach under the relevant financing agreements, the lenders may exercise their right to enforce the security interest under the financing agreements, including by taking ownership of the pledged shares, selling the pledged shares to any third-party purchaser, and exercising voting rights in respect of the pledged shares on any matter at any meeting of the members of the Private InvIT or the relevant Project SPVs, as the case may be.

If any such event occurs in respect of the Project SPVs, we may not be able to fully recognize revenue attributable to these Project SPVs, if at all. In addition, if we lose ownership or control of any of our Project SPVs, our business, results of operations and financial condition would be adversely affected.

We enter into related-party transactions. We may achieve more favorable terms if such transactions were entered into with third parties.

We have in the course of our business entered into, and will continue to enter into, transactions with related parties. The procedure with respect to such related party transactions is subject to modification by law, which may have a material adverse effect on us. Further, there can be no assurance that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. The transactions that we will enter into may involve conflicts of interest which may be detrimental to us. See “Related Party Transactions”. There can also be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition and results of operations, including because of potential conflicts of interest or otherwise.

We may be required to develop our road assets, which may present additional risks to us.

A concession agreement may be revoked by the concessioning authority if we fail to comply with a material term of the relevant concession agreement, such as our receipt of final completion certificates. The receipt of final completion certificates is subject to the completion of all conditions specified in the respective provisional completion certificates, such as the creation of an avenue plantation, the construction of certain portions of a concrete lined drain, the completion of tree plantation, the construction of median gaps, landscaping, the provision of street lights and raising the height of the kerb at specified locations. Some of these activities are subject to the receipt of certain approvals and/or resources from the concessioning authority and may not be completed in a timely manner or at all. If we are unable to complete the pending items listed in the provisional certificate, the concession agreement may be terminated. For more details of the conditions specified in the provisional completion certificates, see “Regulation”.

In accordance with the terms of the concession agreements, should threshold levels of traffic set out in the concession agreements be exceeded, we may be required to undertake certain development of the road assets during an extended concession period by way of construction of additional lanes to the road assets. Any future requirement to undertake such development may present additional risks to us. Certain concession agreements may provide for penalties or termination of such agreement for late or non-completion of specified development of the road assets.

Our business, financial condition, reputation and results of operations may be materially and adversely affected if the completion of certain development of the road assets and the conditions specified in the provisional completion certificates is delayed or not achieved in the specified manner. We may not complete these in the time expected or at all. Further, potential liabilities that may arise from delays or shortfall in performance of contractors may not be accurately estimated as part of the planned costs of development of the road assets or conditions specified in the provisional completion certificates, and damages that may be claimed from such contractors may not be adequate to compensate any loss of revenues or profits resulting from such delays, shortfalls or disruptions. Such risks may increase if completion is delayed for an extended period. If we fail to manage any of the aforesaid risks or any unforeseen risks effectively, our revenues, profitability and results of operations could be materially and adversely affected.

We depend on various third parties to undertake certain activities in relation to the O&M of our road assets. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to effectively operate or maintain the road assets.

We depend on the availability and skills of third-party employees and contractors pertaining to the O&M of the road assets. The services of such third parties may not continue to be available at reasonable rates in the areas in which we conduct our operations. We may also be exposed to risks relating to the ability of such third parties to obtain requisite approvals for the O&M activities, as well as the quality of their services, equipment and supplies. In particular, failure to ensure the reliability and sustainability of toll collectors who are required to man the toll booths continuously may materially and adversely affect our overall level of net revenue. We may also be exposed to civil and criminal liability in relation to the actions of other third parties, including our employees and contractors. Further, our results of operations could be materially and adversely affected by disruptions caused by strikes, work stoppages, increased wage demands or labor union action by the employees of such third parties.

Further, if we undertake limited development, while we may sub-contract our construction work, we may still be liable for accidents on our projects due to defects in design and quality of construction of our projects during their construction and operation. In addition, such contractors or their sub-contractors may not continue to hold or renew valid registrations under the relevant labor laws in India or be able to obtain the requisite approvals for undertaking such construction and operation. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to manage the O&M of the road assets under the concession agreements in a timely manner or at all. Additionally, any early termination of sub-contracted work will require us to find suitable replacements at the original cost, which we may be unable to do in a timely manner, or at all. Any of the foregoing factors could materially and adversely affect our business, financial condition, reputation and results of operations.

We may be held liable under Indian laws for the payment of wages to contract laborers engaged indirectly in our operations.

We appoint independent contractors who, in turn, engage on-site contract laborers to perform certain operations. Although we do not engage these contract laborers directly, if any independent contractor defaults, we may be held responsible for any wage payments that must be made to such laborers. We are required to ensure that at all times we are compliant with the provisions of the newly enacted Code on Wages, 2019 and the rules thereunder (the “Wage Code”), as otherwise the relevant authorities could proceed against us for defaults committed by such independent contractors.

Any violation by us of the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended from time to time, (“Contract Labour Act”), including the Wage Code, may result in penalties pursuant to the provisions of the Contract Labour Act. Additionally, under the Wage Code we are required to pay the amounts payable to contractors in advance so that the contract laborers engaged through such independent contractors receive timely payment of their wages in accordance with the Wage Code. Further, if a contractor fails to pay minimum bonus to his contract laborers and we receive written information about the same, on confirmation of such failure, we will become responsible for such payment.

We are required to pay the wages of the contract laborers and are accordingly subject to strictures and penalties under the Contract Labour Act, and the Wage Code, our reputation, results of operations, cash flows and financial condition could be materially and adversely affected.

The cost of implementing new technologies for collection of tolls and monitoring our projects and refurbishing existing equipment could materially and adversely affect our business, financial condition and results of operations.

Our success will depend in part on our ability to respond to technological advances and emerging standards and practices on a cost-effective and timely basis. In addition, rapid and frequent technology and market-demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-downs of assets. Any failure by us to successfully adopt such technologies in a cost-effective and timely manner could increase our costs. Additionally, governmental authorities may require adherence with certain technologies in the execution of projects and we may not be able to implement the same in a timely manner or at all. Any of the foregoing circumstances could materially and adversely affect our business, financial condition and results of operations.

In addition, some of the equipment to be used by us at the toll roads have pre-determined useful lives and we are required to replace or refurbish such equipment at periodic intervals. Such replacement or refurbishment may not be undertaken in a cost-effective manner and any increased costs to us as a result of such replacement or refurbishment will adversely affect our profit margins and cash flows.

There may be interruptions in our information technology systems, including the operation of the automated toll accounting and administrative systems at the toll roads.

We rely on sophisticated information technology systems and infrastructure to support our businesses. In particular, the toll roads are managed, in part, by third-party hardware and software which account for and administer the collection of tolls. These information technology systems may be susceptible to outages due to fire, explosions, floods, power loss, telecommunications failures, cyberattacks, security breaches, and similar events. Information technology system failures, network disruptions and breaches of data security could disrupt our operations. Although we take steps to protect our systems from security breaches and unauthorized access by third parties, such efforts may be unsuccessful due to software glitches, employee error or malfeasance, government surveillance, or other factors. Further, if our systems or software were to malfunction, the accuracy of our traffic data and our ability to correctly identify and classify vehicles would be adversely affected, which may lead to underreporting of toll revenue, among other things. If any unforeseen event were to render all or part of our information technology systems or toll collection computer systems non-operational, or in the event that these systems malfunction and are not able to be restored quickly, our business may be harmed and our ability to meet our payment obligations may be impaired. There can be no assurance that our business continuity plans will be completely effective during an information technology failure or interruption. Such failures could have an adverse effect on our business, financial condition and results of operations.

Delays in the completion of construction of our current and future projects could lead to cost overruns or termination of the concession agreements entered into in relation to such projects, which could adversely affect our business, results of operations, financial condition and cash flows.

Our projects are subject to specific completion schedules and we provide the relevant concessioning authorities with performance securities or bank guarantees which are valid for varied periods as stipulated in the concession agreements relating to such projects. Our BOT, HAM and TOT projects are required to achieve commercial operation not later than the scheduled commercial operation dates specified under the relevant concession agreements, or by the end of the applicable extension period, if any is granted by the concessioning authority. Subject to certain customary exceptions such as the occurrence and continuance of force majeure events that are beyond our control, or delays that are solely attributable to the concessioning authority, failure to adhere to contractually agreed timelines or extended timelines could require us to pay liquidated damages as stipulated in the concession agreement or lead to encashment and/or appropriation by the relevant concessioning authority of bank guarantees or performance securities provided by us in connection with the relevant project. The concessioning authority may also be entitled to terminate the concession agreement in the event of delay in completion of the work if the delay is not on account of any agreed exceptions. With respect to some of our projects, in the event of termination for any of the aforesaid reasons, we may only receive partial payments under the applicable concession agreements and such payments may be less than our estimated revenues from such projects. Further, we may not be able to obtain extensions for projects on which we face delays or time overruns.

In addition to the risk of termination by the concessioning authority, delays in completion of our projects may result in cost overruns, lower or no return on capital and reduced revenue, thus adversely affecting the project's performance, as well as failure to meet scheduled debt service payment dates and increased interest costs from our financing agreements for the projects. Such delays could adversely affect our business, cash flows, results of operations and financial condition.

Further, for our projects under development, the concession agreements require us to complete the financing for the project within a specified period relating to such projects. In the event of delay in completing the financing for the project, the concessionaire is typically entitled to a limited extension, subject to payment of damages to the concessioning authority calculated at a specified rate of the performance security for each day of delay.

Moreover, tolling for our four-to-six lane projects commences at the beginning of the concession period at a rate of 75% of the wholesale price index ("WPI"), and increases to 100% of WPI upon completion of construction. Delays in the completion of our construction will delay our ability to achieve higher toll collections for our four-to-six lane projects.

Timely completion of construction of our projects is subject to various execution risks as well as other matters, including receipt of relevant approvals for such projects. We may not complete the financing for our projects to the satisfaction of the concessioning authority as provided in the relevant concession agreements or complete our current and future projects within specified schedules or at all, which may adversely affect our business, results of operations, financial condition and cash flows.

Our construction work and operations depend on the timely supply of construction materials and equipment on commercially acceptable terms.

Our construction operations require supplies of various bulk construction materials including steel, cement, bitumen, stone and stone aggregates. For our EPC contracts, we may also be required to procure various equipment relating to such projects. Our ability to pass on increases in equipment and construction materials costs may be limited under fixed-price contracts with limited price variation provisions. Fuel costs for operating our construction and other equipment also constitute a part of our operating expenses. The prices and supply of construction materials and equipment depend on factors beyond our control, including general economic conditions, competition, production levels, transportation costs and import duties. Unanticipated increases in equipment, construction materials or fuel costs which are not taken into account in the bids we submit for projects may adversely affect our results of operations.

We have not entered into any long-term supply contracts with suppliers of our construction materials. We typically use third-party transportation providers for the supply of most construction materials. Transportation strikes by, for example, members of various Indian truckers' unions and various legal or regulatory restrictions placed on transportation providers have had in the past, and could have in the future, an adverse effect on delivery of construction materials. Transportation costs have also been steadily increasing, and the price of construction materials could also fluctuate. If we are unable to procure the requisite quantities of construction materials for our projects in time and on commercially acceptable terms, our results of operations and financial condition could be adversely affected.

We also depend on the availability of stone used in our construction work, some of which is sourced from the stone quarries leased to us. Stone quarrying and related mining operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources, any of which could disrupt our operations or cause damage to persons or property. The occurrence of industrial accidents, such as explosions, fires, transportation interruptions and inclement weather, as well as any other events with negative environmental consequences, could adversely affect our operations by disrupting our ability to extract stone chips from the mines we operate or exposing us to significant liability.

Delays in the acquisition of private land by the government or eviction of encroachments from government owned land or other failures or delays by the government in completing their obligations may adversely affect the timely performance of our contracts leading to disputes with the government.

Road projects undertaken as part of our construction and development business depend on procurement of unencumbered contiguous land. Failure to acquire unencumbered contiguous land by the Gol or state governments or other concerned agencies under the concession agreements could result in changes, delays or abandoning of the projects, which in turn could adversely affect our business and financial condition.

Pursuant to the terms of our concession agreements, government entities are required to acquire or license or secure rights of way over, tracts of land, or to hand over unencumbered land, free of encroachments to us. Delays in any of the foregoing may result in delays in project implementation prescribed by the relevant concession agreement and cause consequent delays in commencement of construction or termination of the concession agreement on account of a material default by the concessioning authority. For example, in 2019, we acquired two HAM projects for the four-laning of Puducherry-Poondiyankuppam and Poondiyankuppam-Sattanathapuram highways, which were terminated due to the inability of the concessioning authority to acquire the necessary land for the projects, and for which the concessionaire was compensated Rs.75 million and Rs.125 million,

respectively. Such events may also lead to disputes and cross-claims for liquidated damages between us and the relevant government entity with whom we have contracted. Additionally, a failure to acquire land may lead to a change of scope of the project or payment delays or disputes with the relevant government entity. We will also continue to face risks associated with project implementation, which could be due to reasons beyond our control, including non-availability of environmental clearances, delay in acquisition of land by the relevant government authority, or other delays caused by the relevant concessioning authority.

Any delays or inability to complete land acquisitions or other obligations by relevant government entities may also result in increases in the price of construction materials from our original estimates, which we may not be able to pass on to users of toll roads. Further, we may be exposed to legal proceedings or claims by landowners objecting to the acquisition of their land for our projects. Such factors could adversely affect our business, results of operations and financial condition.

Information relating to our order book may not be representative of our future results.

As of December 31, 2023, our order book was Rs.361,852.59 million. This comprised Rs.64,046.55 million of construction under progress, Rs.5,220.00 million of construction orders to be executed and Rs.292,586.04 million of O&M. Our order book as of a particular date consists of estimated revenue from unexecuted or uncompleted portions of our “existing contracts”, i.e., the total contract value of such “existing contracts” as reduced by the value of construction work executed until such date. In our order book, “existing contracts” include only construction of a BOT, HAM or TOT project, for which we have received a letter of award, irrespective of whether or not definitive contracts have been executed for such projects as of such date. Order book information provided by us is neither audited nor reviewed by our auditors and does not necessarily indicate future earnings related to the performance of such contracts. If we do not achieve our expected margins or suffered losses on any of these contracts, this could reduce our income or cause us to incur a loss.

Although projects in our order book represent business that we consider firm, cancellations or scope adjustments may occur. Due to changes in project scope and schedule, we cannot predict with any certainty when or if the projects in our order book will be performed and will generate revenue. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or dispute the amounts owed to us. There may also be delays associated with collection of receivables from clients. Any delay, cancellation or payment default could adversely affect our cash flow position, revenues or profits. If we do not achieve expected turnover, margins or suffer losses or termination or cancellation of any of these contracts, we may incur losses or our total income could be adversely affected. Investors are cautioned against placing undue reliance on the information relating to our order book included in this offering memorandum.

Our business depends on infrastructure development and construction projects undertaken by a limited number of Gol or state government entities and we derive a significant proportion of our revenues from our contracts with them.

Our business depends on infrastructure development and construction projects undertaken by government entities and funded by governments or international and multi-lateral development finance institutions. For example, in January 2024, the NHAI announced that it had identified 53 road projects of a combined total of approximately 5,200 km, worth Rs.2.1 lakh crore, to be awarded on a BOT model, and invited bids for seven of such projects. Contracts awarded by the Gol and various state government entities, particularly the NHAI, have historically accounted, and we expect will continue to account, for a substantial part of our revenues. Our business also significantly depends on our maintaining relationships and strategic alliances with these clients. The loss of any significant client could adversely affect our business and results of operations.

Further, we have derived, and will continue to derive, a significant proportion of our revenue from the roads development sector. Any adverse change in the policies adopted by the Gol or state governments regarding award of projects, eligibility for bidding or our existing relationship with the Central and state governments could adversely affect our ability to win such projects. In addition, we benefit from policies adopted by the Gol and state governments in respect of infrastructure developments, including incentives granted, resource and budgetary allocation and concessions. Any changes in these existing policies pertaining to incentives granted, could adversely affect our existing projects and opportunities to secure new projects. For details of these policies and incentives, see “Regulation”.

Moreover, any adverse changes in Gol or state government policies may lead to our agreements being restructured or renegotiated or a decrease in the concession period, which could adversely affect our financing, capital expenditure plans, asset utilization, revenues, cash flows or operations relating to our existing projects as well as our ability to participate in competitive bidding or bilateral negotiations for our future projects.

We follow certain accounting policies for our BOT, HAM, TOT and construction operations. If any change in law, or interpretation, or Ind AS requires a change in such accounting policies, our financial results may be adversely affected.

We recognize revenue generated from our construction operations in accordance with Indian Accounting Standard 115 issued by the ICAI. Under the method, contract revenue and contract cost associated with the construction of roads is recognized as revenue and expenses, respectively, by reference to the stage of completion of the projects as of the balance sheet date. The stage of completion of the project is determined by the proportion that percentage of work performed up to the balance sheet date bears to the total contract work to be completed. Where the outcome of the construction cannot be estimated reliably, revenue is recognized to the extent of the construction costs incurred if it is probable that they will be recoverable. If the total contract cost is estimated to exceed total contract revenue, we provide for foreseeable loss.

Our BOT, HAM and TOT contracts are governed by concession agreements with government authorities (grantor). Under these agreements, the operator gets “toll collection rights” against the construction services incurred. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realized. Accordingly, in the case of BOT, HAM or TOT contracts, where work is subcontracted to fellow subsidiaries of the Company, the intragroup transactions on BOT, HAM and TOT contracts and the profits arising thereon are taken as realized and not eliminated for consolidation under Indian Accounting Standards 110.

Revenue and profit in respect of such transactions for the year ended March 31, 2023, that have not been eliminated on consolidation was Rs.1,516.17 million and Rs.450.00 million, respectively. We have no revenue and profit in respect of such transactions during the nine months ended December 31, 2023. that have not been eliminated on consolidation.

For further information, see “Management’s Discussion and Analysis on Financial Condition and Results of Operations – Critical Accounting Policies – Principles of Consolidation” and our Consolidated Financial Statements and our Unaudited Condensed Interim Consolidated Financial Statements included elsewhere in this offering memorandum. Consequently, any change in law or Ind AS which requires a change in our accounting policies, could adversely affect our financial results.

We may not be able to secure financing for certain infrastructure development projects awarded to us.

We may not be able to secure adequate financing for our future projects on terms favorable to us or at all, or obtain relevant permits, licenses or approvals for such projects within reasonable periods of time. Private InvIT is in the process of arranging for financing for its TOT projects TOT 12 and TOT 13.

Further, the development of new BOT, HAM and TOT projects involves various risks including regulatory risk, construction risk, financing risk and the risk that such projects may ultimately prove to be unprofitable. We may not succeed in any of these new projects or recover our investments. Any delay or failure in the development, financing or operation of any of our new projects may adversely affect our business, results of operation and financial condition.

We are subject to restrictive covenants under our concession agreements that could limit our flexibility in managing our business or projects.

Our concession agreements contain restrictive covenants and obligations, such as:

- requirement for the consent of the concessioning authority to undertake certain actions including amendment, modification or replacement of project agreements, creation of encumbrance or security interest, selection or replacement of contractors;
- payment of liquidated damages to the concessioning authority in certain cases;
- minimum shareholding requirements, including transfer restrictions on the equity shares of the Project SPV holding and operating the project;
- setting up of escrow arrangements for toll proceeds;
- construction of additional and competing toll roads by the concessioning authorities or the Gol or state governments without our consent;
- ability of the concessioning authority to change the scope of the project;
- periodic operations and maintenance obligations;
- indemnity to the concessioning authority for certain actions;
- termination of our concession agreement by the lenders and the concessioning authority in the event of default; and
- the step in rights of lenders and the relevant concessioning authority.

The concession agreements also contain provisions that mandate substitution clauses in the project agreements. Such substitution clauses allow the concessioning authority to step into project agreements in place of the Project SPV if the concession agreements are suspended or terminated due to a breach or default by such Project SPV. The concession agreements also provide that the lenders to Project SPV may substitute the Project SPV with new concessionaires approved by the concessioning authority in the event of a default by the Project SPV under the relevant concession agreements, financing agreements or other project agreements. Additionally, the NHAI or lenders may substitute the Project SPV as well as the selected bidder or the consortium members of the relevant toll road project in the event of a “financial default” by such Project SPV, which includes situations in which the NHAI or lenders have reasons to believe that the Project SPV is likely to face financial distress and is likely to default in the compliance of the terms of the relevant concession agreement. While approving such substitutions, the NHAI may also impose a penalty on the defaulting Project SPV, subject to a cap of 1.0% of the total project cost.

Further, the NHAI has the authority to terminate the concession at any point if in its sole opinion, the deferred premium along with debt due is more than potential fee flows available from the project for the balance period of the concession. The concessionaire is also required to install interoperable electronic toll collection systems at its own costs and integrate its collection or traffic administration systems with that of the NHAI. Additionally, we may be restricted in our ability to increase toll rates, sell our interests to third parties, undertake expansions and contract with certain third parties. These restrictions may restrict our flexibility in managing our business or projects and could in turn materially and adversely affect our business and prospects.

We may be subject to warranty and indemnity claims and remedial and other costs relating to our projects.

With respect to our BOT, HAM and TOT projects, we may be subject to claims resulting from defects arising from workmanship, procurement and/or construction services provided by us within the applicable defect liability periods under the various project documents. Actual or claimed defects in equipment procured and/or construction quality could give rise to claims, liabilities, costs and expenses relating to loss of life, personal injury, damage to property, equipment and facilities or suspension of operations. Our policy of covering these risks through contractual limitations of liability, indemnities and insurance may not always be effective. A failure to meet quality standards could expose us to the risk of liability claims during the project execution period when our obligations are typically secured by performance

guarantees, and during the defects liability period, which typically range from 12 months to 60 months from the completion of work under EPC contracts. Certain of our concession agreements also include a defects liability period that lasts for 120 days from the termination of the respective concession agreement. Any defects in our work could also result in customer claims for damages. In defending such claims, we could incur substantial costs and be subject to adverse publicity. Management resources could be diverted away from the day to day running of our business towards defending such claims. If any defects are not rectified to the satisfaction of our clients, the clients may decide not to return part or all of the retention monies under the project documents. Additionally, project documents may stipulate unlimited liability arising out of work defects.

Our BOT, HAM and TOT agreements provide that, following the concession period, fee booths and offices are required to be handed over to the relevant government entity in an acceptable condition. We may incur additional costs in ensuring that such fee booths and offices are handed over in an acceptable condition.

The O&M of road projects under concession agreements involves many operational risks, including labor disputes, as well as the breakdown or failure of equipment and processes. Our concession agreements require us to provide a performance bond, usually in the form of a bank guarantee, in connection with the completion of our projects within the scheduled time period. If the work is not completed within the scheduled time period, we are liable for liquidated damages in accordance with the terms of the concession agreement. Further, such liquidated damages payable by us may be adjusted against the relevant performance bond that we have provided. Similarly, if we do not maintain road projects in accordance with standards as agreed between the parties, the Gol, the concessioning authority or the relevant state government may, at its own cost, remedy any defects, with us being required to reimburse the Gol, the concessioning authority or the state government for such costs.

Further, the indemnification provisions in our project agreements are very broad. We may be required to indemnify certain government entities from the commencement of work on a project to the handing over of the project facility against all claims by any parties resulting from damages, accident or any other reason whatsoever to persons or vehicles using the relevant project roads.

If we incur any of the aforementioned liabilities or costs or are required to pay damages or reimburse governmental or other entities, our business, results of operations and financial condition may be adversely affected.

Our inability to collect receivables from concessioning authorities on time or at all may adversely affect our business, results of operations, financial condition and cash flows.

There may be delays associated with the collection of receivables from concessioning authorities and other third parties, including Gol or state government owned, controlled or funded entities and related parties. As of December 31, 2023, on a consolidated basis, Rs.5,989.26 million of our trade receivables were outstanding. We may not collect our receivables in time or at all, which may adversely affect our cashflows, results of operations, financial condition and cash flows.

Infrastructure development projects have substantial capital requirements and we may not be able to raise the required capital for such projects.

Infrastructure projects are typically capital intensive and require high levels of debt financing. We intend to pursue a strategy of continued investment in infrastructure development projects. Our available financial resources for implementing these projects, based on our internal studies and estimates, may be inadequate and in implementing these projects, we may face cost overruns due to circumstances beyond our control. The actual amount and timing of capital requirements may differ from our estimates. If we decide to meet these capital requirements through debt financing, our interest obligations will increase and we may be subject to additional restrictive covenants that may impair our ability to undertake infrastructure projects.

Our ability to arrange for financing on commercially acceptable terms depends on numerous factors, including general economic and capital market conditions, availability of credit from banks and financial institutions, investor confidence, the success of our infrastructure development projects and other factors outside our control. If prevailing conditions in the global and Indian credit and financial markets adversely affect availability of credit leading to an increase in the cost of financing, we may have difficulty accessing the financial markets, which could make it more difficult or expensive to obtain funding. In addition, lenders may require us to invest increased amounts of equity in a project in connection with both additional financing arrangements and the extension of existing financing arrangements.

Our ability to raise funds, either through equity or debt, is limited by certain restrictions imposed under Indian law. We may not be able to raise adequate capital in a timely manner and on acceptable terms or at all. Our failure to obtain adequate financing may result in a delay, scaling back, or abandonment of existing or future projects which in turn may adversely affect our business, results of operations, financial condition and cash flows.

We have high working capital requirements. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, our business and results of operations could be adversely affected.

Our business requires a significant amount of working capital for activities including the performance of engineering, construction and other works on projects before we receive payment from our clients. We may need to incur additional indebtedness to satisfy our working capital needs.

Our working capital requirements may increase if, under certain contracts, payment terms include reduced advance payments or payment schedules that specify payment towards the end of a project or that are less favorable to us. In addition, our working capital requirements may increase if we are required to advance funds to develop projects under fixed price contracts or become involved in lengthy recovery proceedings to recover these amounts from our clients. All of these factors may result in increases in the amount of our receivables and short-term borrowings. Continued increases in working capital requirements may adversely affect our financial condition and results of operations.

It is customary in our business to provide letters of credit, bank guarantees or performance bonds in favor of clients to secure obligations under contracts. If we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to enter into new contracts could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs and limits our ability to provide new performance bonds, guarantees, and letters of credit, and to repatriate funds or pay dividends. We may not be able to continue obtaining new letters of credit, bank guarantees, and performance bonds in sufficient amounts to match our business requirements.

Our revenue from our construction and infrastructure development businesses depends upon the award of new contracts and payment terms under such contracts.

We derive revenue from contracts awarded to us on a project-by-project basis. Generally, it is difficult to determine whether or when we will be awarded a new contract since several potential contracts involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, governmental approvals and environmental matters. Since our revenues are derived primarily from these contracts, our results of operations and cash flows can fluctuate materially from period to period depending on the timing of contract awards.

The uncertainty associated with the timing of contract awards may increase our cost of doing business over a short period or a longer term. For instance, we may decide to maintain and bear the cost of a workforce in excess of our current contract needs in anticipation of future contract awards. If an expected contract award is delayed or not received, we could incur costs in maintaining an idle workforce that may materially and adversely affect our results of operations. Conversely, reducing our workforce could also impact our results of operations if we are unable to adequately staff projects that are awarded subsequent to a workforce reduction.

Due to the nature of our contracts, we sometimes commit resources to projects prior to receiving advances or other payments from the client in amounts sufficient to cover expenditures on projects as they are incurred by us. Delays in client payments may require us to make a working capital investment. If a client defaults in making its payments on a project on which we have devoted significant resources, or if a project in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could materially and adversely affect our results of operations and financial condition.

We account for the expenditure incurred in respect of any additional costs, deviations and delays with respect to a project in the financial year in which they are incurred. Further, claims by us in relation to such additional costs, deviations or delays are only accounted for as income in the financial year in which we receive an acceptance or evidence of acceptance from the client or an arbitration award in our favor. Often these awards or acceptances are subsequently challenged in court or disputed. Any adverse judicial decisions could materially and adversely affect our business, results of operations, financial condition or cash flows.

The road infrastructure sector is intensely competitive and our inability to compete effectively with other road operators or maintain road asset usage levels against alternative roads or modes of transportation, may adversely affect our business, results of operations, financial condition and cash flows.

We face significant competition for acquisition of projects from a large number of infrastructure and road development companies who also operate in the same regional markets as us. While technical capacity and performance and personnel, as well as reputation and experience, are important considerations in the concessioning authority's decision, price is a major factor in most tender awards. Once prospective bidders clear the technical requirements of the tender, the contract is usually awarded to the most competitive financial bidder.

Some of our competitors may be larger than us, may have more financial resources or a more experienced management team, or may have more engineering experience in executing certain types of technically complex projects. Further, the premium placed on having experience may cause some of the new entrants to accept lower margins in order to be awarded a contract. As a result, the nature of the bidding process may cause us and our competitors to accept lower margins in order to be awarded the contract. We may also decide not to participate in some projects as accepting such lower margins may not be financially viable and this may adversely affect our competitiveness to bid for and win contracts. We may not compete effectively with our competitors, which could adversely affect our business, results of operations, financial condition and cash flows.

The level of toll collections may also be affected by alternative modes of transportation, such as adjacent free roads, new or existing toll roads, railways or air transport. Although the concession agreements contain certain restrictions on the ability of the NHAI or the GoI to construct competing roads. The GoI is not prohibited from constructing or improving competing toll roads if the average traffic on the toll road exceeds 90% of its stipulated designed capacity. Furthermore, the GoI is restricted under the concession agreements from constructing alternative modes of travel which service the same areas as are serviced by the toll roads. We have initiated arbitration proceedings against the NHAI with respect to the construction of a competing road to our Ahmedabad – Vadodara six-laning project. For further details please see “Legal proceedings – Legal Proceedings involving the Company and Associates of the Company”.

Additionally, given the renewed focus of the GoI, at the national, state and local levels, on the development and strengthening of the highway network across India, there can be no assurance that there will not be any construction, widening or improvement of any free or toll roads, or construction of other modes of transportation, in the proximity of the toll roads or which provide an alternative or more direct routing to locations served by the toll roads. Any such construction, widening or improvement may divert traffic away from the toll roads and decrease our toll collections, which may adversely affect our business, results of operation, financial condition and cash flows.

Our ability to complete our projects in a timely manner and operate, maintain and expand our toll roads is subject to performance of our contractors.

We engage third-party contractors and sub-contractors to perform parts of our contract or provide services or manpower. We do not have control over our contractors day to day performance. There could be delays in performance of duties by our contractors, which may in turn delay the completion of our projects. We may also be exposed to risks relating to the ability of the contractors to obtain requisite approvals for O&M activities, as well as risks relating to the quality of their services, equipment and supplies. In particular, failure to ensure the reliability and sustainability of toll collectors who are required to man the toll booths continuously may adversely affect the overall level of our net revenue. In addition, under some of our concession agreements, the consent of the concessioning authority is required for any selection or replacement of an O&M contractor. Further, under certain of our financing agreements, consent of the lenders is required for replacement of the engineering, procurement and maintenance contractor and O&M contractor for the project.

Further, while we may sub-contract our construction work and may be indemnified by the sub-contractor for any loss or damage due to their default, we may still be liable for accidents on the projects due to defects in design and quality of construction of our projects during their construction and operation. In addition, our contractors or their sub-contractors may not hold or renew valid registrations under the relevant labor laws in India or be able to obtain the requisite approvals for undertaking such construction and operation. If our contractors are unable to perform as per their commitments on time or meet the quality standards required, our ability to complete projects could be impaired. Further, if a sub-contractor becomes insolvent, we may be unable to recover damages or compensation for defective work and we may incur additional expenditure as a result of correcting any defective work. Also, we may be required to renegotiate the terms of our agreements with such sub-contractors to ensure that the project is completed in a timely manner. This may adversely affect our reputation, business, results of operations, financial condition and cash flows.

Our strategy to selectively expand into new geographic areas poses risks. We may not be able to successfully manage some or all of the risks of such an expansion, which may adversely affect our business, results of operations and financial condition.

We intend to consolidate our position in the roads and highways infrastructure development sector by selectively pursuing suitable opportunities in parts of India in which we have no or only limited operations, in order to expand our portfolio and gradually reduce our dependence on any particular zone in the country. However, we may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We face additional risks if we undertake projects in other geographic areas in which we do not possess the same level of familiarity as competitors. If we undertake projects of different size or style than those currently being developed, we may be affected by various factors, including:

- adjusting our construction methods to different geographic areas;
- obtaining the necessary construction materials and labor in sufficient amounts and on acceptable terms;
- obtaining necessary governmental and other approvals in time or at all;
- failure to realize expected synergies and cost savings;
- attracting potential clients in a market in which we do not have significant experience; and
- cost of hiring new employees and absorbing increased infrastructure costs.

We may not be able to successfully manage some or all of the risks of such an expansion, which may materially and adversely affect our business, results of operations and financial condition.

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by employees as well as the unavailability of a sufficient pool of contract labor.

As of December 31, 2023, we had 3,355 permanent employees. Our employees are generally not represented by labor unions, with the exception of employees at our Mumbai – Pune Project and PDBOT. While we consider our labor relations to be good, disruptions could occur due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

We also depend on the availability of a sufficient pool of contract labor to execute our infrastructure development and construction projects. Some of our contracts provide that a significant percentage of the aggregate number of unskilled laborers employed for the relevant project must be sourced from within the district in which the work site is located. If the requisite number of contract labor is not available within such district, we may employ the rest from outside the district, with the permission of the relevant government entity. The number of contract laborers employed by us varies from time to time based on the nature and extent of work contracted to independent contractors. We enter into contracts with independent contractors to complete specified assignments. All contract laborers engaged at our projects are assured minimum wages that are fixed by the relevant state governments. Any upward revision of wages required by such state governments to be paid to such contract laborers may adversely affect our business and results of our operations.

We are exposed to significant construction risks with respect to our fixed-price EPC contracts.

Substantially all the construction work undertaken by us in the roads and highways sector for BOT, HAM and TOT projects are executed by our subsidiary MRMPL, typically on a fixed-price basis. Under the terms of such fixed-price contracts, we generally agree a fixed price for providing EPC services for the part of the project contracted to us, subject, however, to contract variations pursuant to changes in the client's project requirements and escalation clauses relating to increases in the prices of raw materials. The actual costs incurred by us in connection with the execution of a fixed-price contract may, however, vary from the assumptions underlying our bid for several reasons, including:

- unanticipated changes in engineering design of the project;
- inaccurate drawings and technical information provided by clients on which bids were based;
- unforeseen design and engineering construction conditions, site and geological conditions, resulting in delays and increased costs;
- inability by the client to obtain requisite environmental, railway and other approvals;
- delays in handing over the required right of way over the project site by the concessioning authority;
- delays associated with the delivery of equipment and materials to the project site;
- unanticipated increases in equipment costs;
- delays caused by local and seasonal weather conditions; and
- suppliers' or sub-contractors' failure to perform their obligations in a timely manner.

Under all contracts, we agree to provide certain construction activities at a rate specified in the relevant bill of quantity. The bill of quantity is an estimate of the quantity of activities involved and these quantities may be varied by the parties during the course of the project. Although the additional costs associated with actual quantities exceeding estimated quantities may not pass to us entirely, we however bear the risk associated with actual costs for construction activities exceeding the agreed upon rate, unless these contracts contain price escalation clauses. Our contracts specifically provide that no price variation is permitted in the construction cost beyond price escalation clauses.

Unanticipated costs or delays in performing part of the contract can have compounding effects by increasing costs of performing other parts of the contract. These variations and the risks generally inherent to the construction industry may result in our profits being different from those originally estimated and may result in us experiencing reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could materially and adversely affect our results of operations.

Any withdrawal, termination of, or unavailability of benefits and exemptions under the Income Tax Act, 1961 being currently availed by us may adversely affect our business, results of operations, financial condition and cash flows.

The Income tax Act, 1961 allows us to claim a ten-year tax exemption in respect of infrastructure operations which have commenced operations on or up to March 31, 2017. These tax benefits can be claimed for any ten consecutive assessment years during a twenty-year period beginning from the date of commencement of operations of an infrastructure project. The Income Tax Act, 1961 also allows us to claim deductions of capital expenditure incurred, wholly and exclusively, for infrastructure operations carried out by us during the previous year in which such expenditure was incurred, subject to certain conditions. Such benefits have resulted in significantly lower tax liabilities for our operations. However, we may be unable to continue to avail these tax benefits, which could increase our tax liabilities and reduce our liquidity and adversely affect our business, results of operations, financial condition and cash flows.

We are controlled by our Promoters and there may be potential conflicts of interest between us and our Promoters.

Our Promoters and Promoter Group holds 34.39% of the Company's equity share capital as at December 31, 2023, and exercises significant control over us. Our Promoters' interest may, in certain circumstances, conflict with our interests, or the interests of the holders of the Notes.

Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. Our Promoters may not act in our interest while exercising their rights in such entities. In addition, our Promoters could cause us to incur additional indebtedness or increase our debt service obligations, which could materially adversely affect the value of your investment in the Notes. Furthermore, there could be a conflict in interest between us and our Promoters, or any other companies in which our Promoters invest.

Risks Relating to the Notes and the Collateral

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this offering memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

On the Original Issue Date, the Notes will not be guaranteed by any of the Restricted Subsidiaries and, accordingly, the Notes will be structurally subordinated to the liabilities of the Restricted Subsidiaries.

The Notes will not be guaranteed by any of our Restricted Subsidiaries on the Original Issue Date. The Notes will be effectively subordinated to any secured obligations of the Restricted Subsidiaries to the extent of the value of the collateral securing such indebtedness and structurally subordinated to the existing and future obligations of our Restricted Subsidiaries to general creditors and liabilities arising in the ordinary course of business or otherwise, which means that such creditors generally will be paid from the relevant Restricted Subsidiaries' assets before holders of the Notes would have any claims to those assets.

Security over the Collateral will not be granted directly to the Holders.

Security over the Collateral for the obligations of the Company under the Notes and the Indenture will not be granted directly to the Holders but will be granted only in favor of the Security Trustee. As a consequence, Holders will not have direct security and will not be entitled to take enforcement action in respect of the security for the Notes, except through the Security Trustee.

The value of the Collateral may not be sufficient to repay the Notes in full.

The Notes will be secured by the Collateral as described in "*Description of the Notes – Security – The Collateral.*" For example, the Exclusive Collateral includes security over rights of, and receivables due to, the Company under the subordinated loan provided by the Company to Mumbai Pune. On the enforcement of such security, the receivables due to the Company may be reduced by money payable by the Company to Mumbai Pune under certain inter-company loans. Further, the concession agreement for the Mumbai-Pune Project may expire before the maturity date of the Notes and thus the value of the collateral would be reduced from the Exclusive Collateral of Mumbai Pune as the concession period comes to an end. In addition, the value of the Collateral in the event of liquidation will depend on many factors. In particular, the capital stock of Mumbai Pune pledged to secure the Notes only has value to the extent that the assets of the Mumbai Pune are worth more than its liabilities (and, in a bankruptcy or liquidation of the Mumbai Pune, will only receive value after payment upon all such liabilities). By its nature, the capital stock of the Mumbai Pune may be illiquid and may have no readily ascertainable market value.

Further, the security over the Collateral is being created in favor of the Holders on a *pari passu* basis and will be shared (prior to repayment in full thereof) with the Hedge Counterparties and, additionally, in the case of the Common Collateral, with any Person extending other permitted indebtedness, if any. The proceeds received on enforcement of the Collateral will be applied in accordance with the priority agreed in the Security Trustee Appointment Agreement, and the Hedge Counterparties will be paid in priority to the Holders, and lenders of other permitted indebtedness.

In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, or enforcement of the security created over the Collateral, the Company cannot assure Holders that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay the Company's obligations under the Notes. Where security has been provided over subordinated debt given by the Company to its group companies or associates as a part of the Collateral, such security may not have sufficient or any value in case the group company or associate is subject to any liquidation, bankruptcy or similar proceedings. Any claim for the difference between the amount, if any, realized by Holders from the sale of the Collateral securing the Notes and the obligations under the Notes and the Indenture will rank equally in right of payment with all of the Company's other unsecured senior debt and unsubordinated obligations.

The Notes will be effectively subordinated to any other secured obligations of the Company to the extent of the assets (other than the Collateral) serving as security for such obligations.

Except with respect to the security created in respect of the Collateral securing the Notes of the Company, the Notes will constitute unsubordinated and unsecured obligations of the Company and will rank *pari passu* in right of payment with all other existing and future unsubordinated and unsecured indebtedness of the Company, and senior in right of payment to all subordinated indebtedness of the Company, if any. However, the Notes will be effectively subordinated to any other secured obligations of the Company to the extent of the assets (other than the Collateral) serving as security for such secured obligations. In bankruptcy, the holder of a security interest with respect to any assets (other than the Collateral) of the Company would be entitled to have the proceeds of such assets applied to the payment of such holder's claim before the remaining proceeds, if any, are applied to the claims of the Holders.

The enforcement of the security interest over the Collateral may not be solely at the discretion of the Holders and may be adverse to the interest of the non-consenting Holders.

The security over the Collateral is being created in favor of the Holders on a *pari passu* basis and may be shared with the Hedge Counterparties and, additionally, in the case of the Common Collateral, certain other creditors of the permitted indebtedness of the Company.

The Company will execute the Security Trustee Appointment Agreement, appointing the Security Trustee to hold the Liens over the Collateral for the benefit of the Holders, the Hedge Counterparties and, where applicable, the lenders of Permitted Passu Secured Indebtedness. The Security Trustee Appointment Agreement also provides for the process of enforcement of Liens over the Collateral and the distribution of enforcement proceeds. Each of the creditors (including the Holders, Hedge Counterparties and future permitted lenders) which have the benefit of the security over the Collateral will have a right to enforce such security as per the terms of the underlying financing documents and can instruct the Security Trustee to enforce the Liens over the relevant Collateral. The Security Trustee Appointment Agreement requires the other lenders of the Company to be given prior notice before the initiation of the enforcement action in relation to any Collateral and give the lenders an option to join in the enforcement action of the enforcing lender. Further, the Security Trustee may be acting in multiple capacities, and as security trustee for the other future lenders of the Company, and will be required to act in accordance with the directions given by such creditors as per the underlying finance documents. Therefore, the other permitted creditors of the Company have the ability to enforce the security over the Collateral, even if the Holders do not consent to such action. In such an event, the Holders shall be entitled to the proceeds of the enforcement of security over the Collateral in accordance with the Security Trustee Appointment Agreement. Any proceeds received by a party on enforcement of the Common Collateral and all other recoveries made by the parties from such Common Collateral will be applied such that the distribution proportion provided in the Security Trustee Appointment Agreement is maintained. A description of the Security Trustee Appointment Agreement is provided in "*Description of the Notes – Security – Security Trustee Appointment Agreement*".

Further, the Security Trustee is required to take action to enforce the security interest over the Collateral in accordance with the instructions of the Trustee given under and in accordance with the Indenture. The ability of the Trustee (acting in accordance with instructions of the Holders provided pursuant to the terms of the Indenture) to enforce the security is restricted under the Indenture. If an Event of Default occurs under the Notes, the Holders holding at least 25% of the outstanding amount of the Notes may decide whether to take any enforcement action and may thereafter, through the Trustee in accordance with the Indenture, instruct the Security Trustee to take enforcement action against the security. By virtue of the instructions given to the Security Trustee described above, actions may be taken in respect of the security that may be adverse to other Holders who did not vote in favor of enforcement. In such event, the only remedy available to the Holders would be to sue for payment under the Notes.

Security ratio compliance may not be maintained immediately after the completion of this offering. The Security Coverage Ratio will be calculated at a pre-determined currency conversion rate.

Under the terms and conditions of the Notes, the Company has 60 calendar days after the Original Issue Date to be able to ensure that a Security Coverage Ratio of at least 1.1x is maintained. During such period, the Company is not required to maintain security ratio compliance and Holders will not be afforded with benefits under such covenant. Further, the currency conversion rate from USD to INR for calculation of the Security Coverage Ratio has been fixed under the Notes, and may not reflect the prevailing actual USD/INR conversion rate. See “*Description of the Notes – Security— Security Coverage Ratio.*”

Enforcing the rights of Holders under the Notes and/or the Collateral across multiple jurisdictions and enforcing foreign court judgments on the Company in India and/or other jurisdictions may prove difficult.

The Notes will be issued and secured by the Company, which is incorporated in India. The Notes and the Indenture will be governed by New York law. The Collateral will be governed by Indian law. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in New York, India and other jurisdictions (as applicable). Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of an investor’s rights. The rights of Holders under the Notes and the Collateral Documents will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that investors will be able to effectively enforce their rights in such complex multiple bankruptcy, insolvency or similar proceedings. In addition, the bankruptcy, insolvency, administrative and other laws of India may be materially different from, or be in conflict with, those with which Holders may be familiar, including in the areas of the rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction’s laws should apply, adversely affect investors’ ability to enforce their rights under the Notes and the Collateral Documents in the relevant jurisdictions or limit any amounts that they may receive.

Enforcement of security could take a relatively long period of time in India and enforcement may be subject to delays and administrative requirements. The claims and remedies available under Indian law may not be as extensive as those available in other jurisdictions. While any judgment will be made under prevailing Indian laws and regulations, no assurance can be given that the Indian courts will protect the interests of Holders in the same manner or to the same extent as would courts in other countries. As a result, it may be difficult for investors to effect service of process, including judgments, on the Company or its officers and directors or to enforce judgments obtained in non-Indian courts against the Company or its officers and directors in India.

You may be unable to enforce your rights under U.S. bankruptcy law; and the insolvency laws of India may differ from U.S. bankruptcy law or those of another jurisdiction with which you are familiar.

The Company is incorporated outside the United States under the laws of India. Under United States federal bankruptcy law, courts typically have jurisdiction over a debtor’s property, wherever located, including property situated in other countries. However, courts outside of the United States may not recognize the United States bankruptcy court’s jurisdiction. Accordingly, difficulties may arise in administering a United States bankruptcy case with property located outside the United States, and any orders or judgments of a bankruptcy court in the United States may not be enforceable outside of the United States.

Because the Company is incorporated under the laws of India, an insolvency proceeding relating to the Company, even if brought in the United States, would likely involve insolvency laws under the laws of India, the procedural and substantive provisions of which may differ from comparable provisions of United States federal bankruptcy law.

The Company is not a U.S. entity and the enforcement of the Notes or of judgments predicated upon the civil liability provisions of the U.S. federal securities laws may be subject to the uncertainties of a foreign legal system.

The Company is incorporated under the laws of India. Substantially all of our directors and officers are resident outside of the United States and substantially all of the Company's assets and substantially all of the assets of the Company's directors and officers are located outside of the United States. As a result, it may not be possible for investors to effect service of process upon the Company or such persons within the United States or to enforce against the Company or such persons outside of the United States judgments obtained in United States courts, including judgments relating to the enforcement of the Notes or the civil liability provisions of the United States federal securities laws.

The enforceability of the security granted for the benefit of the holder of the Notes will be subject to Indian law.

On enforcement of the Collateral, certain consents of third parties such as governmental or regulatory authorities may be required to foreclose the Lien over the Collateral. The Company cannot assure investors that if upon such foreclosure any consents are required, the Security Trustee (acting on behalf of and for the benefit of the Trustee and the Holders) will be able to obtain all of such approvals necessary to obtain or transfer ownership of such assets, and this could cause delays.

The Holders will not have any direct recourse to the other lenders of the Company.

The security over the Collateral is being created in favor of the Holders on a *pari passu* basis and may be shared with the Hedge Counterparties and, additionally, in the case of the Common Collateral, certain other creditors of the permitted indebtedness of the Company. The Company will execute the Security Trustee Appointment Agreement, appointing the Security Trustee to hold the Liens over the Collateral for the benefit of the Holders, the Hedge Counterparties and, where applicable, the lenders of Permitted Passu Secured Indebtedness. The Security Trustee Appointment Agreement also provides for the process of enforcement of Liens over the Collateral and the distribution of enforcement proceeds. Each of the creditors (including the Holders, Hedge Counterparties and future permitted lenders) which have the benefit of the security over the Collateral will have a right to enforce such security as per the terms of the underlying financing documents and can instruct the Security Trustee to enforce the Liens over the relevant Collateral. A description of the Security Trustee Appointment Agreement is provided in "Description of the Notes – Security – Security Trustee Appointment Agreement".

The Company will also execute an escrow account agreement with the account bank named therein, and the Security Trustee (acting for the benefit of the Holders and the Hedge Counterparties) for the establishment and operation of the escrow account. The escrow account is a part of the Exclusive Collateral and will be charged for the benefit of the Holders and the Hedge Counterparties. A description of the Escrow Account Agreement is provided in "Description of the Notes – Security – Escrow Account Agreement".

The Holders and the Trustee are not a signatory to these agreements and the rights under these agreements will not be granted directly to the Holders but will be granted only in favor of the Security Trustee (acting on behalf of and for the benefit of the Trustee and the Holders). As a consequence, the Holders will not have direct recourse and will not be entitled to take any action in respect of any breach of the obligations under these agreements, except through the security trustee (acting on behalf of and for the benefit of the Trustee and the Holders).

The Company may be unable to redeem the Notes as required upon a Change of Control Triggering Event.

If a Change of Control Triggering Event occurs, then the Company will be required to make an offer to redeem all outstanding Notes at a redemption price of 101% of their principal amount, plus accrued and unpaid interest, if any, to the Offer to Purchase Payment Date. See "Description of the Notes – Repurchase of Notes Upon a Change of Control Triggering Event." However, the Company may be unable to effect any such redemption because it might not have enough available funds at the time to pay the redemption price of the tendered outstanding Notes. In addition, any future indebtedness of the Company may limit its ability to redeem the Notes upon a Change of Control Triggering Event.

The definition of Change of Control or Rating Decline for purposes of the Indenture does not necessarily afford protection for the Holders in the event of some highly-leveraged transactions, including certain acquisitions, mergers, refinancing, restructuring or other recapitalization, although these types of transactions could increase the Company's indebtedness or otherwise affect the Company's capital structure or credit ratings.

The definition of Change of Control for purposes of the Indenture also includes a phrase relating to the sale of "all or substantially all" of the properties or assets of the Company and its Restricted Subsidiaries. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition under applicable law. Accordingly, the Company's obligation to make an offer to redeem the Notes, and the ability of a Holder to require them to redeem the Notes as a result of a Change of Control Triggering Event, as a result of a highly leveraged transaction or a sale of less than all of the Company's and its Restricted Subsidiaries assets may be uncertain.

We have a high debt to equity ratio and we may be able to incur more debt which may increase the Group's debt leverage risk and could adversely affect the holders of the Notes.

Our Adjusted Net Debt-to-Equity ratio was 0.9 as of December 31, 2023. We calculate Adjusted Net Debt-to-Equity Ratio as Adjusted Net Debt divided by Equity. We calculate Adjusted Net Debt by deducting Cash and cash equivalents, Bank balances other than cash and cash equivalents and Current investments from Adjusted Gross Debt. We calculate Adjusted Gross Debt by aggregating Non current borrowings and current borrowings excluding deferred premium obligation, interest on premium deferment, interest accrued but not due on borrowings, interest free loan from related party, unamortised transaction cost and effective interest rate impact. Subject to the restrictions in the Indenture governing the Notes, we may be able to incur additional debt and other liabilities in the future. In addition, certain types of indebtedness permitted under the Indenture may rank equally in right of payment with the Notes and could result in less cash available to make payments on the Notes.

To the extent new debt is added to the Group's current debt levels, the Group's leverage related risks, including our possible inability to fulfill the payment obligation under the Notes, would increase.

The Notes may be amended without the consent of any Holder.

The terms and conditions of the Notes can be amended in certain circumstances, without the consent of any holder. Any such amendment may be adverse to the interests of Holders.

Our ability to generate cash depends on many factors and we may not be able to generate cash required to service the Notes.

If we cannot generate sufficient cash to meet our debt service obligations or fund our other business needs, we may, among other things, need to refinance all or a portion of our debt, including the Notes, obtain additional financing, delay capital expenditures or sell assets. We cannot assure you that we will be able to generate sufficient cash through any of the foregoing. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially favorable terms or at all, we may not be able to satisfy our obligations with respect to our debt, including the Notes. If this were to occur, holders of the relevant debt would be able to declare the full amount of such debt due and payable. Our assets may not be sufficient to pay such amounts.

If we are unable to comply with the restrictions and covenants under the Notes, or any debt agreements we have entered into or will enter into in the future, there could be a default under the terms of the Notes or such other debt agreements, which could cause repayment of our debt to be accelerated.

If we are unable to comply with the restrictions and covenants under the Notes, or any of our existing or future debt obligations, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, certain of our debt agreements contain, and our future debt agreements may contain, cross-acceleration provisions. As a result, a default by us under one debt agreement may cause the

acceleration of repayment of not only such debt but also result in a default under our other debt agreements, including in relation to the Notes. If any of these events occur, we cannot assure investors that our assets and cash flows would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure investors that it would be on terms that are favorable or acceptable to us.

Restrictions imposed by the Indenture and the agreements governing our other current and future borrowings may contain covenants that limit our ability to take certain action.

The Indenture in respect of the Notes and our other current and future debt agreements may contain covenants imposing operating and financial restrictions on our business that limit our flexibility. For example, the Indenture with respect to the Notes restricts our ability to, among other things:

- incur or guarantee additional indebtedness;
- issue disqualified or preferred stock;
- declare or pay dividends or make other distributions on capital stock or purchase or redeem capital stock;
- make investments or other specified restricted payments;
- issue or sell capital stock of Restricted Subsidiaries;
- sell assets;
- create liens;
- enter into transactions with affiliates; and
- merge, consolidate, or sell, lease or transfer all or substantially all of the Company's assets.

The operating and financial restrictions and covenants in these agreements might adversely affect our ability to finance our future operations and capital needs, engage in other business activities that may be in our interest and react to adverse market developments. These restrictions also may interfere with our ability to make payments on the Notes.

The obligations of the Company under the Indenture and the Notes may not be secured for up to 60 days from the date of the Indenture. The failure of the Company to properly create, perfect and register the security interests in the Collateral securing the Notes could result in an Event of Default under the Notes, and could impair the ability of the Holders to seek repayment.

The obligations of the Company under the Indenture and the Notes and the performance of all other obligations of the Company under the Indenture and the Notes will be secured by the Collateral; however, the Company has up to 60 days from the date of the Indenture to enter into the Collateral Documents defining the terms of the security interests that secure the Indenture and the Notes and to secure the obligations of the Company under the Indenture and the Notes.

The creation, perfection and registration of the Collateral will be subject to various consents, approvals and authorizations from governmental authorities and existing lenders and such consents, approvals or authorizations may not be forthcoming. Until the Collateral Documents are entered into, the Notes issued by the Company will be unsecured. In certain cases, other lenders of the Company, may already have the benefit of security created over the Collateral as of the date of the Indenture. If the Company fails to create, perfect and register the applicable Collateral within the specified time period, an Event of Default will occur under the Notes, and the Trustee could accelerate the Notes and the Security Trustee could enforce the security interest over any Collateral for which a security interest has been perfected, pursuant to such acceleration. In such circumstances, the Company may not have sufficient resources to repay the Notes, in full or at all. Moreover, any claim of the Security Trustee in a bankruptcy or similar proceeding would be unsecured to the extent that the Company has failed to create, perfect and register any Collateral, which could limit any recovery the Holders of the Notes receive in any such proceeding.

Further, the Notes constitute direct, unconditional and unsubordinated obligations of the Company, which will, within the time period described under the Notes, be secured pursuant to the Collateral Documents. The Notes will be effectively subordinated to any other secured indebtedness of the Company which ranks *pari passu* with the Notes to the extent of the value of the assets over which the Holders of the Notes do not have security securing that other indebtedness. In the event of a bankruptcy, liquidation, reorganization or other winding up of the Company, the Company's assets that secure its senior secured indebtedness (other than the Notes) will be available to pay obligations on the Notes only after such senior secured indebtedness, together with accrued interest, has been repaid. If the Company is unable to repay its secured indebtedness, the lenders could foreclose on its assets which serve as collateral. In this event, the senior secured lenders would be entitled to be repaid from the proceeds of the liquidation of those assets which serve as collateral before those assets would be available for distribution to other creditors, including the Holders of the Notes. The Holders of the Notes will participate in the proceeds of the liquidation of the remaining assets of the Company, ratably with holders of its secured indebtedness that is deemed to be of the same class as the Notes.

Investment in the Notes may subject you to foreign exchange risks.

The Notes are denominated and settled in U.S. dollars. If an investor measures its investment returns by reference to a currency other than U.S. dollars, an investment in the Notes entails foreign exchange related risks, including possible significant changes in the value of the U.S. dollar relative to the currency by reference to which an investor measures its investment returns, due to, among other things, economic, political and other factors over which the Issuer has no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes is translated into such currency. There may be tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Notes.

Moreover, the revenues and expenses of the Issuer are, and the interest reserve created by the Issuer for the purposes of the Notes will be, denominated in Indian Rupees. There is a possibility of significant changes in the exchange rate between the Rupee and U.S. dollars, which may cause the Rupee amount maintained in the interest reserves to be insufficient to satisfy the interest servicing obligations denominated in U.S. dollars.

While the Issuer proposes to hedge their foreign currency risk in relation to the Notes, there can be no assurance the Issuer will have such foreign exchanges risks fully hedged by the time the Notes are issued or during the period while the Notes are outstanding or that the hedge, once executed, will fully cover the amount of any refinancing risk at the maturity of the Notes.

There is no public market for the Notes.

The Notes will be a new issue of securities with no existing trading market. An application has been made for the listing and trading of the Notes on the India INX for which in principle approval has been obtained. The Issuer cannot make any assurances that the Notes will qualify for listing on the exchanges or that a liquid trading market will develop for the Notes. Though the Notes may be listed on an exchange, there can be no assurance that an active market will develop for the Notes or as to the liquidity of, or the secondary market for, the Notes. If an active market does develop, future trading prices of the Notes will depend on many factors, including, among others, prevailing interest rates, liquidity in the market; the Restricted Group's financial condition, performance and prospects, political and economic developments in India; and the market for securities similar to the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

An active trading market may not develop for the Notes.

We cannot assure you as to the liquidity of any market that may develop for the Notes, the ability of the holders of the Notes to sell them or the price at which the Holders of the Notes may be able to sell them. The liquidity for any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our financial condition, performance and prospects, as well as recommendations by securities analysts. Historically, the market for non-investment grade debt, such as the Notes, has been subject to disruptions that have caused substantial price volatility. If a market for the Notes develops, such market would be subject to similar disruptions. The Initial Purchasers have informed us that they intend to make a market for the Notes after the offering is completed. However, the Initial Purchasers are not obligated to do so and may cease market-making activity at any time without notice. As a result, an active trading market for the Notes might not develop or, if one does develop, it might not be maintained. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and the trading price of the Notes and your ability to sell your Notes at a particular time or at a favorable price.

There may be less company information available in Indian securities markets than in securities markets in other more developed countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities market and the activities of investors, brokers and other participants, and that of markets in the United States and other more developed economies. The Securities Exchange Board of India (the “SEBI”) is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result, investors may have access to less information about the business, results of operations and financial conditions, and those of the competitors that are listed on the BSE Limited and the National Stock Exchange of India Limited and other stock exchanges in India on an on-going basis than you may find in the case of companies subject to reporting requirements of other more developed countries.

The redemption of the Notes prior to maturity may adversely affect investors’ return on the Notes.

We have the right to redeem some or all of the Notes prior to maturity, as described under “Description of the Notes – Optional Redemptions”. We may redeem the Notes at times when prevailing interest rates may be relatively low. Accordingly, investors may not be able to reinvest the redemption proceeds in a comparable security and issuer or at an effective rate as high as that of the Notes.

Redemption of the Notes prior to maturity may be subject to compliance with applicable regulatory requirements, including the prior approval of the RBI or the Authorized Dealer Bank, as the case may be.

Any early redemption of the Notes (whether due to certain tax events or an Event of Default, each as described in “Description of the Notes”) will require the prior approval of the RBI or the authorized dealer bank (“Authorized Dealer Bank”). Compliance with any conditions specified in any such RBI or Authorized Dealer Bank approval will be required. The RBI and the Authorized Dealer Bank may not provide such approval in a timely manner or at all. Furthermore, any modification or waiver of the terms of the Notes which has the effect of modifying or waiving terms which are not permitted under the automatic route under the ECB Regulations for the issue of the Notes will require prior approval from RBI in accordance with the ECB Regulations, and such approval may not be forthcoming. Other modifications of the terms of the Notes will require the approval of the Authorized Dealer Bank.

We may redeem the Notes as a result of certain changes in tax laws.

As described in “Description of the Notes – Redemption for Taxation Reasons,” if we are required to pay certain Additional Amounts as a result of certain changes in tax law, including changes in existing official positions or the standing of an official position, we may, subject to certain conditions, redeem the Notes, as a whole but not in part, at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date (including any Additional Amounts).

The rights of holders to receive payments under the Notes is junior to any tax and other liabilities of the Company that are preferred by law.

The Notes will rank subordinated to certain liabilities preferred by law, such as claims of the government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, the Company's assets will be available to pay obligations on the Notes only after all of the tax liabilities and other liabilities which rank senior to the Notes under the law have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

Further, under section 281 of the (Indian) Income Tax Act, 1961 ("IT Act"), a charge or pledge created by a person over certain types of assets (including plant, machinery and shares) shall be void as against any claim in respect of any tax or other sum payable by such person under any proceedings or claims under the IT Act which were pending at the time of creation of the charge, unless the permission of the relevant tax authorities is obtained prior to the creation of the charge. Though the Company will apply for permission under section 281 of the IT Act prior to execution of the Collateral Documents, such permission of relevant tax authorities may not be received under section 281 of the IT Act prior to the execution of the Collateral Documents in connection with the Notes, and the charge so created shall be void as against any claim in respect of any tax or other sum payable as a result of the completion of any proceedings which are either pending under the IT Act at the time of execution of the Collateral Documents or which have been completed but no notice has been served in respect of such proceedings under the IT Act. Similarly under the Central Goods and Services Tax Act, 2017 and under applicable State Goods and Services Tax Acts, a sale, mortgage, charge or any other mode of transfer of any of the properties (including shares) by a person, after any amount has become due from it under the relevant legislation, with the intention of defrauding the government revenue, shall be void as against any claim in respect of any tax or other sum payable by such person, unless such sale, mortgage, charge or transfer was made for adequate consideration, in good faith and without notice of the pendency of such proceedings or, as the case may be, without notice of such tax or other sum payable by the said person; or with the previous permission of the relevant officer.

The Notes are subject to selling restrictions and may be transferred only to a limited pool of investors.

The Notes are subject to selling restrictions and may be transferred only to a limited pool of investors. The Notes can only be issued to and held by investors eligible under the ECB Regulations, being investors which are neither from a Restricted Jurisdiction nor are Restricted Overseas Persons (as further set out in the section headed "*Plan of Distribution*").

Remittance of funds outside India pursuant to indemnification by the Company in relation to the Notes requires prior RBI approval.

Remittance of funds outside India by the Company pursuant to indemnity clauses under the Indenture or any other agreements in relation to the Notes requires prior RBI approval under the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and there can be no assurance that the Company will be able to obtain such approval in a timely manner or at all.

Gains arising to a non-resident investor from disposal of the Notes held as a capital asset may be subject to taxation in India.

Any gains arising to a non-resident investor from disposal of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to tax in India from a disposal of the Notes held as a capital asset, provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There can be no assurance that the Indian tax authorities will not treat the Notes as being situated in India, particularly since the Company is incorporated in, and is a tax resident in, India. Any gains arising to the Holders of the Note from their disposal might be subject to significant taxes in India if the Notes are determined by the Indian tax authorities to be situated in India.

There are interest rate risks on an investment in the Notes.

Investment in fixed rate instruments such as the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate instruments. The extent of a fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation, are likely to have a negative effect on the price of the Notes.

The Trustee may request that the holders of the Notes provide an indemnity and/or security and/or prefunding to their satisfaction.

Pursuant to the Indenture, the Trustee may, in certain circumstances, request the holders of the Notes provide an indemnity and/or security and/or prefunding to their satisfaction before it takes any action on behalf of the holders of the Notes. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Indenture and in such circumstances or where there is uncertainty or dispute as such actions' compliance with applicable laws or regulations. In such circumstances, to the extent permitted by any applicable agreements or applicable laws, it will be for the holders of the Notes to take such actions directly.

The Notes will initially be held in book-entry form, and therefore investors must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in the global note representing the Notes will trade in book-entry form only, and Notes in definitive registered form will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or the Holders for purposes of the Indenture. For so long as the Notes are held in global form, the common depositary for Euroclear and/or Clearstream (or its nominee) will be the sole registered holder of the global notes. Accordingly, you must rely on the procedures of the participants through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Indenture.

Upon the occurrence of an Event of Default under the Indenture, unless and until definitive registered Notes are issued in respect of all book-entry interests, if an investor owns a book-entry interest, the investor will be restricted to acting through Euroclear and/or Clearstream. The procedures to be implemented through Euroclear and/or Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See "*Description of the Notes-Book – Entry, Delivery and Form.*"

The rating of the Notes may be lowered or withdrawn depending on various factors, including the rating agency's assessment of our financial strength and Indian sovereign risk.

The Issuer expects the Notes to be publicly rated by two recognized international rating agencies at or after the deal announcement.

Prospective investors should not rely solely on the rating of the Notes and should make an independent decision, based on their own analysis and experience, whether to invest in the Notes. A credit rating is not a recommendation to buy, sell or hold the Notes. There can be no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances in the future so warrant. If a rating initially assigned to the Notes is subsequently lowered, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes, and the market value of the Notes is likely to be adversely affected.

The liquidity and price of the Notes may be volatile.

The price and trading volume of the Notes may be highly volatile. The price of the Notes will be affected by a number of factors, including (i) market perception, interest rates, yields and foreign exchange rates, (ii) the time remaining to the maturity date and (iii) the nature and liquidity of the related hedging agreements. Any such developments may result in large and sudden changes in the trading volume and price of the Notes. Any price at which Notes may be sold prior to the maturity date may be at a discount, which could be substantial, to the price at which they are offered in this offering.

The security over certain Collateral may in certain circumstances be voidable.

The security interest over the Collateral securing the Notes may be voidable under insolvency, bankruptcy, fraudulent transfer or similar provisions of New York law and the applicable laws of other jurisdictions, if and to the extent applicable. In the case of the Collateral being voidable under such laws in New York, the relevant time period during which such Collateral is voidable could be within six months of the date of the creation of the charge, although under some circumstances, it would be voidable within longer periods. If the security interest over the Collateral were to be voided for any reason, the Holders would have only an unsecured claim against the Company. Under Indian law, the security interest over the Collateral granted by the Company may be considered invalid if, in the event of insolvency, it is proved that such Company had created a floating charge over the Collateral within twelve months immediately preceding the insolvency commencement date.

The transferability of the Notes may be limited under applicable securities laws which may adversely affect their liquidity and value.

The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or any other jurisdiction and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or any other jurisdiction. The Notes are not being offered for sale in the United States except to “qualified institutional buyers” in accordance with Rule 144A. The Issuer has not agreed to or otherwise undertaken to register the Notes with the U.S. Securities and Exchange Commission (including by way of an exchange offer). It is the obligation of holders of Notes to ensure that their offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See “*Transfer Restrictions*”.

The Company faces various risks relating to the Private InvIT which may have an indirect adverse impact on the Company's ability to service its obligations under the Notes.

We face risks relating to the Private InvIT, as the Company does not control the Private InvIT and the Private InvIT is not subject to the various covenants of the Notes, in a manner similar to that of the Issuer.

Following our BEST strategy, we monetize our investments and dilute stakes in some of our projects from time to time, including by transferring them to the Private InvIT (in which we hold a 51% equity interest). We act as the Private InvIT's sponsor and project manager and hold a 51% stake in the Private InvIT. The investment manager of the Private InvIT is MMK Toll Road Private Limited, and the trustee is IDBI Trusteeship Services Limited. The Private InvIT holds 12 BOT projects. Of these, 9 are operational and 3 are under construction. However, as a result of these transfers, our financial condition and results of operations may not be comparable from period to period. We expect to continue to divest stakes in our projects from time to time. We are required to provide and have provided certain guarantees and capital expenditure contributions to the Project SPVs under the Private InvIT.

As of December 31, 2023, a portion of the Private InvIT's total borrowings has been guaranteed by the Company. The Private InvIT has a limited operating history, and it may not be able to operate its business successfully or generate sufficient cash flows to make or sustain distributions. In addition, the Company does not have full control over the Private InvIT. If the Private InvIT is not managed effectively and efficiently, the Company's interest in the Private InvIT may be adversely affected. Further, in the event any of the guarantees provided by the Company are invoked, we may not have sufficient monies available with us to discharge the obligations under the Notes.

While the Issuer relies on the Private InvIT economically via distributions it owns (51%), there is no guarantee that the Issuer will receive distributions nor can the Issuer control the management of the Private InvIT, and thus this may impact distributions to the Issuer which may have a material impact on its ability to service the obligations under the Notes. The Issuer's inability to generate sufficient cash flow to satisfy its debt obligations, or to refinance its obligations on commercially reasonable terms, would have an adverse effect on its business, financial condition, results of operations and cash flow, as well as its ability to satisfy its obligations under the Notes.

Risks Related to India

Changing laws, rules and regulations, including changes in legislation or the rules relating to tax regimes, legal uncertainties and the political situation in India may materially and adversely affect the Restricted Group's business, financial condition and results of operations.

Political instability or changes in the Gol and state government could adversely impact our business.

The Gol and state governments have significant influence on the road industry. Any change in the Gol or its favourable policies could have a significant impact on the business and economic conditions in India in general and the road sector in particular, which in turn could adversely affect our business, future financial condition and results of operations.

We are exposed to risks associated with the road sector in India.

We derive and expect to continue to derive in the foreseeable future, most of our revenues and operating profits from India. Changes in macroeconomic conditions generally impact the road industry and could negatively impact our business. Accordingly, our business is highly dependent on the state of development of the Indian economy and the macroeconomic environment prevailing in India. Since the use of our projects, our expansion plans and future projects depend or will depend on macroeconomic factors that may negatively impact demand the development of road infrastructure projects in India, or the timely commencement of their operations could in turn have a material adverse effect on our growth prospects, business and cash flows. Any of these factors and other factors beyond our control could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Significant increases in the price or shortages in the supply of crude oil and products derived therefrom, including petrol and diesel fuel, could materially and adversely affect the volume of traffic at our projects and the Indian economy in general, including the infrastructure sector.

India imports a significant majority of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors, including the level of global production and political factors, such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil reserves are located. The ongoing Russia-Ukraine war and Israel-Hamas war has caused significant volatility in the price of crude oil and impacted fuel prices in India. Any significant increase in the price of or shortages in the supply of crude oil could materially and adversely affect the volume of traffic at our projects and materially and adversely affect the Indian economy in general, including the infrastructure sector, which could materially and adversely affect our business, financial condition and results of operations.

Our ability to raise foreign capital may be constrained by Indian law.

We are subject to exchange controls and laws that regulate borrowing in foreign currencies. The issuance of the Notes is subject to compliance with the ECB Regulations which impose certain restrictions. For instance, the Notes cannot be offered or sold, including by way of security, to any person from a Restricted Jurisdiction, or who is a Restricted Overseas Person (as defined under the ECB Regulations) which may adversely affect the liquidity of the Notes and the price at which they may be sold. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, the required approvals may not be granted to us without onerous conditions or at all. Limitations on raising foreign debt may adversely impact our business growth, financial condition, results of operations and cash flows.

Significant differences exist between Indian Accounting Standard (“Ind AS”) and other accounting principles, which may be material to investors’ assessments of our financial condition, result of operations and cash flows.

The audited financial statements included in this offering memorandum are prepared and presented in conformity with Ind AS, consistently applied during the periods stated in those reports, except as otherwise provided therein, and no attempt has been made to reconcile any of the information given in this offering memorandum to any other principles or to base the information on any other standards. Ind AS differs from other accounting principles with which prospective investors may be familiar, such as International Financial Reporting Standards (“IFRS”), Generally Accepted Accounting Principles of India (“Indian GAAP”) and Generally Accepted Accounting Principles of the United States of America (“U.S. GAAP”). In addition, as the mandated transition to Ind AS is relatively recent, there is no significant body of established practice to aid in forming judgments regarding the implementation and application of Ind AS, as compared to the established IFRS or Indian GAAP generally, or in respect of specific industries. Accordingly, the degree to which the audited financial statements included in this offering memorandum will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should limit their reliance on the financial disclosures presented in this offering memorandum.

The Issuer has not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this offering memorandum, nor does it provide a reconciliation of its financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Ind-AS financial statements included in this offering memorandum will provide meaningful information is entirely dependent on the readers’ level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this offering memorandum should accordingly be limited.

A significant change in the Gol’s economic liberalization and deregulation policies could impact economic conditions in India generally and our business and financial results and prospects in particular.

Since 1991, successive Gols have pursued policies of economic liberalization and financial sector reforms, including significant relaxations of restrictions on the private sector. Nevertheless, the Gol continues to exercise a dominant influence over many aspects of the economy, and its economic policies have had and continue to have a significant effect on private-sector entities, including us.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of Gol and the state governments in the Indian economy and the effect on producers, consumers, service providers and regulators have remained significant over the years. The Gol has in the past imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees, determined the allocation to businesses of raw materials and foreign exchange and reversed their policies of economic liberalization. We may not be able to react to such changes promptly or in a cost-effective manner. Increased regulation or changes in existing regulations may require us to change our business policies and practices and may increase the cost of providing services to our customers which would adversely affect our operations, financial condition and results of operations.

Although the current Gol has continued India’s economic liberalization and deregulation programs, these liberalization policies may not continue. Significant changes in India’s economic liberalization and deregulation policies could adversely affect business and economic conditions in India in general as well as our business and financial performance.

Changes in the land acquisition law in India could adversely affect our business.

The right to own property in India is subject to restrictions that may be imposed by the GoI. In particular, the GoI under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the “Land Acquisition Act”), has the right to compulsorily acquire any land if such acquisition is for a “public purpose” after providing compensation to the owner. However, the compensation paid pursuant to such acquisition may not be adequate to compensate the owner for the loss of such property. The likelihood of such acquisitions may increase as GoI and state governments seek to acquire land for the development of infrastructure projects such as roads, railways, airports and townships. While the NHAI or the relevant concessioning authority is responsible for the acquisition of the land underlying the toll-road infrastructure projects, any delays or disputes relating to such acquisition could lead to delays and disruptions in the execution of our projects, which would have a material adverse effect on our business, financial condition and results of operations.

Changes in the competition law regime in India could adversely affect our business.

The Competition Act, 2002 (the “Competition Act”) regulates practices having an appreciable adverse effect on competition in the relevant market in India. The Competition Act aims to, amongst other things, prohibit all agreements and transactions that cause or are likely to cause an appreciable adverse effect on competition within India. Further, the Competition Commission of India (the “CCI”) has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has, or is likely to have, an appreciable adverse effect on competition in the relevant market in India. In the event that any of the assets proposed to be acquired by us in the future cross the prescribed thresholds, we cannot assure you that we will receive the necessary approvals from the CCI to consummate such transactions. Any prohibition or substantial penalties levied under the Competition Act could materially and adversely affect our financial condition and results of operations. Any adverse impact on our financial condition or operations due to the Competition Act may have a material adverse impact on our business, financial condition, results of operations and prospects.

An economic downturn in India could cause our business to suffer.

Slowdown in the growth of the Indian economy could adversely affect our business and our lenders and contractual counterparties, especially if such a slowdown were to be prolonged. The performance and growth of our business necessarily depend on economic conditions prevalent in India, which may be adversely affected by such economic slowdown. Notwithstanding the RBI’s policy initiatives, the course of market interest rates continues to be uncertain due to the high inflation, the increase in the fiscal deficit and the GoI’s borrowing program. Any continued or future inflation because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy and could materially and adversely affect our business, financial condition and results of operations. Any increase in interest rates or reduction in liquidity could adversely impact our business. The Restricted Group has road projects in different states and its business therefore is significantly dependent on the general economic conditions, market conditions and natural disasters in those states. Any regional slowdown in economic activity in these areas resulting in a reduction in traffic on any road assets could materially and adversely affect the Restricted Group’s business, financial condition and results of operations. If another outbreak of the COVID-19 virus, (the COVID-19 virus is a new virus linked to the same family of viruses as Severe Acute Respiratory Syndrome (SARS) which caused the recent severe global pandemic or any other similar outbreak (the JN.1 subvariant of Omicron, which is the current strain and is predominant in many parts of the world, including India), continues for an extended period, occurs again and/or increases in severity, it could have an adverse effect on economic activity in India, and could materially and adversely affect our business, financial condition and results of operations. Similarly, any other future epidemics/pandemics in India or elsewhere could materially and adversely affect our business, prospects, financial condition, results of operations, cash flows, future operations and performance.

Increased volatility or inflation, including in respect of commodity prices, in India could adversely affect our business and results of operations.

Inflation rates in India have been volatile for the last several years and such volatility may continue in the future. The inflation rate in India for the financial year 2019 was recorded at 3.73%. As of December 2023, there has been a significant increase in the inflation rate, which now stands at 5.69%. Any increase in the volatility or rate of inflation, including in respect of commodity prices, such as the price of oil, could adversely affect our O&M costs and, therefore, our business and results of operations. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. An increase in inflation in India could cause a rise in the price of transportation, wages and other expenses. Under the terms of our concession agreements, increases in the applicable toll rates at each of the toll roads are determined in accordance with certain laws and regulations on April 1 of each year based on the WPI as published in December of the previous calendar year. To the extent there is an increase in CPI inflation without any corresponding increase in WPI inflation, we may be unable to reduce our costs or pass on the increased costs by increasing the tolls payable by road users. As a result, our financial condition, cash flows and results of operations may be adversely affected.

Natural and catastrophic events may materially and adversely affect our business.

A natural disaster, severe weather conditions or an accident that damages or otherwise adversely affects any of our operations could materially and adversely affect our business, financial condition and results of operations. Severe flooding, tsunamis, lightning strikes, earthquakes, extreme wind conditions, severe storms, wildfires, and other unfavorable weather conditions (including those from climate change) or natural disasters, and other 'acts of God' and force majeure events could damage our property and assets and impede our ability to maintain and operate our projects, decreasing revenues from operations.

In addition, catastrophic events such as explosions, terrorist acts or other similar occurrences could result in similar consequences or in personal injury, loss of life, environmental danger or severe damage to or destruction of the projects or suspension of operations, in each case, adversely affecting our ability to maintain and operate the projects and decreasing revenues from operations. Any of these events could adversely affect our business, financial condition, results of operations, cash flows and prospects.

Terrorist attacks, civil disturbances and regional conflicts in South Asia may adversely affect our business.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighboring countries. These hostilities and tensions could lead to political or economic instability in India and adversely affect our business and financial performance. Such situations could recur or be more intense than in the past. Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could adversely affect our business, results of operations and financial condition. Such violence may adversely impact the Indian and worldwide financial markets. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the value of the Notes. India has witnessed localized terrorist attacks recently, including the terrorist attacks in Mumbai in 2008 and 2011, in New Delhi in 2011, in Pathankot and Uri in 2016 and Pulwama in 2019. In June 2020, increasing border tensions between China and India in the Galwan River Valley resulted in several fatalities and frequent border skirmishes have continued since that time. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could adversely impact our business, financial condition, results of operations, cash flows and prospects. The Russia-Ukraine war placed a further pressure on critical commodities such as food and energy as result of sanctions on Russia, and leading to shortages. Similarly, the Israel-Hamas war has also posed a serious threat to the Indian economy as crude prices and inflation spiral and the proposed economic corridor with Europe via West Asia runs into uncertainty.

Any downgrading of India's sovereign debt rating by an international rating agency could negatively impact us.

India's sovereign rating is Baa3 with a "stable" outlook (Moody's), BBB with a "stable" outlook (S&P) and BBB- with a "stable" outlook (Fitch). India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside of the Restricted Group's control. Any adverse revisions to India's credit ratings by international rating agencies may adversely affect our ratings, terms on which we are able to finance capital expenditure or refinance any existing indebtedness. This could adversely affect our business, financial condition, results of operations, cash flows and prospects.

Investors may not be able to enforce a judgment of a foreign court against the Issuer, substantially all of its directors or substantially all of its key management, except by way of a suit in India on such judgment.

The Issuer and all of its subsidiaries are incorporated under the laws of India. Substantially all of our directors and key management personnel are residents of India and substantially all of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India. In India, recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the of the Indian Code of Civil Procedure, 1908 (the "Civil Code"). Section 13 of the Civil Code provides that a foreign judgment to which this section applies shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record.

India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Gol has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards. Further, the execution of a foreign decree under Section 44A of the Civil Code is also subject to the exceptions under Section 13 of the Civil Code.

The United Kingdom, Singapore, Hong Kong and the United Arab Emirates (among others) have been declared by the Gol to be reciprocating territories for the purposes of Section 44A. However, the United States has not been declared by the Gol to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Accordingly, a judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh proceeding suit instituted in a court of India and not by proceedings in execution. Such a suit has to be brought into and filed in India within three years from the date of the judgment in the same manner as any other suit filed in India to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court would, if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 ("FEMA") to repatriate outside India any amount recovered pursuant to the execution of such judgment and such amount may be subject to income tax in accordance with applicable laws.

In addition, any judgment awarding damages in a foreign currency would be converted into Indian Rupees on the date of the judgment and not the date of payment. A suit brought instituted in an Indian court may not be disposed of in a timely manner and could be subject to considerable delay.

A decline in India's foreign exchange reserves may adversely affect liquidity and interest rates in the Indian economy.

According to the weekly statistical supplement of the RBI Bulletin, India's foreign exchange reserves totaled US\$618,937 million as of January 12, 2024. A sharp decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy. Reduced liquidity or an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect our financial performance and ability to obtain financing to fund our growth on favorable terms or at all.

The Gol have taken, and may continue to take, economic and monetary measures, such as demonetization, that may materially and adversely affect our business.

In November 2016, the Gol demonetized Rs.1,000.00 and Rs.500.00 denomination currency notes with effect from November 9, 2016, and launched the revised Rs.500.00 denomination currency notes and introduced the new Rs.2,000.00 currency notes pursuant to the Ministry of Finance's notification no. S.O. 3407 (E) dated 8 November 2016 and other circulars and clarifications issued thereafter by the Gol and the RBI. Further, the NHA had suspended the collection of toll revenue for 25 days. While the adverse impact of this demonetization was short-lived and there were minimal short-term effects on our day-to-day business and while the concessionaire may be eligible for compensation as per the relevant provisions of the concession agreement for the suspension of toll collection, the Gol may in the future choose to take similar economic and monetary measures that may have an effect on India's economic growth, credit demand, credit quality, liquidity and interest rates which may materially and adversely affect our business, results of operations, financial condition and prospects. On May 19, 2023, the RBI announced the withdrawal of the Rs.2,000 denomination currency notes from circulation. The RBI also directed that the existing notes would continue to remain legal tender.

Changes in the taxation system in India could adversely affect our business.

Our operations, profitability and cash flows could be adversely affected by any unfavorable changes in central and state-level statutory and/or regulatory requirements in connection with direct and indirect taxes and duties, including income tax, goods and service tax ("GST"), and/or by any unfavorable interpretation taken by the relevant taxation authorities and/or courts and tribunals. If such amendments are brought about in the statutory laws relating to income tax and/or GST, our repossessed assets could be considered to be subject to additional taxes, which could adversely affect our operations, profitability and cash flows.

The General Anti-Avoidance Rules (the "GAAR") are intended to catch arrangements declared as "impermissible avoidance arrangements". An impermissible avoidance arrangement has been defined under the Income Tax Act, 1961 as any arrangement, the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The Income Tax Act, 1961 provides that if the main purpose of any part or step of the arrangement is to obtain tax benefit, the entire arrangement shall be presumed to have been entered into with the purpose of obtaining a tax benefit and the burden of proof will be on the taxpayer to establish that obtaining a tax benefit was not the main purpose of the entire arrangement. If GAAR provisions are invoked, then the tax authorities have wide powers, including the denial of tax benefit or the denial of a benefit under a tax treaty. In absence of sufficient judicial precedents interpreting GAAR provisions, the effects on us cannot be determined yet and could adversely affect our business and financial performance.

The Income Tax Act, 1961, as amended from time to time (the "Income Tax Act") allows for reduced corporate income tax rates in certain cases, with conditions. The central government may vary the corporate income tax rates in the future. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could materially and adversely affect our business, financial condition and results of operations.

The Insolvency and Bankruptcy Code in India may adversely affect our ability to pay back creditors.

The Insolvency and Bankruptcy Code, 2016, as amended from time to time (the “Bankruptcy Code”) provides for reorganization and insolvency resolution of corporate persons. The Bankruptcy Code offers a uniform, comprehensive insolvency legislation encompassing all companies, partnerships and individuals. It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates an institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms that facilitate a formal and time-bound insolvency resolution and liquidation process. Under the Bankruptcy Code, upon initiation of a corporate insolvency resolution process (“CIRP”), a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to its admitted claim against the corporate debtor. Save as otherwise provided, decisions of the committee of creditors must be taken by a vote of thresholds varying of not less than 51% through 66% of the voting share of all financial creditors (other than for withdrawal of the corporate debtor from a CIRP, which requires 90% voting share of the committee of creditors, in such manner as may be specified.). A resolution plan approved by the committee of creditors and subsequently by the Adjudicating Authority, is binding upon all stakeholders. If the corporate debtor is subjected to a liquidation process, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the corporate debtor’s assets are to be distributed. In this order of priority, the insolvency resolution and liquidation process costs rank higher than the admitted claims of secured creditors. Secured creditors may decide to opt out of the liquidation process, in which case they are permitted to realize their security interests separately. Further, if the petition for the CIRP is admitted by the National Company Law Tribunal against the corporate debtor, the moratorium provisions under the Bankruptcy Code prohibit the creation of encumbrances, disposing of assets of the corporate debtor, any action to enforce the security interest of the corporate debtor and the institution or continuation of any legal proceedings against the corporate debtor.

The GoI has increased the limit which is sufficient to initiate corporate insolvency resolution process from Rs.100,000 to Rs.10,000,000.

Section 66(2) of the Bankruptcy Code provides that on an application made by a resolution professional during the CIRP, the adjudicating authority under the Bankruptcy Code may by an order direct that a director or partner of the corporate debtor, as the case may be, shall be liable to make such contribution to the assets of the corporate debtor as it may deem fit, if (a) before the insolvency commencement date, such director or partner knew or ought to have known that there was no reasonable prospect of avoiding the commencement of a CIRP in respect of such corporate debtor; and (b) such director or partner did not exercise due diligence in minimizing the potential loss to the creditors of the corporate debtor.

If the Bankruptcy Code provisions are invoked against us, it may adversely affect our ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, financial condition, results of operations and cash flows.

The statutory, regulatory (including the Indian taxation regime) and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

We have not determined the impact of these proposed changes on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may adversely impact the viability of our business.

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us. The Gol and state governments in India could implement new regulations, guidelines and policies which will require us to obtain additional approvals and licenses or impose onerous requirements and conditions on our operations including obligations on us as a significant player. Any such changes and the related uncertainties with respect to their implementation may adversely affect our business, prospects, financial condition and results of operations and cash flows.

Gains arising to a non-resident investor from disposal of the Notes held as a capital asset may be subject to taxation in India.

Any gains arising to a non-resident investor from disposal of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be subject to tax in India from disposal of the Notes held as a capital asset, provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There can be no assurance that the Indian tax authorities will not treat the Notes as being situated in India, particularly since the Co-Issuers are incorporated in, and are tax residents in, India. Any gains arising to the Noteholders from their disposal might be subject to significant taxes in India if the Notes are determined by the Indian tax authorities to be situated in India.

Redemption of the Notes prior to maturity may be subject to compliance with applicable regulatory requirements, including the prior approval of the RBI or the authorized dealer bank, as the case may be, under the ECB Regulations.

Although we have the option to redeem the Notes at any time following the occurrence of certain tax events described in the Terms and Conditions of the Notes, there are limitations on our ability to redeem the Notes prior to the date of their maturity, including that the prior approval of an authorized dealer bank ("AD Bank") or the RBI has been obtained and that any conditions of the RBI or the AD Bank may impose at the time of such approval having been satisfied. There can be no assurance that the RBI or the AD Bank will provide such approval in a timely manner or at all.

Furthermore, any modification or waiver of the Terms and Conditions of the Notes which has the effect of modifying or waiving terms which are not permitted under the automatic route for issue of Notes under the ECB Regulations will require prior approval from the RBI in accordance with the ECB Directions, and such approval may not be forthcoming.

Remittance of funds outside India by the Issuer pursuant to indemnification by the Issuer in relation to the Notes requires prior RBI approval.

Remittance of funds outside India by us pursuant to the indemnity clauses under the relevant terms of the Notes, the Indenture or any other agreements in relation to the Notes requires prior RBI approval. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and we can give no assurance that we will be able to obtain such approval in time or at all. Until such RBI approval is received, the Security Trustee may not be able to receive any payments pursuant to an indemnity claim against us under the Notes, the Indenture or any other agreements in relation to the Notes. Accordingly, this may have an impact on when and if such actions will be taken by the Common Security Trustee on behalf of the holders of the Notes.

The financial statements for the nine months ended December 31, 2023, included in this offering memorandum have been prepared for purposes of this offering memorandum and may not be indicative of the Restricted Group's future financial condition and results of operations.

This offering memorandum includes financial statements for the Restricted Group for the financial years 2023, 2022 and 2021 and the nine months ended December 31, 2023. The financial statements for the nine months ended December 31, 2023, have been prepared for the sole purpose of this offering memorandum and may not necessarily indicate the Restricted Group's financial results, cash flows and financial position in the future. The financial statements are also not necessarily indicative of the financial performance, financial position and cash flows of the Restricted Group that would have occurred if the entities comprising it had operated as separate standalone group of entities during the period presented nor of the Restricted Group's future performance.

We cannot guarantee the accuracy of statistical and other information with respect to India, the Indian economy or the infrastructure sector and toll-road industry contained in this offering memorandum.

Statistical and other information (including completeness of facts from external sources) in this Offering Memorandum relating to India, the Indian economy or the infrastructure sector and toll-road industry have been derived from various central and state government publications and obtained in communications with various Indian government agencies or bodies or authorities that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source of materials. Additionally, the accuracy, completeness and underlying assumptions pertaining to such data are not guaranteed and its dependability cannot be assured. The statistical and other information reflected is subject to various limitations and is based upon certain estimates and assumptions that are subjective in nature.

While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified or scrutinized by us, each of the Initial Purchasers or any of ours or their respective affiliates or advisors (legal and otherwise) and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. Furthermore, such industry-based data is based on information as of specific dates and may no longer be current or reflect current trends. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weightage or importance they should attach to, or place on, such facts or statistics, as the case may be.

The Restricted Group is involved in certain legal and other proceedings, which may not be decided in its favor.

The Restricted Group is involved in legal proceedings or claims which are pending at different levels of adjudication before various courts, tribunals and regulatory authorities. There is no assurance that these legal proceedings and regulatory matters will be decided in favor of the Restricted Group. Decisions in any of the aforesaid proceedings that are adverse to the Restricted Group's interests may have a material adverse effect on its business, future financial performance and results of operations. If the courts, tribunals or regulatory authorities decide against the Restricted Group, it may face monetary and/or reputational losses and may have to make provisions in the Restricted Group's financial statements, which could increase expenses and liabilities.

Compliance with, and changes in, safety, health and environmental laws and regulations in India may materially and adversely affect the Restricted Group's business.

The Restricted Group's business is subject to environmental, health and safety laws and regulations and various labor, workplace and related laws and regulations in India and requirements under the concession agreements. Any changes in, or amendments to, these standards or laws and regulations could further regulate the Restricted Group's business and could require us to incur additional, unanticipated expenses in order to comply with these changed standards. If the Restricted Group fails to meet safety, health and environmental requirements, the Restricted Group may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us. Penalties imposed by regulatory authorities on us or third parties upon whom the Restricted Group depends may also disrupt the Restricted Group's business and operations.

There can be no assurance that the Restricted Group will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future. Clean up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, could materially and adversely affect the Restricted Group's business, prospects, financial condition and results of operations.

The Restricted Group's business is dependent on economic growth in India and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have a material adverse effect on the Restricted Group's business.

All of the Restricted Group's assets are located in India. As a result, the Restricted Group is highly dependent on the prevailing economic conditions in India and the Restricted Group's results of operations are significantly affected by factors influencing the Indian economy. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could have a material, adverse effect on the Restricted Group's business, financial condition and results of operations and the price of the Notes.

Furthermore, the Indian economy and Indian financial market are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have a material, adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including any instability related to current relation between the United States and China, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm the Restricted Group's results of operations and financial condition.

The enforceability of the security granted for the benefit of the holder of the Notes will be subject to Indian law.

The Notes issued are intended to have the benefit of security over certain assets of the Issuer. Third party consents, including consents from governmental and regulatory authorities, may be required for creation of such security, and the process for obtaining such consents and creating and perfecting security could take a significant amount of time from the Offering date of the Notes, and the Notes will not have the benefit of such security during such time.

If the Security Trustee were to foreclose upon its assets, there are certain project assets that the Security Trustee may not be able to effectively foreclose upon without the consent of third parties, such as governmental authorities. The Issuer cannot assure investors that if upon such foreclosure, the Security Trustee will be able to obtain all of the third-party approvals necessary to obtain or transfer ownership of all assets necessary to operate the projects. If the Security Trustee forecloses on the security, then, in connection therewith, transferring required permits to a purchaser or new operator of the projects may require additional governmental approvals or proceedings, which could result in delays. There may not be sufficient proceeds from the security to pay all or any of the amounts due on the Notes.

USE OF PROCEEDS

The gross proceeds of this offering are expected to be approximately US\$539.55 million. We intend to use our cash on hand to pay offering expenses, including commissions.

The Company intends to use the proceeds from this offering for repayment of certain of its existing indebtedness. The NCDs are also proposed to be redeemed using such proceeds and cash on hand, subject to and in compliance with applicable law (the “NCDs Repayment”). The Company has been informed that India Toll Roads, the existing investor in all of the NCDs, intends to use the proceeds which it receives from the NCDs Repayment for the repayment of indebtedness which it has incurred or may incur from one or more of the Initial Purchasers (and their affiliates).

CAPITALIZATION

The following table sets forth the consolidated cash and bank balances and capitalization of the Group as at December 31, 2023:

- on an actual basis; and
- as adjusted to give effect to the issuance of the Notes.

You should read the following table together with “*Use of Proceeds*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Group*” and the financial statements and the related notes included elsewhere in this offering memorandum.

	As at December 31, 2023			
	Actual		As Adjusted ⁽⁴⁾	
	(Rs. million)	(US\$ million)	(Rs. million)	(US\$ million)
Cash and cash equivalents	790.45	9.51	23,629.62 ⁽²⁾	284.30 ⁽²⁾
Bank balances other than cash and cash equivalents	17,272.80	207.81	17,272.80	207.81
Total	18,063.25	217.32	40,902.42	492.11
Debt:				
Current borrowings (a)	48,633.57	585.13	n/a ⁽³⁾	n/a ⁽³⁾
Non-current borrowings (b)	131,492.35	1,582.03	n/a ⁽³⁾	n/a ⁽³⁾
Total (Current and Non-Current borrowings) (a) + (b)	180,125.92	2,167.16	158,119.49⁽³⁾	1,902.39⁽³⁾
Notes offered hereby (c)	–	–	44,845.60 ⁽⁴⁾	539.55 ⁽⁴⁾
Total (Current and Non-current borrowings) (a) + (b) + (c)	180,125.92	2,167.16	202,965.09⁽³⁾	2,441.94⁽³⁾
Total equity	137,095.70	1,649.45	137,095.70	1,649.45
Total capitalization⁽¹⁾	317,221.62	3,816.61	340,060.79	4,091.39

(1) Total capitalization equals total Current borrowings and Non-current borrowings (including Notes offered hereby) plus total equity.

(2) Assumes addition to Cash and Cash Equivalents of gross proceeds from the sale of the Notes offered hereby after taking into account the repayment of external debt of Rs.22,006.43 million. As adjusted cash and cash equivalents does not reflect the use of the remaining gross proceeds, together with cash on hand, that will be used to repay other existing debt. The as adjusted cash and cash equivalents also does not reflect the use of cash on hand to pay expenses in connection with the offering.

(3) Adjusted to reflect the repayment of external debt of the Issuer of Rs.22,006.43 million but does not reflect the use of the remaining gross proceeds from this offering and cash on hand for repayments of other existing debt. The allocation of debt to be repaid between current and non-current borrowings is currently undecided.

(4) Adjusted for the assumed principal amount of the Notes based on Rs.44,845.60 million equivalent of the US\$539.55 million gross proceeds from the issuance of US\$540 million principal amount of the Notes, using the exchange rate of Rs.83.1164 per US\$1.00, being the closing exchange rate published by the Reserve Bank of India as at December 29, 2023.

Except for the foregoing and as otherwise disclosed in this offering memorandum, there have been no material adverse changes in the Group’s capitalization since December 31, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GROUP

The following discussion is based on the Group's audited consolidated financial statements as at and for the years ended March 31, 2022 and 2023 and unaudited condensed consolidated interim financial statements as at and for the nine months ended December 31, 2023, which have been prepared in accordance with Ind AS and included elsewhere in this offering memorandum, and should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements. The Group's financial information as at and for the year ended March 31, 2021, shall be referred to in the comparative amounts presented in the Group's audited consolidated financial statements as at and for the year ended March 31, 2022. The Group's financial information for the nine months ended December 31, 2022, shall be referred to in the comparative amounts presented in the Group's unaudited condensed consolidated interim financial statements as at and for the nine months ended December 31, 2023.

The Company's financial statements across the periods being presented in this memorandum may not be directly comparable due to the following: (i) the transfer of one project from the Company to the Public InvIT in October 2022, as a result of which our financial results for the financial year 2023 reflects approximately six months of such project's results and (ii) our financial results for the financial years 2021 and 2022 reflect the results of nine BOT projects in the Private InvIT and our financial results for the financial year 2023 reflect the results of ten BOT projects.

Ind AS differs from IFRS and accounting principles generally accepted in the United States. For a discussion of certain significant differences between Ind AS and IFRS, see "Description of Certain Differences Between Ind AS and IFRS".

This discussion contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those discussed in or implied by any of the forward-looking statements as a result of various factors, including those listed under "Risk Factors" and "Forward-Looking Statements".

Overview

We are one of India's leading infrastructure developers specializing in roadways and highways, with an operating history of over 40 years. Our fully integrated business model consists of build, operate and transfer ("BOT"), toll-operate-transfer ("TOT") and hybrid annuity model ("HAM") and verticals supported by dedicated and experienced in-house engineering, procurement and construction ("EPC") and O&M teams. We, together with IRB Infrastructure Trust (the "Private InvIT"), in which we own a 51% stake as sponsor, with the remaining 49% held by GIC, a Singaporean sovereign wealth fund ("GIC"), and IRB InvIT Fund (the "Public InvIT"), in which we own an approximately 16% stake as sponsor, have 26 projects as of December 31, 2023, comprising 18 BOT projects, 4 HAM projects and 4 TOT projects. Of these projects, we hold the concessions of 5 projects (1 TOT, 1 BOT and 3 HAM); the Private InvIT holds the concessions of 15 projects (12 BOT and 3 TOT); and the Public InvIT holds the concessions of 6 projects (5 BOT and 1 HAM). The Private InvIT's 12 BOT projects include the Ganga Expressway project, which is currently under construction, and which is expected to be transferred to the Private InvIT once 50% of the total project cost is incurred, which is expected to occur in the next couple of months. The Private InvIT is rated "AAA" by CRISIL while the Public InvIT is rated "AAA" by India Rating and CARE rating. We are the project manager for both the Private InvIT and the Public InvIT. Of the 5 projects for which we hold the concessions, 2 projects (1 TOT project and 1 BOT project) are operational and tolling, and 3 HAM projects are under construction. The Overall IRB Group has an approximately 20% share of the 5,000 km traffic intensive Golden Quadrilateral, a national highway network connecting most of the major industrial, agricultural and cultural centers of India. We believe that we are one of the largest road BOT, HAM and TOT project businesses in India, and the Overall IRB Group has a combined asset base of Rs.800 billion, spanning 15,444 kilometers of lanes ("Lane Kilometers") in roads and highways projects currently under operation, construction or development across 12 Indian states. As of February 20, 2024, IRB Infrastructure Developers Limited had a market capitalization of Rs.397,366.20 million and the Public InvIT had a market capitalization of Rs.39,723.62 million, in each case according to the Bombay Stock Exchange.

We have recently won concessions for two significant TOT projects, namely, the Lalitpur Lakhnadon NH 44 TOT Project (“TOT 12”) and the Kota Bypass and Cable Stay Bridge on NH 76 TOT Project and Gwalior – Jhansi section of NH-75 (New NH-44) (“TOT 13”), both of which are under financial closure and would be executed under Private InvIT. We also have the largest single TOT project in terms of revenue in India, namely, the Yashwantrao Chavan Expressway (Mumbai Pune Expressway) and Mumbai – Pune section of NH 48 (collectively, the “Mumbai – Pune Project”). Our BOT projects include the Ahmedabad – Vadodara NH 48 Highway and the Ahmedabad – Vadodara Expressway NE1. Our HAM project portfolio includes Gandeva to Ena section of the Vadodara – Mumbai Expressway, the Pathankot – Mandi four-laning project on NH 154 and the Chittoor – Thachur six-laning project on NH 716B. Our projects span a total of 2,456 Lane Kilometers, while the Private InvIT and the Public InvIT projects span a total of 10,567 Lane Kilometers and 2,421 Lane Kilometers, respectively, totaling 15,444 Lane Kilometers. We also have experience in developing road and highway infrastructure and have received various industry awards and recognitions.

All of our BOT, HAM and TOT projects are implemented and held through Project SPVs. We are involved in the design, development, construction, O&M of national and state highways and roads, many of which are in the high growth states of Maharashtra, Gujarat, Rajasthan, Punjab, Haryana, Telangana, Karnataka, Tamil Nadu, Madhya Pradesh and Uttar Pradesh.

To complement and support our BOT, HAM and TOT infrastructure development business verticals, we also operate in-house construction and O&M activities through MRMPL with requisite outsourcing, involving EPC and O&M work for projects on a contract basis with the Overall IRB Group’s Project SPVs.

We believe that our large fleet of sophisticated construction equipment and our experienced employee resources, including a labor force of 2,280 skilled employees in our construction segment, as of December 31, 2023, along with our engineering knowhow and capabilities, enable us to implement modern infrastructure and construction methodologies effectively and efficiently while differentiating us from our peers and aligning with industry best practices for sustainability.

We generate revenues primarily from our BOT and TOT projects and our construction activities. The following table shows certain key financial data as at and for the periods indicated.

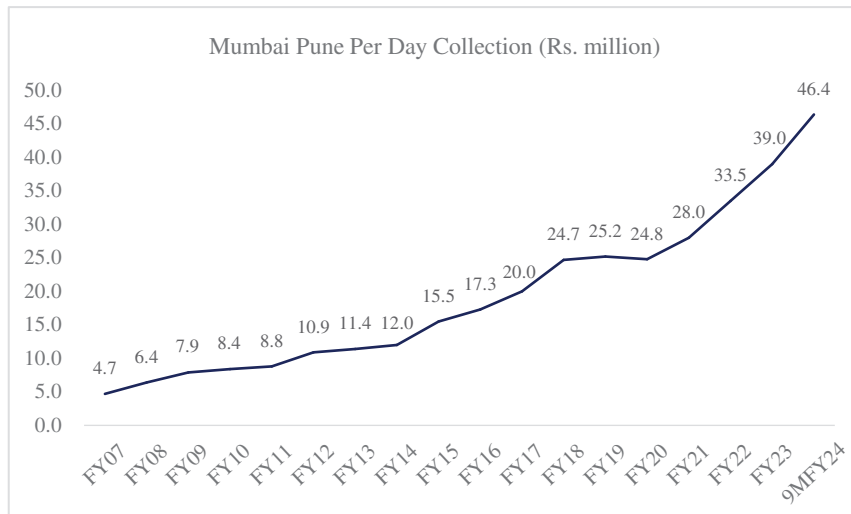
	As at/For the year ended March 31,			As at/ For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Total income	54,875.30	63,554.47	67,033.14	50,044.01	56,972.67
Profit after tax for the year/period	1,171.49	3,613.97	7,200.11	5,898.59	4,169.38
EBITDA ⁽¹⁾	25,357.66	31,230.25	34,236.97	26,227.97	26,119.08
Adjusted EBITDA ⁽²⁾	27,015.62	33,492.40	35,307.06	26,930.44	27,914.39
Cash and cash equivalents	6,534.85	529.75	3,005.60	— ⁽³⁾	790.45
Adjusted Gross Debt ⁽⁴⁾	168,548.49	138,220.03	133,123.00	— ⁽³⁾	140,622.05
Total equity	69,007.69	125,656.41	133,788.99	— ⁽³⁾	137,095.70
Total assets	411,736.44	425,666.20	427,661.77	— ⁽³⁾	441,554.93

Notes:

- (1) Adds Depreciation and amortisation expense, finance costs and tax expenses to profit after tax for the year/period. For a reconciliation of EBITDA to profit for the year/period, please see “Summary Financial and Other Data”.
- (2) Adding loss from joint ventures. For a reconciliation of Adjusted EBITDA to EBITDA, please see “Summary Financial and Other Data”.
- (3) The Group’s balance sheet information as of December 31, 2022, is not included in this offering memorandum.
- (4) Adjusted Gross Debt is calculated by aggregating Non current borrowings and current borrowings excluding deferred premium obligation, interest on premium deferment, interest accrued but not due on borrowings, interest free loan from related party, unamortised transaction cost and effective interest rate impact.

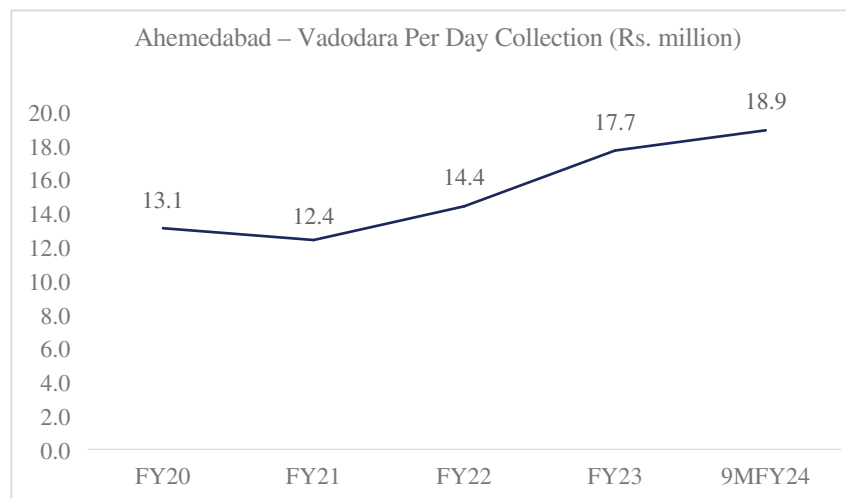
The charts below set forth the average toll collection per day for certain of the Group's road projects since inception.

1. Mumbai – Pune Project TOT



Note: The first concession of Mumbai Pune ended in August 2019 and was re-awarded as a TOT to the Company on March 2020.

2. Ahmedabad – Vadodara



Factors Affecting Our Results of Operations

Our business, prospects, results of operations and financial condition have been and are expected to continue to be affected by a number of factors, including the following key factors.

Terms and Timing of Contracts Awarded and the Stage of Completion of Our Contracts

Our revenue is derived primarily from concessions awarded to us on a project-by-project basis, and our results of operations and cash flows can fluctuate from period to period depending on the timing of concession awards and the stage of completion of such contracts.

We have a deep understanding of traffic trends and potential, reflected in our market share in BOT bid wins over the past decade, and we are well positioned to maximize market opportunities to win concessions. However, it is generally difficult to predict whether or when we will be awarded a new contract. Most potential contracts involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, governmental approvals and environmental matters. While service quality, technological capacity and performance, financial strength, health and safety records as well as reputation and experience are important considerations in client decisions, price is a major factor in most tender awards. Under our captive EPC segment, the construction and execution of projects are completed in-house for all concessions won, enabling us to execute projects won at the most efficient cost base, improving the financial returns profile of concessions we hold. The ability to win contracts may also depend, in the case of some large size contracts, on our ability to partner and collaborate with other joint venture partners or co-sponsors and maintain a continuing relationship with our significant clients, including governmental entities such as the NHAI and the Maharashtra State Road Development Corporation Limited ("MSRDC"). Our continuing relationship with governmental entities is especially crucial as all of our concessions are from the Government, being largely driven by BOT and TOT projects. The uncertainty associated with the timing of contract awards may increase our cost of doing business over a short period or a comparatively longer term. Because of the nature of our contracts, we sometimes commit resources to projects prior to receiving advances or other payments from the client in amounts sufficient to cover expenditures on projects as they are incurred by us. We account for the expenditure incurred in respect of any additional costs, deviations and delays with respect to a project in the financial year in which they are incurred. Thus, client default or project delays or cancellation have an effect on our results of operations and financial condition.

Contract revenue and contract cost associated with the construction of roads is recognized as revenue and expenses, respectively, by reference to the stage of completion of the projects as of the balance sheet date. The stage of completion of the project is determined by the proportion that percentage of work performed up to the balance sheet date bears to the total contract work to be completed. Actual toll collections from operational BOT and TOT assets are recognized as toll revenues, while we also incur actually tolling costs. EPC revenues consist of construction revenues corresponding with the proportion of work executed for the period, as well as O&M revenues based on fixed price contracts signed with various SPVs of the Group, and we incur costs relating to both construction and O&M. The net income from toll contracts on a BOT basis is recognized on actual collection of toll revenue, while revenue from maintenance contracts is recognized pro rata over the period of the contract as and when services are rendered. Accordingly, our results of operations and cash flows fluctuate from period to period depending on the stage of completion of our construction contracts and other factors.

Our order book, as of December 31, 2023, was Rs.361,852.59 million. Such order book information is not audited or reviewed by our auditors and does not necessarily indicate future earnings related to the performance of such contracts. Future earnings related to the performance of the work in the order book may not necessarily be realized. Due to changes in project scope and schedule, we cannot predict with any certainty when or if the projects in our order book will be performed and will generate revenue.

Our order book as of a particular date consists of unbilled revenue from the uncompleted portions of our "existing contracts", i.e., the total contract value of such "existing contracts" as reduced by the value of construction work billed until such date. For the purposes of calculating our order book, "existing contracts" include construction as well as O&M contracts, whether relating to funded construction projects or part of a BOT/HAM/TOT project for which we have received a letter of award, irrespective of whether definitive contracts have been executed for such projects as of such date.

Project Estimates, Project Financing and Operational Factors

All of our construction projects are performed on a fixed-price basis (including fixed pricing escalation). Actual expenses for such contracts, however, depend on factors such as the assumptions underlying our bid for various project uncertainties, changes in engineering design of the project and technical information provided by clients on which bids were based; design and engineering construction conditions, site and geological conditions; ability to obtain requisite environmental and other approvals; schedule of delivery of equipment and materials to the project site; equipment costs; delays local and seasonal weather conditions; and suppliers' or sub-contractors' ability to perform their obligations in a timely manner. The fixed prices that we submit in our bids for projects are determined after accounting estimated impacts of these factors to help ensure that projects are executed within budget.

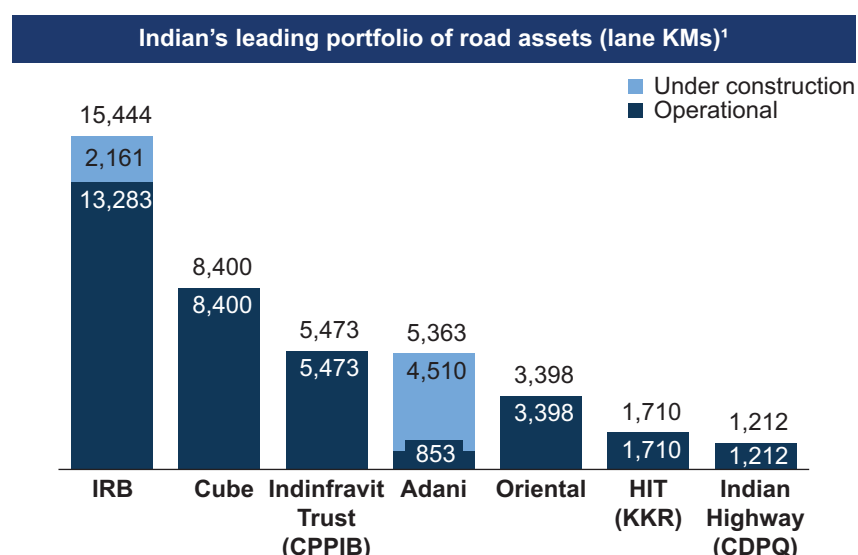
The availability of credit and cost of financing in India is also a significant factor and if there is any adverse development leading to an increase in the cost of financing or decrease in availability of funds from lenders, we may have difficulty accessing the financial markets, which could make it more difficult or expensive to obtain funding. The financial performance of our infrastructure development and construction projects are subject to various factors such as ability to complete the project construction on time, within budget or to the standards specified; meeting project milestones or achieving commercial operation by the scheduled completion date, timely payments (if any) from the client, which are Government authorities, ability to recover the targeted return on investment if the assumptions contained in the feasibility studies for these projects do not materialize; geological conditions; and ability of the clients to complete acquisition of private land or securing rights of way over private land for such projects as well as securing necessary approvals from specified authorities.

Fluctuating Revenue from Toll Road Projects

Toll collection and tariff terms for our BOT & TOT projects are pre-determined with the relevant government entity at the time of bidding and provide for a hedge with respect to inflation in terms of stipulated tariff increase, which cannot be modified during the concession period. Therefore, the relevant Project SPVs' profitability and its ability to meet debt service payments are significantly influenced by traffic volumes and the toll that can be levied on users of the road. In some cases, there may be alternate routes available to these toll roads and new roads may be developed in these stretches and toll may or may not be charged on such roads, which could potentially result in a diversion of vehicular traffic to such new roads.

Level of Investment and Activity in the Infrastructure Development and Construction sectors

Demand for our infrastructure development and construction services primarily depends on sustained economic development in the regions that we operate in and government policies relating to infrastructure development. It also significantly depends on budgetary allocations made by governments for this sector as well as funding provided by international and multilateral development finance institutions for infrastructure projects. Investment by the private sector in infrastructure projects depends on the potential returns from such projects and is therefore linked to government policies relating to private sector participation and sharing of risks and returns from such projects. We believe that the Gol's and state governments' focus on, and sustained increases in budgetary allocation for, infrastructure, and the development of comprehensive infrastructure policies that encourage greater private sector participation and funding for infrastructure projects from international and multilateral development financial institutions, should further result in large infrastructure projects in India. We believe our infrastructure development and construction businesses are likely to benefit from the Gol making infrastructure development the top policy priority which may lead to corresponding significant investment in the road sector. Since we intend to continue to focus on the roads and highway sector, macroeconomic factors in India relating to this sector will have a significant impact on our prospects and results of operations.



Note: Data sourced from Company filings, news articles, valuation reports and Company website.

Interest Rate and Exchange Rate Fluctuations

As our infrastructure development and construction business is capital intensive, we are exposed to interest rate risks. Our infrastructure development and construction projects are funded to a large extent by debt and any increase in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates with the provision for periodic reset of interest rates. As of December 31, 2023, a majority of our indebtedness was subject to variable interest rates. Considering the capital intensive nature of the infrastructure development business, an increase in interest expense at the Project SPV level is likely to have a significant adverse effect on our financial results.

Our foreign exchange risk primarily arises from movements of the Rupee against the U.S. dollar. Approximately 100% of our capital expenditures are denominated in Rupees. In addition, 100% of our borrowings are denominated in Rupees.

Availability of Tax Benefits

The Indian Income Tax Act provides certain tax benefits to companies engaged in infrastructure development and construction, including (i) a deduction of 100% of the profits (for a period of 10 consecutive assessment years) derived from the business of developing an infrastructure facility; and (ii) a deduction of the entire capital expenditure subject to certain conditions. Some of these benefits are available only for a specified period of time and others are available only in respect of specific projects. As and when the specified period of time expires or specified projects are completed, our tax liabilities may increase, reducing our profitability.

Transfers of Projects to the Private InvIT and the Public InvIT

Following our BEST strategy, we monetize our investments and dilute stakes in some of our projects from time to time by transferring them to the Private InvIT (in which we hold a 51% equity interest) and the Public InvIT (in which we hold an approximately 16% equity interest). For example, in 2017, we transferred seven BOT projects to the Public InvIT and an additional project in 2023. Additionally, in February 2020, we transferred nine BOT projects to the Private InvIT and two more BOT projects and 1 TOT project in 2022 and 2023. We believe that these divestments have helped improve our financial condition and results of operations by lowering our debt associated with the divested projects and reducing our share of initial period losses. In addition, we are also able to use the proceeds from such sale of stakes in our assets to reduce leverage and/or invest in other projects that we believe are profitable. However, as a result of these transfers, our financial condition and results of operations may not be comparable from period to period. We expect to continue to divest stakes in our projects from time to time. We are required to provide and have provided certain guarantees and capital expenditure contributions and commitments for future capital expenditures in relation to the SPVs under the Private InvIT.

Impact of COVID-19 on Projects

The Project SPVs received directives from the NHAI to temporarily suspend tolling on project roads due to the COVID-19 pandemic, which suspension lasted from March 25, 2020, to April 19, 2020. With the gradual opening up of economic activities since the resumption of tolling on April 20, 2020, traffic on the projects has recovered quickly and has already crossed pre-COVID levels.

The NHAI has offered an extension of concession period by three to six months to compensate for reduced revenue due to the COVID-19 lockdown. Additionally, the NHAI has offered COVID loans to the Project SPVs meeting interest/principal repayments of project loan as well as O&M expenses during the COVID-19 pandemic. Certain of the Project SPVs have applied to the NHAI for such loans. The payment of interest and principal of such loans shall be repaid one year prior to the end of concession period. See “Regulation.”

In addition, existing lenders have effected the capitalization of principal and interest during the moratorium period (from March 1, 2020 to August 31, 2020) as “funded interest term loan.” Any reduction in the principal instalments and accrued interest due during the moratorium period shall be added to the outstanding principal of the relevant loans. The tenors of the loans have been extended by six months, and principal instalments during moratorium period shall be repaid in last six months of the extended loan tenor. See “Regulation.” Loans from the NHAI shall be used to repay interest which was capitalized during the moratorium period and shall be repaid at the end of concession period as in a one-time payment.

Critical Accounting Policies

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

While all aspects of our financial statements should be read and understood in assessing our current and expected financial condition and results of operations, we believe that the following critical accounting policies warrant particular attention:

Principles of consolidation

Our consolidated financial statements have been prepared in accordance with the Indian Accounting Standard (Ind AS) 110 “Consolidated Financial Statements” notified under the the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, and other relevant provisions of the Act in the manner set out below.

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial 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 recognized in assets, such as inventory and fixed assets, are eliminated in full, except as stated in point iv. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

- iv. The BOT/Design, Build, Finance, Operate and Transfer (“DBFOT”) contracts are governed by Service Concession Agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets “toll collection rights” against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, revenue is recognized at fair value of construction services rendered and profit from such contracts is considered as realized.

Accordingly, BOT/DBFOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intragroup transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realized and not eliminated.

- v. A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
 - a. Derecognizes the assets (including goodwill) and liabilities of the subsidiary at carrying amounts at the date when control is lost.
 - b. Recognizes the fair value of the consideration.
 - c. Recognizes the fair value of any investment retained.
 - d. Recognizes any surplus or deficit in profit or loss.
 - e. Reclassifies the parent’s share of components previously recognized in other comprehensive income (“OCI”) to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

Investment in Joint Ventures

The Group’s interests in equity accounted investees comprise interests in joint ventures. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases. When the Group’s share of losses in an equity accounted investment equals or exceeds its interest in an entity; the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of other entity.

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Revenue Recognition

The Group has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Group recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

- Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

- Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Contract revenue (construction contracts)

Contract revenue and contract cost associated with the construction of road are recognized as revenue and expenses respectively 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 bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognized to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Group provides for foreseeable loss. Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. For contracts where the Company bears certain indirect tax as it's own expense, and are effectively acting as principals and collecting the indirect taxes on their own account, revenue from operations is presented as gross of such indirect taxes. In cases, where the total consideration is exclusive of certain indirect taxes and other duties, the Company is acting as an agent and revenue from operations is accounted net of indirect taxes. Claims are recognized to the extent that it is probable that they will result in revenue, they are capable of being reliably measured and it is not unreasonable to expect ultimate collection.

Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Group, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised in line with the actual usage of the specific public utility facility, with a maximum of the duration of the concession.

Contract revenue from Hybrid Annuity Contracts

Contract revenue and contract cost associated with the construction of road are recognized as revenue and expenses respectively 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 bear to the estimated total contract costs and considering work certified by Independent Engineer. Where the outcome of the construction cannot be estimated reliably, revenue is recognized to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Company provides for foreseeable loss.

Finance Income for concession arrangements under financial asset model is recognized using effective interest method.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost. In the financial assets model, the amount due from the grantor meet the identification of the receivable which is measured at fair value. Based on business model assessment, the Group measures such financial assets at fair value and subsequently also classifies the same as fair value through profit and loss ("FVTPL"). Any asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Operation and maintenance contracts

Revenue from maintenance contracts are recognized over the period of the contract as and when services are rendered.

Income from toll contracts

The income from Toll Contracts on BOT basis are recognized on actual collection of toll revenue (net of revenue share payable to NHAI) as per Concession Agreement. Revenue from electronic toll collection is recognized on accrual basis.

Revenue from wind-mill power generation (Sale of electricity)

Revenue from wind-mill power generation is recognized when the electricity is delivered to electricity distribution company at a common delivery point and the same is measured on the basis of meter reading.

Income from airport services

Revenue from airport operations, i.e., Aeronautical and Non Aeronautical operations are recognized on accrual basis, net of Goods and Service Tax (GST), and applicable discounts when services are rendered. Aeronautical operations include user development fee (UDF), Landing, Parking of aircraft, aerobridge charges and fuel farm. The main streams of revenue from non-aeronautical includes duty-free, retail, advertisement, food & beverages, cargo, ground handling, car parking and land and space rentals.

Land and Space Rentals pertains to granting Right to use land and space primarily for catering to the need of passengers, air traffic services and air transport services.

Revenue from commercial property development rights granted to concessionaires is recognized on accrual basis, as per the terms of the agreement entered into with the customers.

Interest income

For all financial assets 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 recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g., unbilled revenue. If the Group performs its obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset, i.e., unbilled revenue is recognized for the earned consideration that is conditional. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the Customer.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional, i.e., only the passage of time is required before payment of consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognized as revenue when the Group performs under the contract.

Property, plant and equipment and Intangibles

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Property, plant and equipment acquired in a business combination are recognized at fair value at the acquisition date.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the standalone Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Airport Assets

The Group depreciates airport assets in accordance with order no. 35/2017-18 (as amended from time to time), issue by Airport Economic Regulatory Authority (AERA) in the matter of determination of useful lives of Airport Assets and is calculated on Straight Line method (SLM) using the useful lives as prescribed under AERA. Land improvements cost has been bifurcated into buildings, Roads and Runway based on significant component accounting though useful life of land improvement and other class of assets is different.

Asset class	Useful life	As per AERA
Land improvement cost.....	Lease term (99 years)	Lease Term
Building	30 – 60 years	30 – 60 yrs
Runway, taxiway and apron	30 years	30 years
Electrical Installation	10 years	10 years
Plant and Equipment.....	15 years	15 years
Computers	3 years	3 years

Other than Airport Assets

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 based on technical evaluation.

Property, plant and equipment which are significant to the total cost the item of Property, plant and equipment having different useful life are accounted and depreciated separately.

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

Asset class	Useful life	As per Companies Act, 2013
Building	30 years	30 years
Plant & Machinery	9 years – 15 years	9 years – 15 years
Office equipment.....	5 years	5 years
Computers	3 years	3 years
Servers	6 years	6 years
Vehicles	8 years	8 years
Furniture & fixtures	10 years	10 years

Intangible Assets

The Group exercised first time adoption under Ind AS 101 and has elected to continue with the carrying value of its “Toll Collection Rights” (Intangible Assets) including corresponding obligation, as recognized in the consolidated financial statements as at the date of transition April 1, 2016 measured as per the Previous GAAP and uses that as its deemed cost as at date of transition.

With effect from 1 April 2016, toll collection rights are stated at cost, less accumulated amortisation, impairment losses and grant from government. Cost includes:

- For acquired Toll Collection Rights – fair value of upfront payments towards acquisition and incidental expenses related thereto.
- Toll Collection Rights awarded by the grantor against construction service rendered by the Group on BOT/DBFOT basis – Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.
- Toll Collection Rights in lieu of premium – Undiscounted premium obligation over the concession period.

Amortisation

Toll Collection Rights are amortised over the period of concession, using revenue-based amortisation as prescribed in Ind AS-38. 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.

Intangible assets under development

Expenditure related to and incurred during implementation of project are included under “Intangible Assets under Development”. The same will be transferred to the respective intangible assets on completion of project.

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 of 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Provisions

Provisions are recognized 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 recognized 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 recognized as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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 recognized 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 recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Foreign currency translations

The Group's financial statements are presented in INR, which is also the Group's functional currency.

Transactions and balance

Transactions in foreign currencies are initially recorded by each entity in 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 at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the consolidated statement of profit and loss.

Exchange difference arising on non current foreign currency monetary items related to acquisition of property, plant and equipment are added/deducted from the cost of asset and amortised along with the construction cost.

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 between the foreign currency borrowing and the functional currency borrowing to the extent regarded as an adjustment to the borrowing costs.

Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the Financial Statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to our statement of profit and loss.

Our Company has a 51% interest in the Private InvIT and MMK Toll Road Private Limited and has joint control over these two entities. Our interest in the Private InvIT is accounted for using the equity method in our Consolidated Financial Statements. Loss or profit of the joint ventures are reflected in our Consolidated Financial Statements by reference to the proportion of our ownership interest.

Inventories

Inventories are valued as follows:

Construction materials, components, stores, spares and tools: Lower of cost and net realizable value. Cost is determined on weighted average basis and includes all applicable costs in bringing goods to their present location and condition.

Work-in-progress and finished goods: Lower of cost and net realizable value. Cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realizable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.

Land

Land of real estate business are valued at lower of cost and net realizable value.

Cost includes land, cost of acquisition, legal cost and all other cost to transfer the legal and beneficial ownership of land in the name of the Group.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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 in accordance the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized 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 recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognized 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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized, 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside consolidated statement of profit and loss is recognized outside consolidated statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognized in OCI/capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognized in the consolidated statement of profit and loss. Deferred tax is recognized in consolidated statement of profit and loss on the consolidated adjustments.

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Group's assessment, there are no material income tax uncertainties over income tax treatments.

Income and Expenditure

Income

Our income consists of revenue from operations and other income.

Revenue from operations consists of (i) income arising out of toll collection (net), (ii) contract revenue (road construction), (iii) sale of electricity and (iv) other operating revenue.

Other income includes (i) interest income on bank deposits, investment in the Public InvIT (ii) dividend income on non-trade and current investments, (iii) any gain on sale of investments, primarily mutual funds, or property, plant and equipment and (iv) any gain or other non-operating income.

Expenses

Our expenses consist of (i) cost of material consumed, (ii) road work and site expenses, (iii) employee benefits expense, (iv) finance costs, (v) Depreciation and amortisation expense and (vi) other expenses.

Cost of material consumed

Cost of material consumed includes expenses relating to raw materials and other consumables used in construction and maintenance work.

Road work and site expenses

Road work and site expenses include:

- contract expenses, including O&M expenses, i.e., expenses incurred in connection with maintenance work, relating to payments to sub-contractors for construction works sub-contracted;
- stores, spares and tools consumed;
- site and other direct expenses including temporary contract labor engaged for various projects and sundry expenses on sites;
- technical consultancy supervision charges paid to third party consultants;
- royalty charges paid to government entities for stone quarrying in connection with raw materials for our construction work; and
- hire charges paid for machinery, equipment and/or construction vehicles hired from external sources used in our construction activities.

Employee benefits expenses

Employee benefits expenses include salaries, wages and bonus paid to employees, contribution towards provident and other funds, gratuity expenses as well as other staff welfare expenses.

Finance costs

Finance costs include interest expenses on (i) banks and financial institutions, premium deferment (non-cash), overdraft or cash credit from banks, debentures, unwinding of retention money, unwinding of sub-concession fee (non-cash) and interest on lease liabilities and (ii) other borrowing costs.

Depreciation and amortisation expense

Depreciation expenses consist of (i) depreciation on property, plant and equipment and (ii) depreciation on right to use asset.

Amortisation expenses include amortisation on intangible assets.

Other expenses

Other expenses include various administration costs such as power and fuel costs, rent fees, water charges, rates and taxes, repairs and maintenance costs on plant and machinery, vehicle expenses, insurance costs, advertisement expenses, traveling and conveyance expenses, communications cost, membership and subscription fees, printing and stationery expenses, legal and professional expenses, payment to auditor as well as director sitting fees, corporate social responsibility expenses, donations, bank charges and other miscellaneous expenses.

Segment Information

Our operations are divided into

- the BOT/TOT project segment;
- the construction segment; and
- the unallocable segment, which includes our real estate development, wind energy business activities, hospitality and airport infrastructure projects.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis. Net expenses that are not directly attributable to any business segment are shown as unallocated corporate expenses. Assets and liabilities that cannot be allocated between the two segments are shown as a part of unallocated corporate assets and liabilities, respectively. The following table sets out our consolidated segment-wise revenue and results for the periods indicated:

		Years ended March 31,			Nine months ended December 31,	
		2021	2022	2023	2022	2023
		(Rs. million)				
BOT/TOT	Total revenue (net)	15,594.00	17,874.84	20,432.67	15,217.00	17,688.45
Projects	Segment Results	8,536.28	9,685.58	10,949.35	8,224.45	8,856.70
Construction ...	Total revenue (net)	37,254.98	39,958.89	43,381.77	32,441.56	35,625.69
	Segment Results	11,817.41	12,121.41	13,733.60	10,988.02	9,549.36
Unallocated	Total revenue (net)	137.32	203.27	201.97	158.08	163.41
Corporate.....	Segment Results	(2.63)	(23.65)	(137.99)	(115.29)	(125.88)
Total	Total revenue (net)	52,986.30	58,037.00	64,016.41	47,816.64	53,477.55
	Segment Results	20,351.06	21,783.34	24,544.96	19,097.18	18,280.18

For further information on our segment information, see note 36 to our consolidated financial statements as of and for the year ended March 31, 2023 included elsewhere in this offering memorandum.

Results of Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

	Years ended March 31,			Nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Income					
Revenue from operations	52,986.30	58,037.00	64,016.41	47,816.64	53,477.56
Other income	1,889.00	5,517.47	3,016.73	2,227.37	3,495.11
Total income	54,875.30	63,554.47	67,033.14	50,044.01	56,972.67
Expenses					
Cost of material consumed	3,990.75	4,701.25	4,187.56	3,079.53	2,890.60
Road work and site expenses	17,627.90	19,083.84	20,767.30	14,800.37	20,307.10
Employee benefits expenses	2,618.57	2,873.21	3,461.62	2,646.31	2,981.79
Finance costs	16,924.43	18,906.23	15,146.26	11,413.51	12,487.70
Depreciation and amortisation expense ...	5,817.04	6,827.70	8,321.20	6,099.93	7,207.20
Other expenses	3,622.46	3,403.77	3,309.60	2,587.36	2,878.79
Total expenses	50,601.15	55,796.00	55,193.54	40,627.01	48,753.18
Profit before tax and Profit/(loss) of joint ventures	4,274.15	7,758.47	11,839.60	9,417.00	8,219.49
Profit/(Loss) from joint ventures	(1,657.96)	(2,262.15)	(1,070.09)	(702.47)	(1,795.31)
Profit before tax	2,616.19	5,496.32	10,769.51	8,714.53	6,424.18
Tax expenses:					
Current tax (including earlier years*)	1,862.39	1,781.97	2,500.18	2,089.92	1,600.06
Deferred tax (credit)/charge	(417.69)	100.38	1,069.22	726.02	654.74
Total tax expenses	1,444.70	1,882.35	3,569.40	2,815.94	2,254.80
Profit after tax	1,171.49	3,613.97	7,200.11	5,898.59	4,169.38
*earlier years	8.83	(37.23)	(14.80)	(4.47)	11.79
EBITDA ⁽¹⁾	25,357.66	31,230.25	34,236.97	26,227.97	26,119.08
Adjusted EBITDA ⁽²⁾	27,015.62	33,492.40	35,307.06	26,930.44	27,914.39

Notes:

(1) Adding Depreciation and amortisation expense, finance costs and tax expenses to profit after tax for the year/period.

(2) Adding Profit/(Loss) from joint ventures.

Nine Months ended December 31, 2023 compared to Nine Months ended December 31, 2022

Income

Revenue from operations

Revenue from operations increased by Rs.5,660.92 million, or 11.8%, from Rs.47,816.64 million for the nine months ended December 31, 2022, to Rs.53,477.56 million for the nine months ended December 31, 2023.

For the nine months ended December 31, 2023, our contract revenue was primarily derived from Meerut Budaun, Palsit Dankuni, the Hyderabad ORR project (the "Hyderabad ORR Project"), Samkhiyali Santalpur and HAM Projects. Contract revenue increased by Rs.3,333.99 million, or 10.4%, from Rs.31,932.00 million for the nine months ended December 31, 2022, to Rs.35,265.99 million for the nine months ended December 31, 2023, due to an increase in construction level of activity. Contract revenue represented 66.8% and 65.9% of our total revenue from operations for the nine months ended December 31, 2022 and 2023, respectively.

For the nine months ended December 31, 2023, we recognized income arising out of toll collection (net) from the Mumbai – Pune Project and Ahmedabad – Vadodara project. For the nine months ended December 31, 2022, we recognized income arising out of toll collection (net) from the Mumbai – Pune Project and Ahmedabad – Vadodara project. Income arising out of toll collection (net) increased by Rs.2,471.45 million, or 16.2%, from Rs.15,217.00 million for the nine months ended December 31, 2022, to Rs.17,688.45 million for the nine months ended December 31, 2023, primarily due to an increase in tariff rates and traffic growth. Income arising out of toll collection represented 31.8% and 33.1% of our revenue from operations for the nine months ended December 31, 2022 and 2023, respectively.

Other income

Other income increased by Rs.1,267.74 million, or 56.9%, from Rs.2,227.37 million for the nine months ended December 31, 2022 to Rs.3,495.11 million for the nine months ended December 31, 2023 primarily due to an increase in interest income on fixed deposits and an increase in gain on fair value measurement of deferred consideration receivables. Other income represented 4.5% and 6.1% of our total income for the nine months ended December 31, 2022 and 2023, respectively.

In addition, as compared to the nine months ended December 31, 2022, we recorded a decrease in fair value gain on mutual funds and other non operating income for the nine months ended December 31, 2023. The decreases were offset by increases in interest income on bank deposits and interest income on investments in IRB InvIT Fund and gain on sale on property, plant and equipment (net) and profit on sale of current investments (net).

Expenses

Our total expenses increased by Rs.8,126.17 million, or 20.0%, from Rs.40,627.01 million for the nine months ended December 31, 2022, to Rs.48,753.18 million for the nine months ended December 31, 2023. Our total expenses, expressed as a percentage of our total income, were 81.2% and 85.6% for the nine months ended December 31, 2022 and 2023, respectively.

Cost of material consumed

Cost of material consumed decreased by Rs.188.93 million, or 6.1%, from Rs.3,079.53 million for the nine months ended December 31, 2022, to Rs.2,890.60 million for the nine months ended December 31, 2023, primarily on account of the nature of the construction activity carried out during the period. Cost of material consumed, expressed as percentage of our total income, were 6.2% and 5.1% for the nine months ended December 31, 2022 and 2023, respectively.

Road work and site expenses

Road work and site expenses increased by Rs.5,506.73 million, or 37.2%, from Rs.14,800.37 million for the nine months ended December 31, 2022 to Rs.20,307.10 million for the nine months ended December 31, 2023 due to an increase in the level of construction activities.

Employee benefits expenses

Employee benefits expenses increased by Rs.335.48 million, or 12.7%, from Rs.2,646.31 million for the nine months ended December 31, 2022 to Rs.2,981.79 million for the nine months ended December 31, 2023 due to regular salary increase and recruitment of additional personnel for newly added projects. Employee benefits expenses were, as a percentage of our total income, 5.3% and 5.2% for the nine months ended December 31, 2022 and 2023, respectively.

Finance costs

Finance costs increased by Rs.1,074.19 million, or 9.4%, from Rs.11,413.51 million for the nine months ended December 31, 2022, to Rs.12,487.70 million for the nine months ended December 31, 2023. Finance costs, expressed as a percentage of our total income, were 22.8% and 21.9% for the nine months ended December 31, 2022 and 2023, respectively.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by Rs.1,107.27 million, or 18.2%, from Rs.6,099.93 million for the nine months ended December 31, 2022, to Rs.7,207.20 million for the nine months ended December 31, 2023, due to an increase in toll revenue. Depreciation and amortisation expense, expressed as a percentage of our total income, were 12.2% and 12.7% for the nine months ended December 31, 2022 and 2023, respectively.

Other expenses

Other expenses increased by Rs.291.42 million, or 11.3%, from Rs.2,587.37 million for the nine months ended December 31, 2022, to Rs.2,878.79 million for the nine months ended December 31, 2023. Other expenses, as a percentage of total income, were 5.2% and 5.1% for the nine months ended December 31, 2022 and 2023, respectively.

We incurred lower rent, rates and taxes, vehicle expenses, membership and subscription fees, legal and professional expenses, security expenses and loss on sale of investment for the nine months ended December 31, 2023, compared to that for the nine months ended December 31, 2022. We also did not incur any allowance for bad and doubtful receivables for the nine months ended December 31, 2023. However, power and fuel, insurance, advertisement expenses, repairs and maintenance for plant and machinery, advertisement expenses, printing and stationery, water charges, traveling and conveyance, communication cost, corporate social responsibilities expenditure, payment to auditors, donations, director sitting costs, bank charges and miscellaneous expenses increased for the nine months ended December 31, 2023, compared to that for the nine months ended December 31, 2022.

Loss from joint ventures

Our Company has 51% interest in the Private InvIT, MMK Toll Road Private Limited and Meerut Budaun Expressway Private Limited and has joint control over the three entities. Our interest in the Private InvIT is accounted for using the equity method in our Consolidated Financial Statements. Loss or profit of the joint ventures are reflected in our Consolidated Financial Statements by reference to the proportion of ownership interest. We recorded a net loss from joint ventures of Rs.702.47 million and Rs.1,795.31 million for the nine months ended December 31, 2022 and 2023, respectively, primarily due to a loss on fair valuation of deferred consideration and drawdown of debt for under construction projects.

Profit before tax

As a result of the foregoing, profit before tax decreased by Rs.2,290.35 million, or 26.3%, from Rs.8,714.53 million for the nine months ended December 31, 2022, to Rs.6,424.18 million for the nine months ended December 31, 2023.

Tax expenses

Tax expenses decreased by Rs.561.14 million, or 19.9%, from Rs.2,815.94 million for the nine months ended December 31, 2022, to Rs.2,254.80 million for the nine months ended December 31, 2023. Current tax decreased by Rs.489.86 million, or 23.4%, from Rs.2,089.92 million for the nine months ended December 31, 2022, to Rs.1,600.06 million for the nine months ended December 31, 2023, and our deferred tax charge also decreased from Rs.726.02 million for the nine months ended December 31, 2022, to Rs.654.74 million for the nine months ended December 31, 2023. The effective tax rate for the nine months ended December 31, 2022, was 32.31% as compared to 35.10% for the nine months ended December 31, 2023.

Profit after tax for the period

As a result of the foregoing, profit for the period decreased by Rs.1,729.21 million, or 29.3%, from Rs.5,898.59 million for the nine months ended December 31, 2022, to Rs.4,169.38 million for the nine months ended December 31, 2023.

Financial Year 2023 compared to Financial Year 2022

Income

Revenue from operations

Revenue from operations increased by Rs.5,979.41 million, or 10.3%, from Rs.58,037.00 million for the financial year 2022 to Rs.64,016.41 million for the financial year 2023.

For the financial year 2023, our contract revenue was primarily derived from Meerut Budaun, Palsit Dankuni and HAM projects. Contract revenue increased by Rs.3,412.74 million, or 8.7%, from Rs.39,304.91 million for the financial year 2022 to Rs.42,717.65 million for the financial year 2023 due to an increase in construction level of activity. Contract revenue represented 67.7% and 66.7% of our revenue from operations for the financial years 2022 and 2023, respectively.

For the financial year 2023, we recognized income arising out of toll collection (net) from the Mumbai – Pune Project and Ahmedabad – Vadodara project. For the financial year 2022, we recognized income arising out of toll collection (net) from the Mumbai – Pune Project and Ahmedabad – Vadodara project. Income arising out of toll collection (net) increased by Rs.2,939.62 million, or 16.8%, from Rs.17,493.05 million for the financial year 2022 to Rs.20,432.67 million for the financial year 2023 primarily due to tariff increases and traffic growth. Income arising out of toll collection represented 30.1% and 31.9% of our total revenue from operations for the financial years 2022 and 2023, respectively.

Other operating revenue decreased by Rs.375.91 million, or 32.8%, from Rs.1,145.88 million for the financial year 2022 to Rs.769.97 million for the financial year 2023 primarily due to the extinguishment of premium obligation in the Ahmedabad – Vadodara project on account of the COVID-19 pandemic.

Other income

Other income decreased by Rs.2,500.74 million, or 45.3%, from Rs.5,517.47 million for the financial year 2022 to Rs.3,016.73 million for the financial year 2023 primarily due to a decrease in interest income and a decrease in gain on fair value measurement of deferred consideration. Other income represented 8.7% and 4.5% of our total income for the financial years 2022 and 2023, respectively.

In addition, as compared to the financial year 2022, we recorded a decrease in fair value gain on mutual funds and other non operating income for the financial year 2023. The decreases were offset by increases in interest income on bank deposits and interest income on investments in InvIT Fund and gain on sale on property, plant and equipment (net) and profit on sale of current investments (net).

Expenses

Our total expenses decreased by Rs.602.46 million, or 1.1%, from Rs.55,796.00 million for the financial year 2022 to Rs.55,193.54 million for the financial year 2023 primarily due to decreases in finance costs and cost of material consumed, partly offset by increases in depreciation and amortisation expense and road work and site expenses. Our total expenses, expressed as a percentage of our total income, were 87.8% and 82.3% for the financial years 2022 and 2023, respectively.

Cost of material consumed

Cost of material consumed decreased by Rs.513.69 million, or 10.9%, from Rs.4,701.25 million for the financial year 2022 to Rs.4,187.56 million for the financial year 2023 primarily on account of the nature of the construction activity carried out during the period. Cost of material consumed, expressed as percentage of our total income, were 7.4% and 6.2% for the financial years 2022 and 2023, respectively.

Road work and site expenses

Contract expenses increased by Rs.1,646.78 million, or 11.3%, from Rs.14,523.23 million for the financial year 2022 to Rs.16,170.01 million for the financial year 2023 due to an increase in the level of construction activities.

Stores, spares and tools consumed increased by Rs.40.97 million, or 24.9%, from Rs.164.83 million for the financial year 2022 to Rs.205.80 million for the financial year 2023 due to the addition of new Meerut Buduan and Palsit Dankuni projects.

Site and other direct expenses, relating primarily to temporary contract labor and miscellaneous site expenses, decreased by Rs.48.60 million, or 2.0%, from Rs.2,445.11 million for the financial year 2022 to Rs.2,396.51 million for the financial year 2023.

Sub-contracting/security expenses increased by Rs.5.86 million, or 1.4%, from Rs.405.83 million for the financial year 2022 to Rs.411.69 million for the financial year 2023.

Technical consultancy supervision charges increased by Rs.46.88 million, or 3.5%, from Rs.1,340.37 million for the financial year 2022 to Rs.1,387.25 million for the financial year 2023 due to the addition of the new Meerut Buduan and Palsit Dankuni projects.

Royalty charges decreased by Rs.10.45 million, or 26.8%, from Rs.39.02 million for the financial year 2022 to Rs.28.57 million for the financial year 2023 due to a decrease in extraction related activity in the construction of our projects.

Hire charges increased slightly by Rs.2.02 million, or 1.2%, from Rs.165.45 million for the financial year 2022 to Rs.167.47 million for the financial year 2023.

Employee benefits expenses

Employee benefits expenses increased by Rs.588.41 million, or 20.5%, from Rs.2,873.21 million for the financial year 2022 to Rs.3,461.62 million for the financial year 2023 due to regular salary increase and recruitment of additional personnel for newly added projects. Employee benefits expenses were, as a percentage of our total income, 4.5% and 5.2% for the financial years 2022 and 2023, respectively.

Finance costs

Finance costs decreased by Rs.3,759.97 million, or 19.9%, from Rs.18,906.23 million for the financial year 2022 to Rs.15,146.26 million for the financial year 2023. Interest expense from banks and financial institutions decreased from Rs.9,183.63 million for the financial year 2022 to Rs.7,611.11 million for the financial year 2023 and interest expense on debentures decreased from Rs.5,760.46 million for the financial year 2022 to Rs.3,442.43 million for the financial year 2023 due to repayment of a term loan and NCDs in December 2021 from the proceeds of a preferential issue of shares respectively. Our Adjusted Gross Debt decreased from Rs.138,220.03 million as of March 31, 2022 to Rs.133,123.00 million as of March 31, 2023. Finance costs, expressed as a percentage of our total income, were 29.7% and 22.6% for the financial years 2022 and 2023, respectively.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by Rs.1,493.50 million, or 21.9%, from Rs.6,827.70 million for the financial year 2022 to Rs.8,321.20 million for the financial year 2023 due to an increase in toll revenue. Depreciation and amortisation expense, expressed as a percentage of our total income, were 10.7% and 12.4% for the financial years 2022 and 2023, respectively.

Other expenses

Other expenses decreased by Rs.94.17 million, or 2.8%, from Rs.3,403.77 million for the financial year 2022 to Rs.3,309.60 million for the financial year 2023. Other expenses, as a percentage of total income, were 5.4% and 4.9% for the financial years 2022 and 2023, respectively.

We incurred lower rates and taxes, water charges, traveling and conveyance, communication cost, corporate social responsibilities expenditure, payment to auditors, donations, security expenses and miscellaneous expenses for the financial year 2023 compared to that for the financial year 2022. We also did not incur any allowance for bad and doubtful receivables for the financial year 2023. However, power and fuel, rent, insurance, advertisement expenses, repairs and maintenance for plant and machinery, advertisement expenses, vehicle expenses, membership and subscription fees, printing and stationery, director sitting costs, legal and professional expenses, loss on sale of investment and bank charges increased for the financial year 2023 compared to that for the financial year 2022.

Loss from joint ventures

Our Company has 51% interest in the Private InvIT, MMK Toll Road Private Limited and Meerut Budaun Expressway Private Limited, and has joint control over the three entities. Our interest in the Private InvIT is accounted for using the equity method in our Consolidated Financial Statements. Loss of the joint ventures are reflected in our Consolidated Financial Statements by reference to the proportion of ownership interest. We recorded a loss from joint ventures of Rs.2,262.15 million and Rs.1,070.09 million for the financial year 2022 and 2023, respectively, primarily due to reduction in fair value loss on measurement of other payables.

Profit before tax

As a result of the foregoing, profit before tax increased by Rs.5,273.19 million, or 95.9%, from Rs.5,496.32 million for the financial year 2022 to Rs.10,769.51 million for the financial year 2023.

Tax expenses

Tax expenses increased by Rs.1,687.05 million, or 89.6%, from Rs.1,882.35 million for the financial year 2022 to Rs.3,569.40 million for the financial year 2023. Current tax (including earlier years) increased by Rs.718.21 million, or 40.3%, from Rs.1,781.97 million for the financial year 2022 to Rs.2,500.18 million for the financial year 2023 and our deferred tax charge also increased from Rs.100.38 million for the financial year 2022 to Rs.1,069.22 million for the financial year 2023. The effective tax rate for the financial year 2023 was 33.14% as compared to 34.25% for financial year 2022.

Profit after tax for the year

As a result of the foregoing, profit after tax for the year increased by Rs.3,586.14 million, or 99.2%, from Rs.3,613.97 million for the financial year 2022 to Rs.7,200.11 million for the financial year 2023.

Financial Year 2022 compared to Financial Year 2021

Income

Revenue from operations

Revenue from operations increased by Rs.5,050.70 million, or 9.5%, from Rs.52,986.30 million for the financial year 2021 to Rs.58,037.00 million for the financial year 2022.

For the financial year 2022, our contract revenue was primarily derived from the Hapur Moradabad, Mumbai – Pune Project and HAM projects (VK1 and VM7). Contract revenue increased by Rs.2,059.65 million, or 5.5%, from Rs.37,245.26 million for the financial year 2021 to Rs.39,304.91 million for the financial year 2022 due to an increase in construction level of activity. Contract revenue represented 70.3% and 67.7% of our total revenue from operations for the financial years 2021 and 2022, respectively.

For the financial year 2022, we recognized income arising out of toll collection (net) from the Mumbai – Pune Project and Ahmedabad – Vadodara project. For the financial year 2021, we recognized income arising out of toll collection (net) from the Mumbai – Pune Project and Ahmedabad – Vadodara project. Income arising out of toll collection (net) increased by Rs.2,795.37 million, or 19.0%, from Rs.14,697.68 million for the financial year 2021 to Rs.17,493.05 million for the financial year 2022 primarily because the financial year 2021 was impacted on account of the COVID-19 pandemic. Income arising out of toll collection represented 27.7% and 30.1% of our total revenue from operations for the financial years 2021 and 2022, respectively.

Other operating revenue increased by Rs.189.8 million, or 19.9%, from Rs.956.04 million for the financial year 2021 to Rs.1,145.88 million for the financial year 2022 primarily due to premium extinguishment in Ahmedabad – Vadodara project on account of the COVID-19 pandemic.

Other income

Other income increased significantly by Rs.3,628.47 million, or 192.1%, from Rs.1,889.00 million for the financial year 2021 to Rs.5,517.47 million for the financial year 2022 primarily due to an increase in interest income on compensation claim received for the Panaji Goa project and a gain on fair value measurement of other receivables. Other income represented 3.4% and 8.7% of our total income for the financial years 2021 and 2022, respectively.

In addition, as compared to the financial year 2021, we recorded increases in gain on sale of property, plant and equipment (net), profit on sale of current investment (net), fair value gain on mutual funds and other non-operating income for the financial year 2022. The increases were offset by a decrease in interest income on bank deposit and a decrease in interest income on investments in InvIT Fund.

Expenses

Our total expenses increased by Rs.5,194.85 million, or 10.3%, from Rs.50,601.15 million for the financial year 2021 to Rs.55,796.00 million for the financial year 2022 primarily due to an increase in road work and site expenses and finance costs. Our total expenses, expressed as a percentage of our total income, were 92.2% and 87.8% for the financial years 2021 and 2022, respectively.

Cost of material consumed

Cost of material consumed increased by Rs.710.50 million, or 17.8%, from Rs.3,990.75 million for the financial year 2021 to Rs.4,701.25 million for the financial year 2022 primarily due to an increase in the level of construction activities and on account of the nature of the construction activities carried out during the year. Cost of material consumed, expressed as percentage of our total income, increased from 7.3% for the financial year 2021 to 7.4% for the financial year 2022.

Road work and site expenses

Contract expenses increased by Rs.535.97 million, or 3.8%, from Rs.13,987.26 million for the financial year 2021 to Rs.14,523.23 million for the financial year 2022 due to an increase in the level of construction activities.

Stores, spares and tools consumed increased by Rs.38.00 million, or 30.0%, from Rs.126.83 million for the financial year 2021 to Rs.164.83 million for the financial year 2022 due to an increase in the level of activities and the nature of work executed.

Site and other direct expenses, relating primarily to temporary contract labor and miscellaneous site expenses, increased by Rs.326.79 million, or 15.4%, from Rs.2,118.32 million for the financial year 2021 to Rs.2,445.11 million for the financial year 2022 due to an increase in the level of activities and the nature of work executed.

Sub-contracting/security expenses decreased by Rs.64.33 million, or 13.7%, from Rs.470.16 million for the financial year 2021 to Rs.405.83 million for the financial year 2022.

Technical consultancy supervision charges increased by Rs.682.62 million, or 103.8%, from Rs.657.75 million for the financial year 2021 to Rs.1,340.37 million for the financial year 2022.

Royalty charges decreased by Rs.63.72 million, or 62.0%, from Rs.102.74 million for the financial year 2021 to Rs.39.02 million for the financial year 2022 due to a decrease in extraction related activity in the construction of our projects.

Hire charges increased slightly by Rs.0.61 million, or 0.4%, from Rs.164.84 million for the financial year 2021 to Rs.165.45 million for the financial year 2022.

Employee benefits expenses

Employee benefits expenses increased by Rs.254.64 million, or 9.7%, from Rs.2,618.57 million for the financial year 2021 to Rs.2,873.21 million for the financial year 2022 due to regular salary increase. Employee benefits expenses were, as a percentage of our total income, 4.8% and 4.5% for the financial years 2021 and 2022, respectively.

Finance costs

Finance costs increased by Rs.1,981.80 million, or 11.7%, from Rs.16,924.43 million for the financial year 2021 to Rs.18,906.23 million for the financial year 2022. Interest expense from banks and financial institutions increased from Rs.8,950.17 million for the financial year 2021 to Rs.9,183.63 million for the financial year 2022 and interest expense on debentures increased from Rs.2,558.06 million for the financial year 2021 to Rs.5,760.46 million for the financial year 2022 due to an increase in interest on account of the NCDs issued by India Toll Roads in February 2021, partly offset by prepayment of debt upon receipt of funds from a preferential issue of shares in December 2021. Our Adjusted Gross Debt decreased from Rs.168,548.49 million as of March 31, 2021, to Rs.138,220.03 million as of March 31, 2022. Finance costs, expressed as a percentage of our total income, were 30.8% and 29.7% for the financial years 2021 and 2022, respectively.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by Rs.1,010.66 million, or 17.4%, from Rs.5,817.04 million for the financial year 2021 to Rs.6,827.70 million for the financial year 2022 due to an increase in toll revenue. Depreciation and amortisation expense, expressed as a percentage of our total income, remained relatively steady at 10.6% and 10.7% for the financial years 2021 and 2022, respectively.

Other expenses

Other expenses decreased by Rs.218.69 million, or 6.0%, from Rs.3,622.46 million for the financial year 2021 to Rs.3,403.77 million for the financial year 2022. Other expenses, as a percentage of total income, were 6.6% and 5.4% for the financial years 2021 and 2022, respectively.

We incurred higher power and fuel, repairs and maintenance for plant and machinery, travelling and conveyance, legal and professional expenses, vehicle expenses, communication cost, payment to auditors, allowance for bad and doubtful receivable and miscellaneous expenses for the financial year 2022 compared to that for the financial year 2021. Rent, rates and taxes, water charges, insurance,

advertisement expenses, membership and subscription fees, printing and stationery, director sitting costs, corporate social responsibilities expenditure, donations, security expenses, loss on sale of investment and bank charges however, decreased for the financial year 2022 compared to that for the financial year 2021.

Loss from joint ventures (net)

Our Company has 51% interest in the Private InvIT and MMK Toll Road Private Limited and has joint control over the two entities. Our interest in the Private InvIT is accounted for using the equity method in our Consolidated Financial Statements. Loss or profit of the joint ventures are reflected in our Consolidated Financial Statements by reference to the proportion of ownership interest. We recorded a net loss from joint ventures of Rs.1,657.96 million and Rs.2,262.15 million for the financial year 2021 and 2022, respectively, primarily due to a loss on fair valuation of deferred consideration.

Profit before tax

As a result of the foregoing, profit before tax increased by Rs.2,880.13 million, or 110.1%, from Rs.2,616.19 million for the financial year 2021 to Rs.5,496.32 million for the financial year 2022.

Tax expenses

Tax expenses increased by Rs.437.65 million, or 30.3%, from Rs.1,444.70 million for the financial year 2021 to Rs.1,882.35 million for the financial year 2022. Although current tax (including earlier years) decreased by Rs.80.42 million, or 4.3%, from Rs.1,862.39 million for the financial year 2021 to Rs.1,781.97 million for the financial year 2022, we recognized a deferred tax charge of Rs.100.38 million for the financial year 2022 compared to a deferred tax credit of Rs.417.69 million for the financial year 2021. The effective tax rate for the financial year 2022 was 34.25% as compared to 55.22% for financial year 2021. The increase in the tax rate for financial year 2021 was attributable to the non-creation of deferred tax asset on business losses.

Profit after tax for the year

As a result of the foregoing, profit after tax for the year increased by Rs.2,442.48 million, or 208.5%, from Rs.1,171.49 million for the financial year 2021 to Rs.3,613.97 million for the financial year 2022.

Liquidity and Capital Resources

We operate in a capital-intensive industry and our principal liquidity requirements have been to finance our working capital needs and our capital expenditures. Our construction operations require a significant amount of working capital to finance the purchase of materials and the performance of construction and other work on projects before payment is received from clients. Our BOT infrastructure business also requires high levels of financing to fund such projects. To fund these costs, we have relied on equity contributions, short-term and long-term borrowings, including working capital financing, advances and grants from clients and cash from operating activities.

Our funding and treasury activities are conducted consistent with corporate policies designed to enhance investment returns while maintaining appropriate liquidity for our requirements. Our short-term liquidity requirements relate to servicing our debt and funding working capital requirements. Sources of short-term liquidity include cash balances, receipts from our operations and working capital loans. Our long-term liquidity requirements include partial funding of investments in new projects, funding equity contributions in Project SPVs, investments in our wind energy business and repayment of long-term debt under our credit facilities. Sources of funding for our long-term liquidity requirements include new loans, equity or debt issues. Our principal uses of cash have been, and are expected to continue to be, construction and development and implementation costs of our BOT and DBFOT projects and the development and construction of airport development projects.

Cash Flows

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated:

	Years ended March 31,			Nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Net cash flows generated from operating activities	8,668.04	3,641.13	17,641.30	12,024.87	28,357.28
Net cash flows (used in) investing activities	(81,760.67)	(15,534.33)	(6,503.49)	(5,712.85)	(27,357.72)
Net cash flows generated from financing activities	75,198.80	5,885.65	(8,605.04)	(5,694.97)	(3,214.71)
Cash and cash equivalents at the end of the year/period.....	6,480.38	472.83	3,005.60	1,089.88	790.45

Operating Activities

Net cash flows generated from operating activities for the nine months ended December 31, 2023, was Rs.28,357.28 million, while profit before tax was Rs.6,424.18 million. The adjustments were primarily attributable to Depreciation and amortisation expense of Rs.7,207.20 million, finance costs of Rs.12,487.70 million, share of loss (net) from joint ventures of Rs.1,795.31 million, a decrease in trade receivables of Rs.11,704.78 million and an increase in trade payables of Rs.792.39 million, offset in part by an increase in other financial assets of Rs.4,668.16 million and an increase in other assets of Rs.2,701.95 million.

Net cash flows generated from operating activities for the nine months ended December 31, 2022, was Rs.12,024.87 million, while profit before tax was Rs.8,714.53 million. The adjustments were primarily attributable to Depreciation and amortisation expense of Rs.6,099.93 million, finance costs of Rs.11,413.51 million, share of loss (net) from joint ventures of Rs.702.47 million, an increase in trade payables of Rs.1,529.20 million, offset in part by an increase in other financial assets of Rs.6,521.48 million, an increase in other assets of Rs.4,521.15 million, an increase in trade receivables of Rs.1,034.27 million and a decrease in other financial liabilities of Rs.888.70 million.

Net cash flows generated from operating activities for the financial year 2023 was Rs.17,641.30 million, while profit before tax was Rs.10,769.51 million. The adjustments were primarily attributable to Depreciation and amortisation expense of Rs.8,321.20 million, finance costs of Rs.15,146.26 million, an increase in trade payables of Rs.1,411.95 million, an increase in other liabilities of Rs.1,296.10 million, offset in part by an increase in trade receivables of Rs.1,759.71 million, an increase in other financial assets of Rs.8,864.78 million, and an increase in other assets of Rs.4,468.69 million.

Net cash flows generated from operating activities for the financial year 2022 was Rs.3,641.13 million, while profit before tax was Rs.5,496.32 million. The adjustments were primarily attributable to Depreciation and amortisation expense of Rs.6,827.69 million, finance costs of Rs.18,906.23 million, offset in part by an increase in trade receivables of Rs.8,317.07 million, an increase in other financial assets of Rs.5,744.63 million, an increase in other assets of Rs.4,750.14 million, and a decrease in trade payables of Rs.3,326.86 million.

Net cash flows generated from operating activities for the financial year 2021 was Rs.8,668.04 million, while profit before tax was Rs.2,616.19 million. The adjustments were primarily attributable to Depreciation and amortisation expense of Rs.5,817.04 million, finance costs of Rs.16,924.43 million, offset in part by a decrease in other financial liabilities of Rs.3,164.78 million, a decrease in other liabilities of Rs.3,567.45 million, an increase in trade receivables of Rs.1,471.69 million and an increase in other financial assets of Rs.5,458.72 million.

Investing Activities

Net cash flows used in investing activities for the nine months ended December 31, 2023, was Rs.27,357.72 million, primarily relating to addition to intangible assets including intangible assets under development and capital advances of Rs.1,338.25 million, investment in joint venture of Rs.35,697.10 million and purchase of current investment (net) of Rs.976.68 million, offset in part by proceeds from bank deposits (having original maturity of more than three months) (net) of Rs.3,893.14 million, loan repaid by joint venture of Rs.6,716.80 million and interest received of Rs.1,527.74 million.

Net cash flows used in investing activities for the nine months ended December 31, 2022 was Rs.5,712.85 million, primarily attributable to addition to intangible assets including intangible assets under development and capital advances of Rs.2,687.71 million, investment in joint venture of Rs.4,663.31 million, investment in bank deposits (having original maturity of more than three months) (net) of Rs.3,474.03 million and loan given to joint ventures of Rs.1,532.74 million, offset in part by consideration received on sale of subsidiary (net) of Rs.3,418.19 million, proceeds from sale of current investment (net) of Rs.1,354.26 million and interest received of Rs.1,546.51 million.

Net cash flows used in investing activities for the financial year 2023 was Rs.6,503.49 million, primarily relating to addition to intangible assets including intangible assets under development and capital advances of Rs.3,814.07 million, investment in joint venture of Rs.4,663.03 million, a loan given to joint ventures of Rs.2,352.78 million and investment in bank deposits (having original maturity of more than three months) (net) of Rs.4,257.73 million, offset in part by consideration received on sale of subsidiary (net) of Rs.3,418.19 million, proceeds from sale of current investment (net) of Rs.2,840.99 million and interest received of Rs.1,982.40 million.

Net cash flows (used in) investing activities for the financial year 2022 was Rs.15,534.33 million, primarily relating to addition to intangible assets including intangible assets under development and capital advances of Rs.11,422.77 million, a loan given to joint ventures of Rs.4,759.00 million, purchase of property, plant and equipment of Rs.2,473.04 million and investment in joint ventures of Rs.1,946.33 million, offset in part by loan repaid by joint ventures of Rs.4,828.83 million.

Net cash flows (used in) investing activities for the financial year 2021 was Rs.81,760.67 million, primarily relating to addition to intangible assets including intangible assets under development and capital advances of Rs.77,780.00 million, a loan given to joint ventures of Rs.4,155.57 million, investment in joint ventures of Rs.2,603.81 million and purchase of current investment (net) of Rs.2,886.19 million, offset in part by receipt of other recoverable/advance towards subscription of units of Rs.3,413.14 million.

Financing Activities

Net cash flows used in financing activities for the nine months ended December 31, 2023, was Rs.3,214.71 million, primarily resulting from repayment of non-current borrowings of Rs.6,597.44 million, finance cost paid of Rs.9,621.21 million, repayment of non-convertible debentures of Rs.2,869.05 million and dividend paid on equity shares of Rs.1,056.83 million, offset in part by proceeds from non-current borrowings of Rs.16,922.91 million and proceeds of current borrowings (net) of Rs.42.63 million.

Net cash flows used in financing activities the nine months ended December 31, 2022, was Rs.5,694.97 million, primarily resulting from repayment of non-current borrowings of Rs.3,209.29 million, finance cost paid of Rs.8,831.51 million, repayment of non-convertible debentures of Rs.788.33 million and dividend paid on equity shares of Rs.754.88 million, offset in part by proceeds from non-current borrowings of Rs.1,697.22 million and proceeds of current borrowings (net) of Rs.6,225.84 million.

Net cash flows used in financing activities for the financial year 2023 was Rs.8,605.04 million, primarily resulting from repayment of non-current borrowings of Rs.15,083.09 million, finance cost paid of Rs.12,279.21 million and repayment of non-convertible debentures of Rs.1,058.74 million, offset in part by proceeds from non-current borrowings of Rs.12,975.02 million and proceeds of current borrowings (net) of Rs.7,641.41 million.

Net cash flows generated from financing activities for the financial year 2022 was Rs.5,885.65 million, primarily resulting from proceeds from issue of equity share capital (net of issue expenses) of Rs.52,866.92 million, proceeds from non-current borrowings of Rs.7,934.32 million and proceeds from issue of non-convertible debentures of Rs.3,500.00 million, offset in part by repayment of non-convertible debentures of Rs.16,210.00 million, repayment of non-current borrowings of Rs.16,653.93 million, finance costs paid of Rs.16,606.99 million and repayment of current borrowings (net) of Rs.8,901.29 million.

Net cash flows generated from financing activities for the financial year 2021 was Rs.75,198.80 million, primarily resulting from proceeds from non-current borrowings of Rs.70,140.73 million and proceeds from issue of non-convertible debentures of Rs.41,783.35 million, offset in part by repayment of non-current borrowings of Rs.15,148.86 million, finance costs paid of Rs.14,926.64 million, repayment of current borrowings (net) of Rs.4,842.85 million and dividend paid on equity shares of Rs.1,757.25 million.

Capital Expenses

For the financial year 2023, cash outflows for purchase of property, plant and equipment of Rs.494.89 million, intangible assets including intangible assets under development and capital advances was Rs.3,814.07 million, and consisted primarily of addition to intangible assets by way of toll concession rights in BOT projects and purchase of construction equipment. Our addition to intangible assets including intangible assets under development and capital advances for the nine months ended December 31, 2023, of Rs.1,338.25 million included the cost of acquisition of intangible assets by way of toll collection rights in our BOT projects and purchase of construction equipment used in our construction operations.

We intend to pursue a strategy of continued investment in infrastructure development projects. We anticipate that our capital expenditures in the next 12 months will continue to increase significantly due to our commitment to develop and fund new BOT and HAM infrastructure development projects including the 3 HAM project which is under development, as well as in connection with existing projects under construction.

We have in the past relied principally on internal cash flow and other funds, affiliate loans, bank borrowings and equity contributions. Infrastructure projects are typically capital intensive and require high levels of debt financing. Our available financial resources for implementing these projects, based on our internal studies and estimates, may be inadequate and the project development may face cost overruns. We have in the past been able to arrange for debt financing for our infrastructure development projects on acceptable terms at the Project SPV level. Our ability to continue to arrange for financing on a substantially non-recourse basis for our infrastructure development projects and the costs of such capital depends on numerous factors, including general economic and capital market conditions, availability of credit from banks and financial institutions, investor confidence, the success of our current infrastructure development projects and other factors outside our control. We propose to finance these expenditures through debt and internal accruals or any combination thereof.

Indebtedness

As of December 31, 2023, we had Adjusted Gross Debt aggregating to Rs.1,40,622.05 million. Most of our financing arrangements are secured by our movable and immovable assets, including a charge on our equipment as well as on our intangible assets relating to toll collection rights under the various BOT projects undertaken by us. In addition, our Company and the Group entities have given guarantees as collateral security for amounts borrowed under many of the financing agreements for funding our Project SPVs. The projects being undertaken by Project SPVs are partly financed by project debt taken from banks/financial institutions. As a standard lending practice for road projects in India, project lenders seek certain assurance from the sponsor in the form of corporate guarantees. Accordingly, in our capacity as sponsor of the projects, we have given corporate guarantees for a number of BOT projects as described below:

Sponsor comfort

Mitigants

Corporate guarantee for meeting shortfall in debt servicing	Pursuant to certain refinancings undertaken in the last two years, corporate guarantees for five such projects have already been released. Certain corporate guarantees shall be automatically released pursuant to completion of the construction.
Undertaking to meet shortfall in debt servicing	Such sponsor comforts typically are discontinued upon refinancing of project debt pursuant to completion of construction, as demonstrated by the Company in its past projects. Pursuant to certain refinancings undertaken in the last two years, such undertaking for most of the projects have already discontinued.
Corporate guarantee for meeting shortfall, if any, between termination payment received from the NHAI and outstanding debt.....	As tolling for all projects have already commenced, the event of termination is unlikely.
Undertaking to meet cost overrun	All the under-construction projects of IRB are already revenue generating and near completion. As a result, IRB does not expect any cost overrun above the budgeted costs.

Given the mitigants available, we believe that we are unlikely to accrue any liabilities as a result of these guarantees.

We have such guarantees for past projects and it is standard practice in the industry to provide such corporate guarantees to lenders in respect of debt incurred by the Project SPVs. We have not been asked to make payments under these project guarantee, which we believe demonstrates our strong execution record.

Many of our financing agreements also include various conditions and covenants that require either our Company or the borrower Project SPVs, or both, to obtain consents from our lenders prior to carrying out certain activities and entering into certain transactions, including consents to incur additional debt, issue equity, change their respective capital structure, increase or modify their respective capital expenditure plans, undertake any expansion, provide additional guarantees, change their respective management structure, or merge with or acquire other companies, whether or not there is any failure by such entities to comply with the other terms of such agreements. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Under certain of these financing agreements, in case of event of a default, our Company and/or the relevant Project SPV, are also required to obtain the consent of the relevant lender to pay dividends. Further, under our financing arrangements relating to Project SPVs, the relevant project lenders have the right to nominate directors to the board of directors of these entities upon the occurrence of an event of default.

Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may adversely affect our ability to conduct our business and operations or implement our business plans. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under the financing documents, thereby reducing the availability of our cash flow to meet working capital requirements and use for other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. If the obligations under any of our financing agreements are accelerated or if the lenders of a material amount of the outstanding loans declare an event of default simultaneously, we may be unable to pay our debts as they fall due.

In addition, under certain financing arrangements entered into in connection with our infrastructure development projects, we have pledged the equity shares held by the Company in the relevant Project SPV with the lenders under such financing arrangements. Furthermore, in case of a default in the repayment of principal or interest amounts to certain lenders to Project SPVs, such lenders have the right to convert the outstanding defaulted amounts into fully-paid equity shares of the relevant Project SPV, subject to the approval of the relevant concessioning authority. Such conversions may be exercised on more than one occasion, whenever there is any payment default under such financing arrangements. Any enforcement of such pledge or any such conversion will result in a reduction of the Company's effective shareholding in the relevant Project SPV, thereby reducing the value of its investment in the relevant Project SPV.

In addition, financing arrangements entered into by our Project SPVs contain conditions to the payment of dividends, including financial covenants being met and certain debt service accounts being adequately funded prior to the declaration and/or payment of dividends by these Project SPVs. In the event of a bankruptcy, liquidation or reorganization of a Project SPV, the Company's claim in the assets of such Project SPV as a shareholder in the Project SPV remains subordinated to the claims of lenders and other creditors. Lenders to the Project SPVs also typically have a floating charge over all assets of the Project SPVs, including dividend payments by, and all cash of, these Project SPVs, effectively providing the lenders to the Project SPV a first priority lien over any distribution upon the occurrence of an event of default under the financing arrangements.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under contractual commitments as of December 31, 2023, aggregated by type of contractual obligation:

	As of December 31, 2023 (unaudited)				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
	(Rs. million)				
Long term borrowings					
(Gross of unamortised transaction cost)	166,944.26	199,304.02	44,921.87	93,992.65	60,389.50
Short term borrowings	14,326.42	15,472.56	15,472.56	—	—
Lease liabilities	54.74	54.74	47.14	7.60	—
Other financial liabilities	111,054.89	111,054.89	8,625.73	13,173.55	89,255.61
Trade payables	5,814.18	5,814.18	5,814.18	—	—
Total	298,194.49	331,700.39	74,881.48	107,173.80	149,645.11

In addition, as of December 31, 2023, we had committed to further investments as sponsor's contributions to the Private InvIT in the amount of Rs.14,764.05 million (excluding TOT 13).

Contingent Liabilities and other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as of December 31, 2023:

Particulars	As of December 31, 2023
	(Rs. million)
Guarantees and counter guarantees given by the Company on behalf of joint ventures	1,910.70
Bank guarantees towards bids, tenders, authorities, etc.	1,325.15
Total	3,235.85

In addition, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Private InvIT – Indebtedness” for a description of the Private InvIT’s indebtedness.

There are no other contingent liabilities or off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Transactions with Related Parties

We have in the course of our business entered into various transactions with related parties. These transactions include O&M charges paid for O&M activities sub-contracted, loans and advances, certain road work expenses for work road work contracted to various Group entities held by us.

For further information, see “Related Party Transactions”.

Quantitative and Qualitative Disclosure about Market Risk

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Interest Rate Risk

As our infrastructure development and construction businesses are capital intensive, we are exposed to interest rate risk. Interest rates for borrowings have been volatile in India in recent periods. Our infrastructure development and construction projects are funded to a large extent by debt and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates with the provision for periodic reset of interest rates. As of December 31, 2023, the majority of our total indebtedness was subject to variable rates. Although we exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Commodity Price Risk

The Company requires materials for implementation (construction) of the projects, such as cement, bitumen, steel and other related construction materials. However, the Company has entered into fixed price contract with the EPC contractor so as to manage the exposure to price increases in raw materials.

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 optimal 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 optimized cost.

For further information, see note 42 to our consolidated financial statements as of and for the year ended March 31, 2023, included elsewhere in this offering memorandum.

Seasonality of Business

Our operations may be adversely affected by difficult working conditions during the summer months and during the monsoon season, which typically runs from July to September, that restrict our ability to carry on construction activities and fully utilize our resources. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses but our revenue from construction activities may be delayed or reduced.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE PRIVATE INVIT

Investors should read the following discussion and analysis of the Private InvIT financial condition and results of operations together with the Private InvIT's financial statements included elsewhere in this offering memorandum. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the section "Risk Factors". Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, refer to "Forward-Looking Statements".

The following discussion is based on the audited consolidated financial statements of the Private InvIT and Private InvIT SPVs as at and for the years ended March 31, 2021, 2022 and 2023 and unaudited condensed consolidated interim financial statements as at and for the nine months ended December 31, 2022 and 2023, which have been prepared in accordance with Ind AS and included elsewhere in this offering memorandum. Ind AS differs in certain material respects from Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which our financial statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS.

The Private InvIT has 15 SPVs (the "Private InvIT's Project SPVs"), namely: AE Tollway Limited ("AETL"), CG Tollway Limited ("CGTL"), IRB Hapur Moradabad Tollway Limited ("IRB HMTL"), IRB Westcoast Tollway Limited ("IRB Westcoast"), Kishangarh Gulabpura Tollway Limited ("KGTL"), Kaithal Tollway Limited ("KTL"), Solapur Yedeshi Tollway Limited ("SYTL"), Udaipur Tollway Limited ("UTL"), Yedeshi Aurangabad Tollway Limited ("YATL"), Palsit Dankuni Tollway Private Limited ("PDTP"), Samakhiali Tollway Private Limited ("STPL"), Meerut Budaun Expressway Limited ("MBEL"), IRB Golconda Expressway Private Limited ("IRB GEPL"), IRB Lalitpur Tollway Private Limited ("IRB LTPL") and IRB Kota Tollway Private Limited & IRB Gwalior Tollway Private Limited ("IRB KTPL & IRB GTPL"). Nine of the SPVs (the "Private InvIT Historic Portfolio"), namely AETL, CGTL, IRB HMTL, IRB Westcoast, KGTL, KTL, SYTL, UTL and YATL, were transferred by the Company to the Private InvIT on February 25, 2020. The Company transferred PDTP to the Private InvIT on April 2, 2022. The Company transferred STPL to the Private InvIT on December 28, 2023. IRB LTPL was incorporated by the Private InvIT on November 10, 2023. IRB KTPL & IRB GTPL were incorporated by the Private InvIT on January 1, 2024. On August 11, 2023, the Private InvIT acquired 99.99% of the equity share capital of IRB GEPL. MBEL is in the process of being transferred to the Private InvIT and, for the purposes of this Offering Memorandum, is being described as an SPV of the Private InvIT.

The Private InvIT and Private InvIT's Project SPVs' financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of such year.

Overview

The Private InvIT is a registered infrastructure investment trust under the InvIT Regulations. The portfolio of the Private InvIT comprises 15 toll-road assets in the states of West Bengal, Haryana, Uttar Pradesh, Rajasthan, Gujarat, Goa, Maharashtra, Karnataka, Madhya Pradesh and Telangana in India. These toll roads are operated and maintained pursuant to concessions awarded by the NHAI, HMDA and UPDEIDA.

Each of the Private InvIT's Project SPVs is an eligible infrastructure project as defined under the InvIT Regulations. As of December 31, 2023, the Private InvIT's Project SPVs owned the following toll road assets comprising 10,567 Lane Kilometers of highway:

- The Agra – Etawah NH-2 Project: A 124.52 km section of NH-2 between Agra and Etawah Bypass in Uttar Pradesh which is held by AETL;
- The Gulabpura – Chittorgarh NH-79 Project: A 124.87 km section of NH-79 between Gulabpura and Chittorgarh Bypass in Rajasthan which is held by CGTL;
- The Hapur – Moradabad NH-9 Project: A 99.867 km section of NH-9 between Hapur and Moradabad in Uttar Pradesh which is held by IRB HMTL;
- The Goa – Kundapur NH-17 Project: A 187.28 km section of NH-17 between Goa/Karnataka border and Kundapur in Karnataka which is held by IRB Westcoast;

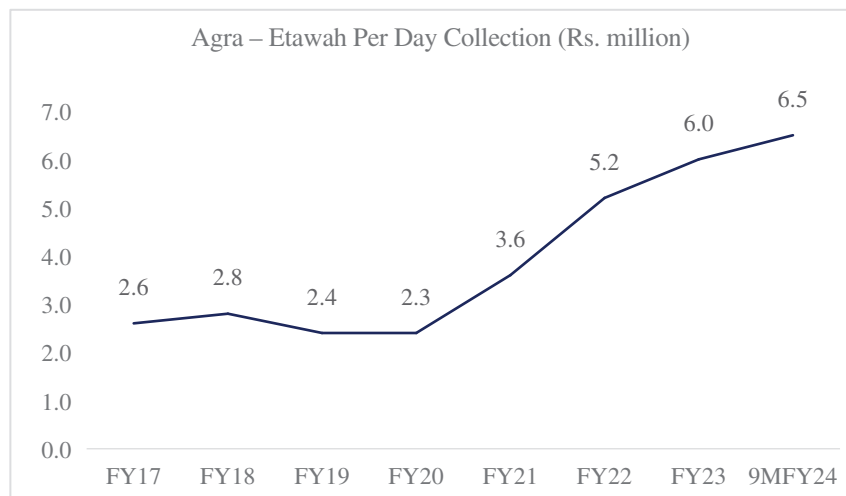
- The Kishangarh – Gulabpura NH-79/79A Project: A 90.00 km section of NH-79/79A between Kishangarh and Gulabpura in Rajasthan which is held by KGTL;
- The Kaithal – Rajasthan Border NH-152/65 Project: A 166.259 km section of NH-152/65 between Kaithal and Rajasthan Border in Haryana which is held by KTL;
- The Solapur – Yedeshi NH-211 Project: A 98.717 km section of NH-211 between Solapur and Yedeshi in Maharashtra which is held by SYTL;
- The Udaipur – Rajasthan Border NH-8 Project: A 113.80 km section of NH-8 between Udaipur and Rajasthan Border in Rajasthan and Gujarat which is held by UTL;
- The Yedeshi – Aurangabad NH-211 Project: A 189.09 km section of NH-211 between Yedeshi and Aurangabad in Maharashtra which is held by YATL;
- The Palsit – Dankuni NH-19 Project: A 63.83 km section of NH-19 between Palsit and Dankuni in West Bengal which is held by PDTPL;
- The Samakhiali – Santalpur Project: A 90.9 km stretch of the Samakhiali – Santalpur highway (NH 27) in Gujarat held by STPL;
- Meerut – Budaun Expressway Project: A 129.7 kilometers of six lane (expandable to eight lanes) expressway from Meerut to Budaun in the State of Uttar Pradesh held by MBEL;
- The Hyderabad ORR Project: A 158 km, eight-lane ring road expressway encircling Hyderabad, the capital city of Telangana state, starting at kilometer 0.0 at Narsingi junction and ending at kilometer 158.01 at Gachibowli in Hyderabad held by IRB GEPL;
- The TOT 12 Project: TOT-12 project from Lalitpur to Lakhnadon is the single largest major highway link of 316 km (1,264 Lane Kilometers) between Srinagar in North and Kanyakumari in South and is held by IRB LTPL; and
- The TOT 13 Project: The project stretch is a section of NH-44 (old NH-26) which is the longest highway in India (from Srinagar to Kanyakumari). NH-44 passes through the union territory of Jammu & Kashmir in addition to the states of Punjab, Haryana, Delhi, Uttar Pradesh, Rajasthan, Madhya Pradesh, Maharashtra, Telangana, Andhra Pradesh, Karnataka and Tamil Nadu and is held by IRB KTPL & IRB GTPL. The project stretch starts at kilometer 16.0 of NH-44 at Gwalior and ends at kilometer 98.455 of NH-44 at Jhansi in the state of Uttar Pradesh and Madhya Pradesh.

The following map set out below depicts the location of the Private InvIT Portfolio.

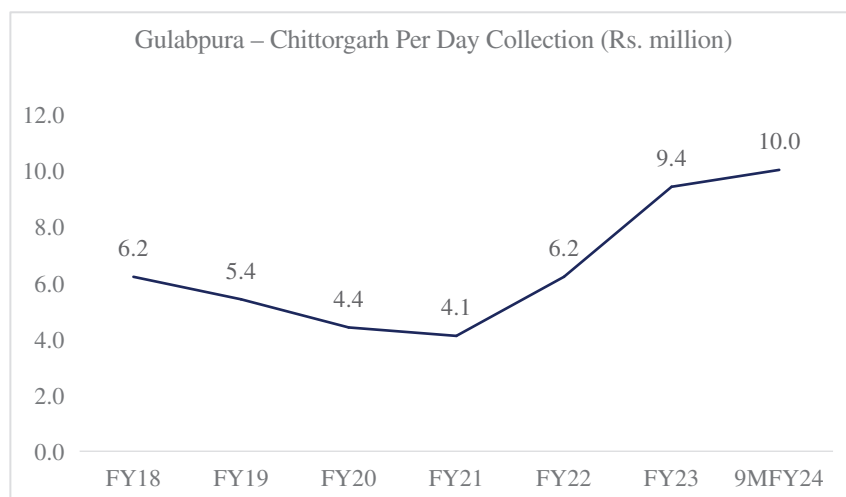


The charts below set forth the average toll collection per day for certain of the Private InvIT's road projects since inception.

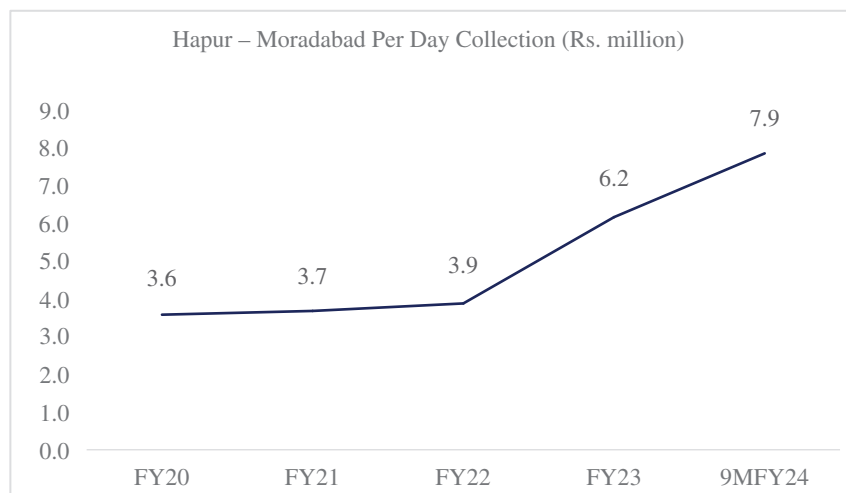
1. **Agra Etawah**



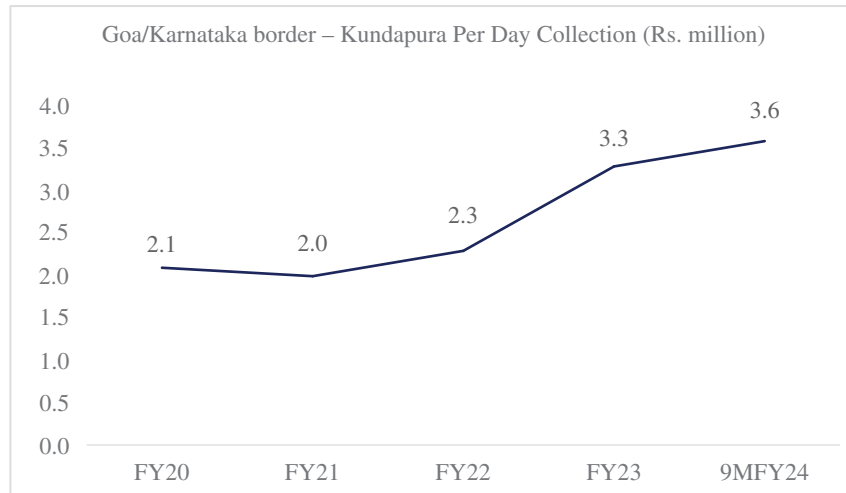
2. **Gulabpura – Chittorgarh**



3. **Hapur Moradabad**

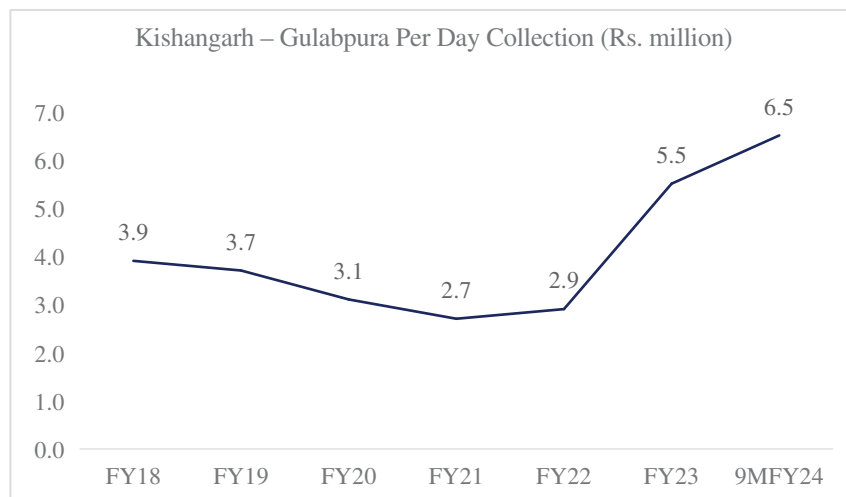


4. Goa Kundapur

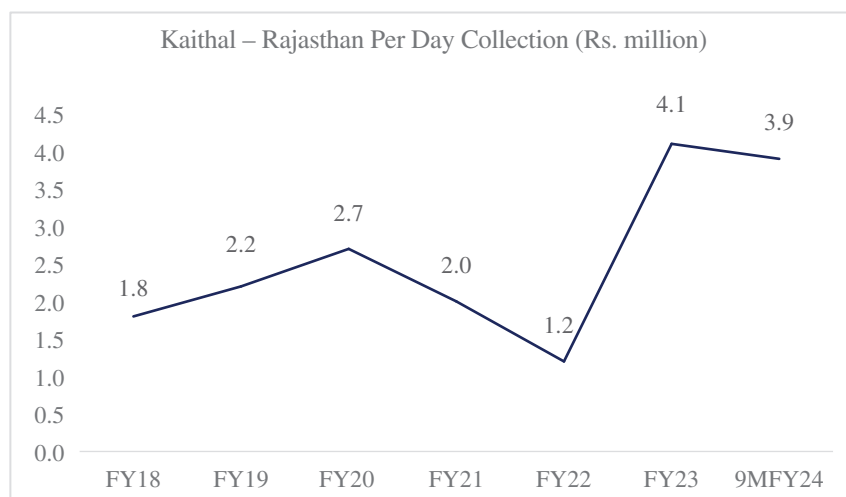


Note: Toll collection for Goa Kundapur commenced on February 11, 2020.

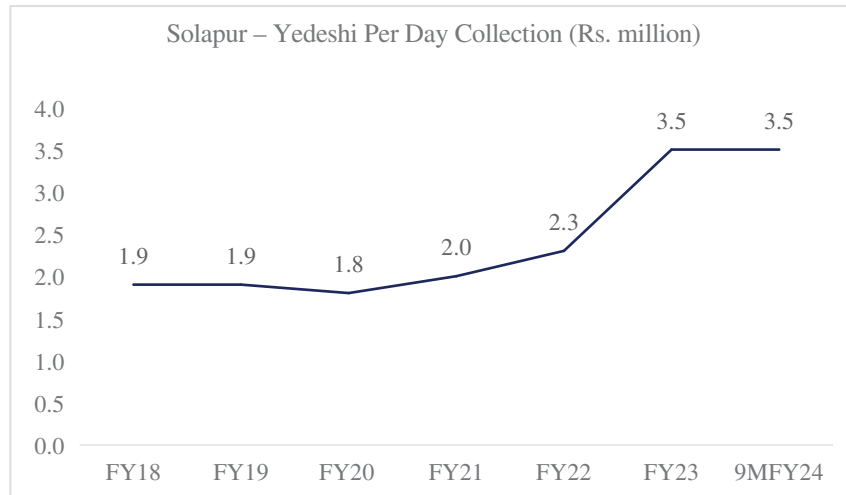
5. Kishangarh – Gulabpura



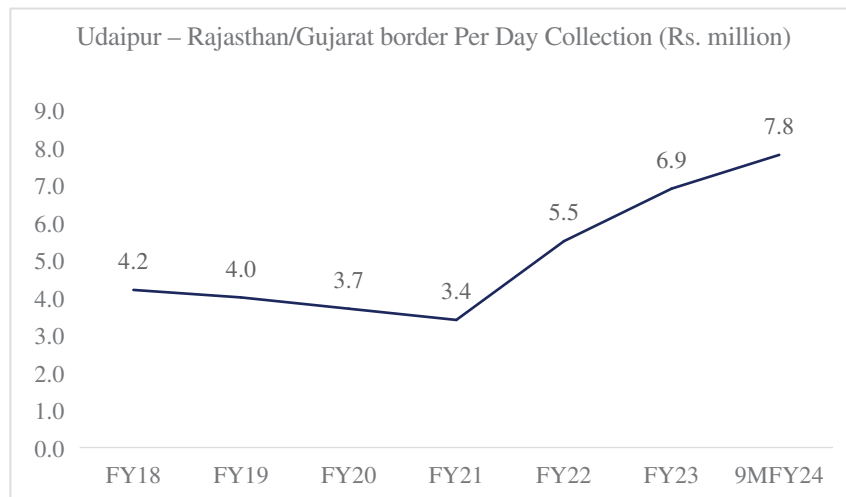
6. Kaithal – Rajasthan



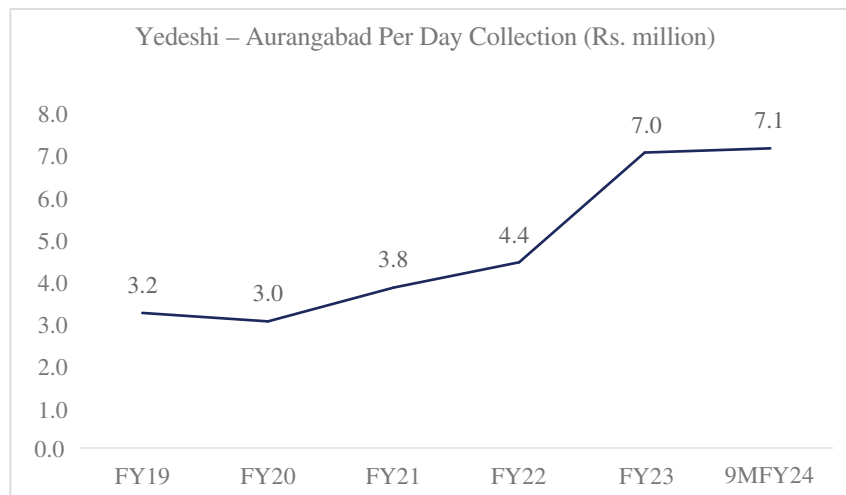
7. Solapur – Yedeshi



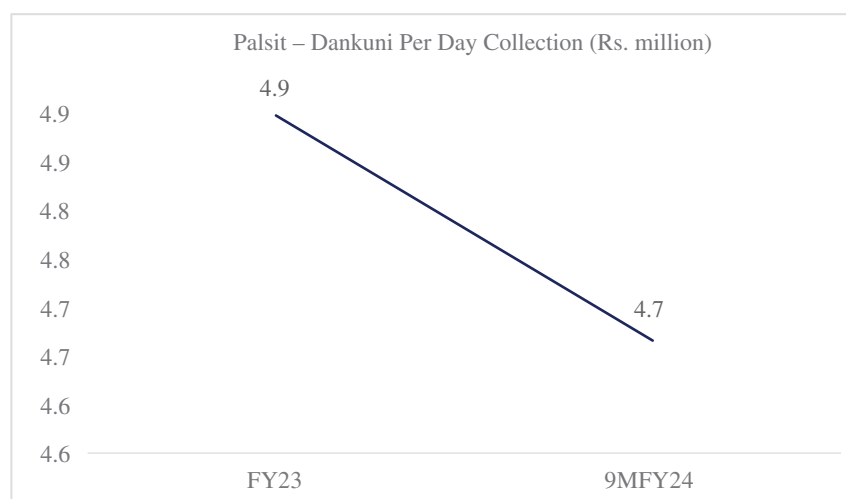
8. Udaipur – Rajasthan



9. Yedeshi – Aurangabad



10. Palsit – Dankuni



Further, in case of HORR, the average toll collection per day for the period from August 12, 2023 (the date the project became operational) to December 31, 2023, was Rs.19.2 million, and in the case of Samyakhali Santalpur, the average toll collection per day for the period from December 28, 2023 (the date the project became operational), to December 31, 2023, was Rs.3.9 million.

The Company is the Sponsor of the Private InvIT and also acts as the Project Manager. The Investment Manager of the Private InvIT is MMK Toll Road Private Limited. The Investment Manager has experience in operating a road project for a period of 13 years. Currently, 51% of the equity share capital in the Investment Manager is held by the Company and 49% of the equity share capital of the Investment Manager is held by affiliates of GIC. The Trustee of the Private InvIT is IDBI Trusteeship Services Limited. The Trustee is registered with the SEBI as a debenture trustee under the Debenture Trustees Regulations.

Factors affecting Results of Operations

The Private InvIT's business and results of operations have been affected and will continue to be affected in future by a number of important factors, including:

The terms of the concession agreements and traffic volumes

BOT, TOT and DBFOT projects restrict the Private InvIT's Project SPVs' operational and financial flexibility. Toll fees are typically pre-determined with the relevant government entity and cannot be modified to reflect prevailing circumstances, other than annual adjustments to account for inflation as specified in the concession agreements. Accordingly, a Private InvIT Project SPV's profitability is largely a function of how effectively it manages costs during the concession period. Significant costs during the concession period include construction costs and operating and maintenance expenses such as periodic maintenance, which is required to be performed as specified in the concession agreement. Periodic maintenance involves the repair of wear and tear of the roads and highways, including overlaying the surface of the roads and highways, if required. The Project Manager has agreed to provide the remaining portion of construction works for the Private InvIT's Project SPVs. The Project Manager has also agreed in February 2020 to provide for operations and maintenance works for the Private InvIT Historic Portfolio for an initial period of 10 years on a fixed-fee basis.

The Private InvIT's Project SPVs are substantially dependent on the accuracy of the traffic volume forecasts for their respective projects. Projects undertaken on a BOT, TOT or DBFOT basis involve concession agreements that are long-term in nature, usually between 15 to 30 years. The agreed consideration for each of the Private InvIT's Project SPVs' projects was based on forecasts of traffic volumes and expected revenues over the concession period. For projects expanding roads from four-to-six lanes, tolling typically starts from day one of the concession period at a rate of 75% and continues until the completion of construction, upon which tolling is reset to 100%. For other projects, including greenfield construction, tolling generally starts once construction is completed and COD is

achieved. Any material shortfall between the actual traffic volume and the forecast traffic volume or revenue for a project could have a material adverse effect on their cash flows, results of operations and financial condition.

The Private InvIT's Project SPVs' projects involve agreements that are long-term in nature. All long-term projects have inherent risks associated with them and involve variables that may not necessarily be within the Private InvIT's Project SPVs' control. Accordingly, the Private InvIT may be exposed to a variety of operation and maintenance risks, unanticipated cost increases and overruns, inability to negotiate satisfactory arrangements with service providers and disagreements with service providers, and construction risks for future projects. In addition, the long-term nature of the Private InvIT's Project SPVs' contracts may expose them to increased risk of unforeseen business and industry changes and developments which could have a material adverse effect on their business, financial condition and results of operations.

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

The Private InvIT's Project SPVs derive their revenue from their toll-road operations. Demand for toll roads is primarily dependent on sustained economic development in the regions that they operate in and government policies relating to infrastructure development. It is also significantly dependent on budgetary allocations made by the Government of India and the State Governments for the roads and highways sector, as well as funding provided by international and multilateral development finance institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is, therefore, linked to Government and State Government policies relating to private sector participation and sharing of risks and returns from such projects.

We believe that the Government's and State Governments' focus on, and sustained increases in budgetary allocation for, infrastructure, and the development of comprehensive infrastructure policies that encourage greater private sector participation and funding for infrastructure projects should further result in large infrastructure projects in India. We believe that we are likely to benefit from the Government and State Governments making infrastructure development a policy priority, which may lead to corresponding significant investment in the roads and highways sector. Since the Private InvIT's Project SPVs focus on the roads and highways sector, macroeconomic factors in India relating to this sector will have a significant impact on their prospects and results of operations. As the roads and highways sector is driven by increases in agriculture and manufacturing, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially and adversely impact the Private InvIT's Project SPVs' business and financial performance.

The Private InvIT's Project SPVs may be unable to collect tolls due to political protests or other agitations relating to tolling. For instance, due to a protest against certain agricultural laws in India, tolling for the Kaithal – Rajasthan project operated by KTL was halted December 5, 2020, and resumed on December 16, 2021. The Private InvIT's Project SPV has informed the NHAI of this event and expects to receive compensation under the *force majeure* clause of the relevant Concession Agreement, which provides for the receipt of 50% of the O&M and interest costs as reimbursement in cash and an extension in concession period to compensate for revenue loss during the toll suspension period. As of the date of this offering memorandum, the Private InvIT's Project SPV has received partial compensation from the NHAI, and is pursuing further remedies against the NHAI.

Further, in relation to COVID-19, the NHAI has offered an extension of concession period by three to six months to compensate for reduced revenue due to the COVID-19 lockdowns. Certain Private InvIT's Project SPVs have applied to the NHAI for appropriate relief (including extension of the concession period) and compensation as per the respective concession agreements for the time period during which the relevant projects have been impacted by the COVID-19 pandemic.

Competition

The Private InvIT and Private InvIT's the Project SPVs operate in a competitive environment. The competition for toll road and other infrastructure projects varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Some of their competitors may have greater financial resources, economies of scale and operating efficiencies than the Private InvIT or the Private InvIT's Project SPVs do. There can be no assurance that they can effectively compete with their competitors in the future, and this failure to compete effectively may have a material adverse effect on the Private InvIT financial condition and results of operations.

Significant Accounting Policies

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

While all aspects of the Private InvIT's Project SPVs Consolidated Financial Information should be read and understood in assessing their current and expected financial condition and results, we believe that the following critical accounting policies warrant particular attention:

Intangible assets

The Project SPV Group exercised first time adoption under Ind AS 101 and has elected to continue with the carrying value of its "Toll Collection Rights" (Intangible Assets) including corresponding obligation, as recognized in the financial statements as at the date of transition April 1, 2016, measured as per the Previous GAAP and uses that as its deemed cost as at date of transition.

Toll collection rights, including premium to the NHAI, are stated at cost, less accumulated amortisation, impairment losses and grant from government. Cost includes:

- a. For acquired Toll Collection Rights – Upfront payments towards acquisition and incidental expenses related thereto.
- b. Toll Collection Rights awarded by the grantor against construction service rendered by the Project SPV Group on BOT/DBFOT basis – Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.
- c. Toll Collection Rights in lieu of premium – Undiscounted premium obligation over the concession period.

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 Private InvIT's Project SPV on a 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 the concession, using revenue based amortisation as prescribed under Ind AS 38. 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 asset's 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.

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

Amortisation of toll equipments

Toll equipments are amortised on a straight-line basis over the estimated useful economic life not exceeding seven years.

Provisions

Provisions are recognized when the Project SPV has a present obligation (legal or constructive) as a result of a past event, and 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 Private InvIT group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized 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 recognized as a finance cost. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Principal components of Income and Expenses

Income

Our total income comprises (i) revenue from operations and (ii) other income.

Revenue from operations

Revenue from operations comprises (i) contract revenue (road construction); (ii) income arising out of toll collection (net); (iii) adjustments due to revenue share to the NHAI for double user fees relating to FASTag; and (iv) other operating revenue.

During the construction period of a project, the NHAI may ask the Private InvIT's 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 Private InvIT's Project SPVs additional scope of work, which is separately paid by the NHAI. Revenue from such utility shifting or change in scope contract, among others, also forms part of the Private InvIT's Project SPVs' contract revenue. Note that contract revenue is typically incurred during the initial construction period of a project and is not recurring in nature.

The following table provides a breakdown of revenue from operations for the periods indicated:

	Nine Months ended December 31, 2023		Nine Months ended December 31, 2022		Financial Year 2023		Financial Year 2022		Financial Year 2021	
		% of Total Revenue from Operations		% of Total Revenue from Operations		% of Total Revenue from Operations		% of Total Revenue from Operations		% of Total Revenue from Operations
Revenue from Operations	Amount (Rs. million)		Amount (Rs. million)		Amount (Rs. million)		Amount (Rs. million)		Amount (Rs. million)	
Contract revenue (road construction) .	12,668.24	47.74	8,444.95	42.44	11,672.04	43.37	1,054.48	8.50	1,863.70	17.99
Income arising out of toll collection (net) .	13,979.20	52.68	11,597.34	58.29	15,425.76	57.32	10,598.07	85.43	8,549.77	82.51
Revenue share to the NHAI – FASTag	(112.08)	(0.42)	(145.85)	(0.73)	(185.44)	(0.69)	(212.87)	(1.72)	(51.97)	(0.50)
Other operating revenue	–	0.00	0.23	0.00	0.23	0.00	965.16	7.78	–	–
Total	26,535.36	100.00	19,896.67	100.00	26,912.59	100.00	12,404.84	100.00	10,361.51	100.00

Note: The information for the nine months ended December 31, 2023 and December 31, 2022 is based on the limited review report and has been presented in this table together with the audited financial information for the financial years 2023, 2022 and 2021 for presentation purposes only.

Other income

The key components of other income are interest income on bank deposits, profit on sale of investments, fair value gain on mutual funds and other non-operating income.

The following table provides a breakdown of other income for the periods indicated:

	Nine months ended December 31, 2023	Nine months ended December 31, 2022	Financial Year 2023	Financial Year 2022	Financial Year 2021
Other income					
Amount (Rs. million)					
Interest income on					
– Bank deposits.....	367.14	104.16	178.88	73.64	74.46
– Others	1.60	6.37	7.17	8.05	7.59
Profit on sale of investments	77.82	42.12	62.95	13.93	13.08
Dividend income on other investments	–	–	–	–	–
Fair value gain on mutual funds..	66.87	7.32	11.35	0.78	1.43
Other non-operating income	14.42	1.35	2.73	3.73	13.28
Gain/(loss) on fair value measurement of other payable.....	–	–	–	–	2.86
Total	527.86	161.32	263.08	100.13	112.71

Note: The information for the nine months ended December 31, 2023 and December 31, 2022 is based on the limited review report and has been presented in this table together with the audited financial information for the financial years 2023, 2022 and 2021 for presentation purposes only.

Expenses

Our expenses consist of the following:

- valuation expenses, which comprise valuation to be carried out for trust;
- audit fees, which comprise fees of auditor;
- operating expenses, which comprise of Project Management fees, provision of major maintenance, road work and site expenses, which comprise contract expenses in relation to utility shifting or change in scope contracts, site and other direct expenses, sub-contracting/security expenses and technical consultancy and supervision charges;
- Project Management fees, which comprise Operation and Maintenance of road;
- insurance and security expenses, which comprise payment towards insurance;
- trustee fees, which comprise payment to Trustee;
- depreciation on property, plant and equipment;
- amortisation of intangible assets;
- finance costs, which primarily comprise interest expenses on loans availed from banks/financial institutions and other borrowing costs which include amortisation of transaction costs;
- legal and professional fees
- Investment Manager fees;
- custodian fees;
- loss on sale of assets;

- fair value loss on measurement of other payable; and
- other expenses, which comprise various administration 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, sitting fees for directors, bank charges and other miscellaneous expenses.

The following table provides a breakdown of expenses for the periods indicated:

Expenses	Nine months ended December 31, 2023	Nine months ended December 31, 2022	Financial Year 2023	Financial Year 2022	Financial Year 2021
	Amount (Rs. million)				
Valuation Expenses	2.29	0.97	2.67	1.46	0.46
Audit Fees	3.68	3.85	5.04	3.13	3.88
Operating Expenses	13,201.29	9,305.29	12,865.52	2,029.53	2,157.13
Project Management Fees	2,931.62	1,997.38	2,647.70	1,960.27	1,826.28
Insurance and Security Expenses	66.74	8.13	14.72	1.12	11.43
Trustee Fees	4.54	3.33	5.95	4.16	3.41
Depreciation on Property plant and Equipment	0.72	0.95	1.25	1.74	2.59
Amortisation of Intangible Assets	2,614.32	1,957.61	2,809.17	1,673.16	1,253.09
Finance costs (Interest)	9,531.37	6,698.66	9,005.28	8,670.13	8,046.33
Finance costs (Others)	814.76	990.24	1,249.41	868.58	181.84
Legal and professional fees	239.81	136.14	163.58	186.84	69.25
Investment Manager Fees	122.60	42.39	56.52	42.48	46.25
Custodian fees	1.10	0.24	0.09	0.18	0.18
Loss on sale of assets	—	—	0.01	—	—
Fair value loss on measurement of other payable	1,676.37	356.63	560.53	2,161.31	—
Other expenses	63.25	86.20	92.71	48.23	49.71
Total	31,274.46	21,588.00	29,480.14	17,652.31	13,651.84

Note: The information for the nine months ended December 31, 2023 and December 31, 2022 is based on the limited review report and has been presented in this table together with the audited financial information for the financial years 2023, 2022 and 2021 for presentation purposes only.

Results of Operations

The financial information for the nine months ended December 31, 2023, and for financial years 2023, 2022 and 2021 has been prepared on a consolidated basis.

Consolidated Financial Information

This section discusses our results of operations for the nine months ended December 31, 2023 and December 31, 2022 and the financial years 2023, 2022 and 2021 on the basis of the Private InvIT's consolidated financial statements. The Private InvIT's consolidated financial statements have been prepared in accordance with Ind AS and the provisions of the InvIT Regulations. The historical results presented below are not necessarily indicative of the results that may be expected for any future period.

Nine months ended December 31, 2023, and nine months ended December 31, 2022

The table below sets forth certain data from the Consolidated Financial Information for the nine months ended December 31, 2023, and the nine months ended December 31, 2022.

Particulars	Nine months ended December 31, 2023	Nine months ended December 31, 2022
	Amount (Rs. million)	Amount (Rs. million)
Income		
Revenue from operations	26,535.36	19,896.67
Other income	527.86	161.32
Total income	27,063.22	20,057.99
Expenses		
Valuation Expenses	2.29	0.97
Audit Fees	3.68	3.85
Operating Expenses	13,201.29	9,305.29
Project Management Fees	2,931.62	1,997.38
Insurance and Security Expenses	66.74	8.13
Trustee Fees	4.54	3.33
Depreciation on Property plant and Equipment	0.72	0.95
Amortisation of Intangible Assets	2,614.32	1,957.61
Finance costs (Interest)	9,531.37	6,698.66
Finance costs (Others)	814.76	990.24
Legal & Professional Fees	239.81	136.14
Investment Manager Fees	122.60	42.39
Custodian fees	1.10	0.24
Loss on sale of assets	—	—
Fair value loss on measurement of other payable	1,676.37	356.63
Other expenses	63.25	86.20
Total expenses	31,274.46	21,588.00
Profit/(loss) before tax	(4,211.24)	(1,530.02)
Tax expenses		
Current tax	(75.08)	351.25
Deferred tax	(289.36)	(445.56)
MAT Credit utilisation/(Entitlement)		
Total tax expenses	(364.44)	(94.30)
Profit/(loss) after tax	(3,846.80)	(1,435.72)

Total income

The total income of the Project SPVs increased to Rs.27,063.22 million during the nine months ended December 31, 2023, from Rs.20,057.99 million in nine months ended December 31, 2022. This increase in total income was primarily due to a Rs.6,638.69 million (or 33.4%) increase in revenue from operations.

Revenue from operations

The revenue from operations of the Project SPVs increase to Rs.26,535.36 million during the nine months ended December 31, 2023, from Rs.19,896.67 million in nine months ended December 31, 2022, primarily due to tariff revision for projects achieving provisional commercial operations date ("PCOD")/COD and the acquisition of IRB GEPL in August 2023.

The contract revenue (road construction) increased to Rs.12,668.24 million during the nine months ended December 31, 2023, from Rs.8,444.95 million in nine months ended December 31, 2022 due to higher utility shifting income in the nine months ended December 31, 2023 compared to the nine months ended December 31, 2022. The income arising out of toll collection (net) increased to Rs.13,979.19 million during the nine months ended December 31, 2023 from Rs.11,597.34 million during the nine months ended December 31, 2022 primarily on account of (a) the receipt of completion certificates for IRB HMTL and KGTL in July 2022, receipt of provisional commercial operations date in March 2023 in case of IRB Westcoast and the receipt of completion certificate in case of IRB HMTL in April 2023 as a result of which these projects received tariff hikes and (b) the acquisition of IRB GEPL in August 2023.

Other income

The other income of the Project SPVs increased to Rs.527.86 million during the nine months ended December 31, 2023, from Rs.161.32 million in nine months ended December 31, 2022. This increase was primarily due to an increase in interest income on bank deposits upon creation of debt service reserve accounts by KGTL, IRBWC, KTL, AETL, HMTL and the Private InvIT.

Total expenses

The total expenses increased to Rs.31,274.46 million during the nine months ended December 31, 2023, from Rs.21,588.00 million in nine months ended December 31, 2022. This increase was primarily due to increase in operating expenses, project management fees, amortisation of intangible assets, finance costs and fair value loss on measurement of other payable.

Operating expenses

Operating expenses increased to Rs.13,201.29 million during the nine months ended December 31, 2023, from Rs.9,305.29 million during the nine months ended December 31, 2022, primarily due to (a) the receipt of completion certificates for IRB HMTL and KGTL in July 2022, receipt of provisional commercial operations date in March 2023 in case of IRB Westcoast and the receipt of completion certificate in case of IRB HMTL in April 2023 as a result of which these projects received tariff hikes and (b) the addition of IRB GEPL in August 2023.

Project management fees

Project management fees increased to Rs.2,931.62 million during the nine months ended December 31, 2023, from Rs.1,997.38 million during the nine months ended December 31, 2022, primarily due to the addition of IRB GEPL.

Amortisation of Intangible Assets

Amortisation of intangible assets increased to Rs.2,614.32 million during the nine months ended December 31, 2023, from Rs.1,957.61 million during the nine months ended December 31, 2022, primarily due to increase in toll collection upon issuance of completion certificates for IRB HMTL and KGTL on July 2022, and the receipt of commercial operations dates for additional stretches in case of IRB WTL and IRB HMTL, which lead to a hike in tariff for these projects. Also, new project viz. IRB GEPL has been added to the portfolio.

Finance costs (interest)

Finance costs (interest) increased to Rs.9,531.37 million during the nine months ended December 31, 2023, from Rs.6,698.66 million during the nine months ended December 31, 2022, primarily due to additional loan taken in Trust and addition of new Project SPV viz. IRB GEPL.

Fair value loss on measurement of other payable

Fair value loss on measurement of other payable increased to Rs.1,676.37 million during the nine months ended December 31, 2023, from Rs.356.63 million during the nine months ended December 31, 2022. During the nine months ended December 31, 2023, the Private InvIT Group had filed claims in relation to a project with the NHAI. On actualization of claims in fair valuation working, there was a fair value loss of Rs.1,676.37 million. The said loss is non-cash in nature.

Profit/(loss) before tax

As a result of the factors discussed above, the profit/(loss) before tax increased to Rs.(4,211.24) million in nine months ended December 31, 2023 from profit/(loss) of Rs.(1,530.02) million in nine months ended December 31, 2022.

Tax expenses

The Private InvIT Group recorded current tax of Rs.(75.08) million in nine months ended December 31, 2023 compared to Rs.351.25 million in nine months ended December 31, 2022. The Private InvIT Group recorded deferred tax of Rs.(289.36) million in nine months ended December 31, 2023 compared to Rs.(445.56) million in nine months ended December 31, 2022. Accordingly, the total tax expenses of the Private InvIT Group decreased to Rs.(364.44) million in nine months ended December 31, 2023 from Rs.(94.30) million in nine months ended December 31, 2022.

Profit/(loss) after tax

As a result of the factors discussed above, the loss after tax of the Private InvIT Group increased to Rs.(3,846.80) million in nine months ended December 31, 2023 as compared to (loss) of Rs.(1,435.72) million in nine months ended December 31, 2022.

Financial year 2023 compared to financial year 2022

The table below sets forth certain data from the Private InvIT's consolidated financial statements for the financial years 2023 and 2022.

Particulars	Financial Year 2023	Financial Year 2022
	Amount (Rs. million)	Amount (Rs. million)
Income		
Revenue from operations	26,912.59	12,404.84
Other income	263.08	100.13
Total income	27,175.67	12,504.97
Expenses		
Valuation Expenses	2.67	1.46
Audit Fees	5.04	3.13
Operating Expenses	12,865.52	2,029.53
Project Management Fees	2,647.70	1,960.27
Insurance and Security Expenses	14.72	1.12
Trustee Fees	5.95	4.16
Depreciation on Property plant and Equipment	1.25	1.74
Amortisation of Intangible Assets	2,809.17	1,673.16
Finance costs (Interest)	9,005.28	8,670.13
Finance costs (Others)	1,249.41	868.58
Investment Manager Fees	56.52	42.48
Custodian fees	0.09	0.18
Loss on sale of assets	0.01	—
Fair value loss on measurement of other payable	560.53	2,161.31
Other expenses	256.29	235.06
Total expenses	29,480.14	17,652.31
Profit before tax	(2,304.47)	(5,147.34)
Tax expenses		
Current tax	435.25	8.87
Deferred tax	(468.13)	(720.23)
Total tax expenses	(32.88)	(711.36)
Profit after tax	(2,271.59)	(4,435.98)

Note: Legal and professional expenses are included in Other expenses.

Total income

The total income of the Private InvIT's Project SPVs increased to Rs.27,175.67 million in the financial year 2023 from Rs.12,504.97 million in the financial year 2022. This increase in total income was primarily due to an increase in revenue from operations.

Revenue from operations

The revenue from operations of the Private InvIT's Project SPVs increased to Rs.26,912.59 million in the financial year 2023 from Rs.12,404.84 million in the financial year 2022, primarily due to an increase in contract revenue (road construction) and an increase in income arising out of toll collection (net).

The contract revenue (road construction) increased to Rs.11,672.04 million in the financial year 2023 from Rs.1,054.48 million in the financial year 2022 due to commencement of construction activities by PDTPL. PDTPL was acquired by the Private InvIT on April 2, 2022, and became a Private InvIT Project SPV from such date onwards. The income arising out of toll collection (net) increased to Rs.15,425.76 million in the financial year 2023 from Rs.10,598.07 million in the financial year 2022 primarily due to an increase in toll collection upon issuance of completion certificates for IRB HMTL and KGTL on July 1, 2022, and July 20, 2022, respectively, which lead to a hike in tariff for these projects. In addition, other operating revenue decreased to Rs.0.23 million in the financial year 2023 from Rs.965.16 million in the financial year 2022, primarily due to the receipt of claim amounts by KTL and AETL from the NHAI during the financial year 2022 as compensation for inability to collect toll because of protests against the farm laws on their project highways, while such amounts were not received during the financial year 2023. The revenue from operations of the Private InvIT's Project SPVs were reduced on account of revenue sharing with the NHAI for FASTag by Rs.185.44 million in the financial year 2023, compared to a reduction of Rs.212.87 million in the financial year 2022.

Other income

The other income of the Private InvIT's Project SPVs increased to Rs.263.08 million in the financial year 2023 from Rs.100.13 million in the financial year 2022. This increase was primarily due to an increase in interest income on bank deposits upon creation of debt service reserve accounts by KGTL and HMTL.

Total expenses

The total expenses of the Private InvIT's Project SPVs increased to Rs.29,480.14 million in the financial year 2023 from Rs.17,652.31 million in the financial year 2022. This increase was primarily due to an increase in operating expenses, project management fees, amortisation of intangible assets, finance costs (interest), finance costs (others) and investment manager fees, offset in part by a decrease in fair value loss on measurement of other payable.

Operating expenses

Operating expenses increased to Rs.12,865.52 million in the financial year 2023 from Rs.2,029.53 million in the financial year 2022. This increase was primarily due to an increase in contract expenses. Contract expenses increased to Rs.11,330.91 million in the financial year 2023 from Rs.1,036.47 million in the financial year 2022 due to the commencement of construction activities by PDTPL. Operation and maintenance expenses increased to Rs.1,471.41 million in the financial year 2023 from Rs.939.15 million in the financial year 2022 due to resurfacing expenses upon receipt of completion certificates of IRB HMTL and KGTL, and maintenance related expenses in IRB Westcoast. Technical consultancy and supervision charges amounting to Rs.62.84 million were paid during the financial year 2023 as against Rs.53.20 million paid during the financial year 2022. Sub-contracting/security expenses decreased to Rs.0.35 million in the financial year 2023 from Rs.0.72 million in the financial year 2022.

Project management fees

Project management fees increased to Rs.2,647.70 million in the financial year 2023 from Rs.1,960.27 million in the financial year 2022 primarily as a result of periodic maintenance expenditure due in few projects.

Amortisation of intangible assets

Amortisation of intangible assets increased to Rs.2,809.17 million in the financial year 2023 from Rs.1,673.16 million in the financial year 2022, primarily due to the increase in toll collection upon issuance of completion certificates for IRB HMTL and KGTL on July 1, 2022, and July 20, 2022, respectively, which lead to a hike in tariff for these projects. Further, PDTPL was acquired by the Private InvIT on April 2, 2022.

Finance costs

Finance costs, comprised of finance costs (interest) and finance costs (other), increased to Rs.10,254.69 million in the financial year 2023 from Rs.9,538.71 million in the financial year 2022. This increase was primarily due to loan disbursements from banks/financial institutions for projects under construction.

Investment Manager fees

Investment Manager fees were Rs.56.52 million in the financial year 2023 as against Rs.42.48 million during the financial year 2022.

Fair value loss on measurement of other payable

Fair value loss on measurement of other payable decreased to Rs.560.53 million in the financial year 2023 from Rs.2,161.31 million in the financial year 2022. During the financial year 2022, the Private InvIT Group had filed claims in relation to a project with the NHAI. On actualization of claims in fair valuation working, there was a fair value loss of Rs.2,161.31 million. The said loss is non-cash in nature.

Profit/(loss) before tax

As a result of the factors discussed above, the loss before tax decreased to Rs.(2,304.47) million in the financial year 2023 from loss of Rs.(5,147.34) million in the financial year 2022.

Tax expenses

The Private InvIT Group recorded deferred tax of Rs.(468.13) million in the financial year 2023 compared to Rs.(720.23) million in the financial year 2022. Accordingly, the total tax expenses of the Private InvIT Group decreased to Rs.(32.88) million in the financial year 2023 from Rs.(711.36) million in the financial year 2022.

Profit/(loss) after tax

The loss after tax of the Private InvIT Group decreased to Rs.(2,271.59) million in the financial year 2023 as compared to (loss) of Rs.(4,435.98) million in the financial year 2022. This decrease in loss was primarily due to an increase in the income arising out of toll collection (net).

Financial year 2022 compared to financial year 2021

The table below sets forth certain data from the Private InvIT's consolidated financial statements for the financial years 2022 and 2021.

Particulars	Financial Year 2022	Financial Year 2021
	(Rs. million)	(Rs. million)
Income		
Revenue from operations	12,404.84	10,361.51
Other income	100.13	112.71
Total income	12,504.97	10,474.22

Particulars	Financial Year 2022	Financial Year 2021
	(Rs. million)	(Rs. million)
Expenses		
Valuation Expenses	1.46	0.46
Audit Fees.....	3.13	3.88
Road work and site expenses	3,989.80	3,983.41
Insurance and Security Expenses	1.12	11.43
Trustee Fees.....	4.16	3.41
Depreciation on Property plant and Equipment.....	1.74	2.59
Amortisation of Intangible Assets.....	1,673.16	1,253.09
Finance costs (Interest)	8,670.13	8,046.33
Finance costs (Others).....	868.58	181.84
Investment Manager Fees.....	42.48	46.25
Custodian fees.....	0.18	0.18
Fair value loss on measurement of other payable.....	2,161.31	–
Other expenses.....	235.06	118.97
Total expenses	17,652.31	13,651.84
Profit/(loss) before tax.....	(5,147.34)	(3,177.62)
Tax expenses		
Current tax	8.87	46.20
Deferred tax	(720.23)	369.63
MAT Credit utilisation/(Entitlement).....	–	(340.97)
Total tax expenses	(711.36)	74.86
Profit/(loss) after tax	(4,435.98)	(3,252.48)

Note: Legal and Professional Fees are included in Other expenses.

Total income

The Private InvIT's total income increased to Rs.12,504.97 million in the financial year 2022 from Rs.10,474.22 million in the financial year 2021. The Private InvIT's revenue from operations increased to Rs.12,404.84 million in the financial year 2022 from Rs.10,361.51 million in the financial year 2021. Contract revenue (road construction) decreased to Rs.1,054.48 million in financial year 2022 from Rs.1,863.70 million in the financial year 2021, primarily due to decrease in utility shifting works. The Private InvIT's income arising out of toll collection (net) increased to Rs.10,385.20 million in the financial year 2022 from Rs.8,497.80 million in financial year 2021, primarily due to increase in toll collection upon receipt of completion certificates for UTL and CGTL on May 31, 2021, and August 14, 2021, respectively, which lead to hike in tariff for these projects.

Total expenses

The Private InvIT's total expenses increased to Rs.17,652.31 million in financial year 2022 from Rs.13,651.84 million in financial year 2021, primarily due to increases in amortisation of intangible assets, finance costs, fair value loss on measurement of other payable and other expenses, offset in part by decreases in operating expenses and investment manager fees.

Road work and site expenses

Road work and site expenses were Rs.3,989.80 million in the financial year 2022, compared to Rs.3,983.41 million in the financial year 2021. Contract expenses decreased to Rs.1,036.47 million in the financial year 2022 from Rs.1,807.12 million in the financial year 2021 due to decline in utility shifting works. Operation and maintenance expenses increased to Rs.2,899.41 million in the financial year 2022 from Rs.2,113.67 million in the financial year 2021 due to an increase in provision of major maintenance. Technical consultancy and supervision charges amounting to Rs.53.20 million were paid during the financial year 2022 as against Rs.16.28 million paid during the financial year 2021.

Amortisation of intangible assets

Amortisation of intangible assets increased to Rs.1,673.16 million in the financial year 2022 from Rs.1,253.09 million in the financial year 2021, primarily due to increase in toll collection upon issuance of completion certificates for UTL and CGTL on May 31, 2021, and August 14, 2021, respectively, which lead to hike in tariff for these projects.

Finance costs (interest)

Finance costs (interest) increased to Rs.8,670.13 million in financial year 2022 from Rs.8,046.33 million in financial year 2021 due to loans availed from banks and financial institutions for projects under construction.

Finance costs (others)

Finance costs (others) increased to Rs.868.58 million in financial year 2022 from Rs.181.84 million in financial year 2021 primarily from interest unwinding of trade payable-associates of Rs.655.78 million in the financial year 2022.

Investment manager fees

Investment manager fees stood at Rs.42.48 million in the financial year 2022 as against Rs.46.25 million in the financial year 2021.

Other expenses

Other expenses increased to Rs.235.06 million in the financial year 2022 from Rs.118.97 million in the financial year 2021.

Fair value loss on measurement of other payable

The increase was on account of fair valuation of claim receivable from the NHAI, on the basis of which liability towards 'Payable – IRB' is determined in the Private InvIT's financial statements. During the financial year 2022, the Private InvIT group had filed claims in relation to a project with the NHAI. On actualization of claims in fair valuation working, there was a fair value loss Rs.2,161.31 million. The said fair value loss is non-cash in nature.

Profit/(loss) before tax

As a result of the factors discussed above, the profit/(loss) before tax decreased to Rs.(5,147.34) million in the financial year 2022 from Rs.(3,177.62) million in the financial year 2021.

Tax expenses

The Private InvIT Group recorded deferred tax of Rs.(720.23) million in the financial year 2022 compared to deferred tax expenses of Rs.369.63 million in the financial year 2021. Accordingly, the total tax expenses of the Private InvIT Group decreased to Rs.(711.36) million in the financial year 2022 compared to Rs.74.86 million in the financial year 2021.

Profit/(loss) after tax

The profit/(loss) after tax decreased to Rs.(4,435.98) million in the financial year 2022 as compared to a loss of Rs.(3,252.48) million in the financial year 2021. The decrease was primarily due to an increase in the finance costs, amortisation expenses and other expenses, which includes loss on account of fair valuation of claim lodged with the NHAI.

Liquidity and Capital Resources

The Private InvIT's Project SPVs operate in a capital-intensive industry and their principal liquidity requirements have been to finance their capital expenditures. To fund these costs, the Private InvIT's Project SPVs have historically relied on equity contributions, short term and long-term borrowings and cash from operating activities.

The Private InvIT's Project SPVs' funding and treasury activities are conducted consistent with corporate policies designed to enhance investment returns while maintaining appropriate liquidity for their requirements. Their short-term liquidity requirements relate to servicing debt and funding working capital requirements. Sources of short-term liquidity include cash balances and receipts from operations. Their long-term liquidity requirements include partial funding of investments in new projects, funding equity contributions in Private InvIT's Project SPVs and repayment of long-term debt under credit facilities. Sources of funding for long-term liquidity requirements include loans, equity issuances or debt issues. The principal liquidity requirements have been, and are expected to continue to be, construction, development, implementation and maintenance costs of the BOT and TOT projects.

The Private InvIT's Investment Manager believes that after taking into account the expected cash to be generated from Private InvIT's business and operations, the Private InvIT has sufficient funds for both its present and anticipated future requirements for working capital for the next 12 months.

Cash Flows

The following table sets forth certain information relating to the Private InvIT's Project SPVs cash flows for the periods indicated:

	Nine months ended December 31,		Financial Year		
	2023	2022	2023	2022	2021
	(Rs. million)				
Net cash flows generated from operating activities.....	(1,897.95)	10,001.24	13,513.70	19,882.59	7,489.54
Net cash flows (used in) investing activities	(96,503.27)	(10,035.50)	(13,801.66)	(18,311.44)	(19,598.04)
Net cash flows generated from financing activities	98,355.47	1,995.17	731.91	(1,697.41)	12,332.32
Net increase/(decrease) in cash and cash equivalents.....	(45.75)	1,960.90	443.95	(126.26)	223.81

Cash flows from operating activities

Nine months ended December 31, 2023

In the nine months ended December 31, 2023, the Private InvIT's Project SPVs' net cash flow from operating activities was Rs.(1,897.95) million and the loss before tax was Rs.(4,211.24) million, which was adjusted for non-cash and other items amounting to Rs.14,345.23 million and change in working capital amounting to Rs.(11,960.23) million is primarily on account of decrease in trade payables amounting to Rs.(11,873.19) million, decrease in other financial liabilities amounting to Rs.(1,474.83) million, decrease in other assets amounting to Rs.2,313.69 million. and increase in other financial assets amounting to Rs.(738.77) million. The cash generated from operations was Rs.(1,826.24) million and net taxes paid were Rs.(71.71) million in the nine months ended December 31, 2023.

Nine months ended December 31, 2022

In the nine months ended December 31, 2022, the Private InvIT's Project SPVs' net cash flow from operating activities was Rs.10,001.24 million and the loss before tax was Rs.(1,530.02) million, which was adjusted for non-cash and other items amounting to Rs.11,023.22 million and change in working capital amounting to Rs.687.53 million is primarily on account of increase in trade payables amounting to Rs.484.04 million, decrease in other financial assets amounting to Rs.496.71 million and decrease in other financial liabilities amounting to Rs.(438.94) million. The cash generated from operations was Rs.10,180.73 million and net taxes paid were Rs.(179.49) million in the nine months ended December 31, 2022.

Financial year 2023

In the financial year 2023, the Private InvIT's Project SPVs' net cash flow from operating activities was Rs.13,513.70 million and the loss before tax was Rs.2,304.47 million, which was adjusted for non-cash and other items amounting to Rs.14,836.70 million and change in working capital amounting to Rs.1,327.31 million, primarily on account of increase in trade payables amounting to Rs.1,178.92 million, increase in other financial liabilities amounting to Rs.435.72 million and increase in other assets amounting to Rs.(343.36) million. The cash generated from operations was Rs.13,859.54 million and net taxes paid were Rs.(345.84) million in the financial year 2023.

Financial year 2022

In the financial year 2022, the Private InvIT's Project SPVs' net cash flow from operating activities was Rs.19,882.59 million and the loss before tax was Rs.5,147.34 million, which was adjusted for non-cash and other items amounting to Rs.14,271.24 million and change in working capital amounting to Rs.10,726.60 million, primarily on account of increase in trade payables amounting to Rs.11,498.13 million and increase in other financial assets amounting to Rs.989.59 million. The cash generated from operations was Rs.19,850.51 million and net taxes paid were Rs.32.09 million in the financial year 2022.

Financial year 2021

In the financial year 2021, the Private InvIT's Project SPVs' net cash flow from operating activities was Rs.7,489.54 million and the loss before tax was Rs.3,177.62 million, which was adjusted for non-cash and other items in a net amount of Rs.9,664.05 million and changes in working capital and other provisions, such as increase in trade payables of Rs.2,277.55 million due to construction work execution, decrease in trade receivable of Rs.251.88 million due to increase in utility shifting works and decrease in other liabilities of Rs.52.75 million due to increase in advance from customer. The cash generated from operations was Rs.7,461.55 million and net taxes paid were Rs.14.70 million in the financial year 2021.

Cash used in investing activities

Nine months ended December 31, 2023

The Private InvIT's Project SPVs' net cash used in investing activities in nine months ended 2023 was Rs.(96,503.27) million, primarily attributable to addition towards construction for projects (classified as toll collection rights under intangible assets).

Nine months ended December 31, 2022

The Private InvIT's Project SPVs' net cash used in investing activities in nine months ended 2022 was Rs.(10,035.50) million, primarily attributable to addition towards construction for projects (classified as toll collection rights under intangible assets).

Financial year 2023

The Private InvIT's Project SPVs' net cash used in investing activities in the financial year 2023 was Rs.(13,801.66) million, primarily attributable to addition towards construction for projects (classified as toll collection rights under intangible assets).

Financial year 2022

The Private InvIT's Project SPVs' net cash used in investing activities in the year ended March 31, 2022, was Rs.(18,311.44) million, primarily attributable to addition towards construction for projects (classified as toll collection rights under intangible assets).

Financial year 2021

The Private InvIT's Project SPVs' net cash used in investing activities in the year ended March 31, 2021, was Rs.(19,598.04) million, primarily attributable to addition towards construction for projects (classified as toll collection rights under intangible assets).

Cash flows generated from financing activities

Nine months ended December 31, 2023

Net cash generated from financing activities in nine months ended December 31, 2023 was Rs.98,355.47 million, primarily consisting of borrowings from banks/financial institutions and proceeds from issue of equity share capital, proceeds from issue of Subordinate Debt, offset in part by repayments of borrowings and finance cost paid and return of capital.

Nine months ended December 31, 2022

Net cash generated from financing activities in nine months ended December 31, 2022 was Rs.1,995.17 million, primarily consisting of borrowings from banks/financial institutions and proceeds from issue of equity share capital, proceeds from issue of Subordinate Debt, offset in part by repayments of borrowings and finance cost paid.

Financial year 2023

Net cash generated from financing activities in the financial year was Rs.731.91 million, primarily consisting of borrowings from banks/financial institutions and proceeds from issue of equity share capital, offset in part by repayments of borrowings and finance cost paid.

Financial year 2022

Net cash generated from financing activities in the financial year 2022 was Rs.(1,697.41) million, primarily consisting of finance cost.

Financial year 2021

Net cash generated from financing activities in the financial year 2021 was Rs.12,332.32 million, primarily consisting of borrowings from banks/financial institutions and issue of equity share capital and subordinated debt.

Indebtedness

The table below provides the types and amounts of our outstanding indebtedness as at December 31, 2023.

	As at December 31, 2023
	(Rs. million)
Non-current Borrowings	
Term loans	
Indian rupee loan from banks (secured)	
Project loans for SPVs	110,031.99
Less: current maturities expected to be settled within 12 month from balance sheet date	(737.46)
Total (a)	109,294.53
Indian rupee loan from financial institutions (secured)	
Project loans for SPVs	35,715.62
Less: current maturities expected to be settled within 12 month from balance sheet date	(362.50)
Total (b)	35,353.12
Non-convertible debentures (secured)	28,041.14
Less: current maturities expected to be settled within 12 month from balance sheet date	(53.38)
Total (c)	27,987.76
Less: Unamortised transaction cost (d)	(3,485.17)
Total non current borrowings (e = a + b + c + d)	169,150.24

**As at
December 31,
2023**

(Rs. million)

Current Borrowings

Short-term borrowings (secured)

Current maturity of long term loans	
Indian rupee loan from banks (secured).....	737.46
Indian rupee loan from financial institutions (secured)	362.50
Non convertible debentures (secured)	53.38
Interest accrued but not due on borrowings	10.08

(Unsecured, repayable on demand and interest free)

Loan from related parties	97.66

Total current borrowings (f) **1,261.08**

Total borrowings (e + f) **170,411.32**

Aggregate secured loans

170,303.58

Aggregate unsecured loans

97.66

As at December 31, 2023, the Private InvIT and the Private InvIT's Project SPVs had total borrowings aggregating to Rs.170,411.32 million on a consolidated basis, of which Rs.170,303.58 million was secured. The Private InvIT's Project SPVs' secured financing arrangements are secured by their movable and immovable assets, accounts, pledge of shares of various projects of the Private InvIT.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under contractual commitments as of December 31, 2023, aggregated by type of contractual obligation:

(Rs. million)

Particulars	Total	On Demand	Less than 1 year	1 to 5 years	> 5 years
Borrowings (Gross of unamortised transaction cost)	173,896.49	97.66	1,163.42	16,521.37	156,114.04
Other financial liabilities...	39,117.51	—	1,623.93	37,493.58	—
Trade payables	7,947.24	—	7,947.24	—	—
Total	220,961.24	97.66	10,734.59	54,014.95	156,114.04

Contingent Liabilities and other Off-Balance Sheet Arrangements

Contingent liabilities not provided for

As of December 31, 2023, there are no contingent liabilities which are not provided for in the Private InvIT's consolidated financial statements.

There are no off-balance sheet arrangements that have or are reasonably likely to have an adverse effect on the Private InvIT's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that the Private InvIT's Investment Manager believes are material to investors.

Transactions with Related Parties

The Private InvIT's Project SPVs have in the course of their business entered into various transactions with related parties. These transactions include operation and maintenance charges paid for operation and maintenance activities sub-contracted, loans and advances, certain road work expenses for work road work contracted to various entities affiliated with Trust in similar businesses. Further, the Private InvIT has also provided shareholder loans to the Private InvIT's Project SPVs. The acquisition of PDTPL, STPL and IRB GEPL were also related party transactions.

Quantitative and Qualitative Disclosure about Market Risk

Interest rate risk

As the infrastructure development and construction business is capital intensive, the Private InvIT's Project SPVs are exposed to interest rate risk. Interest rates for borrowings have been volatile in India in recent periods. The Private InvIT's Project SPVs infrastructure development and construction projects were funded to a large extent by debt and increases in interest expense could have an adverse effect on their results of operations and financial condition. The Private InvIT's Project SPVs current debt facilities carry interest at variable rates as well as fixed rates with the provision for periodic reset of interest rates. As of December 31, 2023, the majority of the Private InvIT's Project SPVs' total indebtedness was subject to variable rates. Although from time to time the Private InvIT's Project SPVs may engage in interest rate hedging transactions or exercise any rights available to them under their financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that the Private InvIT's Project SPVs will be able to do so on commercially reasonable terms, that their counterparties will perform their obligations, or that these agreements, if entered into, will protect them adequately against interest rate risks.

Inflation Risk

In recent years, India has experienced relatively high rates of inflation. While the Private InvIT believes inflation has not had any material impact on its business and results of operations, inflation generally impacts the overall economy and business environment and could affect it.

Quality of income

The majority of the Private InvIT's income on a consolidated basis is from the collection of toll. This is based on actual receipts by each of the Private InvIT's Project SPVs. There are no management estimates or judgement involved in the recognition of its revenues. For further information see "– Factors affecting Results of Operations", "– Significant Accounting Policies" and "– Components of Income and Expenses".

BUSINESS

Overview

We are one of India's leading infrastructure developers specializing in roadways and highways, with an operating history of over 40 years. Our fully integrated business model consists of BOT, TOT and HAM and verticals supported by dedicated and experienced in-house EPC and O&M teams. We, together with Private InvIT, in which we own a 51% stake as sponsor, with the remaining 49% held by GIC, and Public InvIT, in which we own an approximately 16% stake as sponsor, have 26 projects as of December 31, 2023, comprising 18 BOT projects, 4 HAM projects and 4 TOT projects. Of these projects, we hold the concessions of 5 projects (1 TOT, 1 BOT and 3 HAM); the Private InvIT holds the concessions of 15 projects (12 BOT and 3 TOT); and the Public InvIT holds the concessions of 6 projects (5 BOT and 1 HAM). The Private InvIT's 12 BOT projects include the Ganga Expressway project, which is currently under construction, and which is expected to be transferred to the Private InvIT once 50% of the total project cost is incurred, which is expected to occur in the next couple of months. The Private InvIT is rated "AAA" by CRISIL while the Public InvIT is rated "AAA" by India Rating and CARE rating. We are the project manager for both the Private InvIT and the Public InvIT. Of the 5 projects for which we hold the concessions, 2 projects (1 TOT project and 1 BOT project) are operational and tolling, and 3 HAM projects are under construction. The Overall IRB Group has an approximately 20% share of the 5,000 km traffic intensive Golden Quadrilateral, a national highway network connecting most of the major industrial, agricultural and cultural centers of India. We believe that we are one of the largest road BOT, HAM and TOT project businesses in India, and the Overall IRB Group has a combined asset base of Rs.800 billion, spanning 15,444 Lane Kilometers in roads and highways projects currently under operation, construction or development across 12 Indian states. As of February 20, 2024, IRB Infrastructure Developers Limited had a market capitalization of Rs.397,366.20 million and the Public InvIT had a market capitalization of Rs.39,723.62 million, in each case according to the Bombay Stock Exchange.

We have recently won concessions for two significant TOT projects, namely, TOT 12 and the TOT 13, both of which are under financial closure and would be executed under Private InvIT. We also have the largest single TOT project in terms of revenue in India, namely, the Yashwantrao Chavan Expressway (Mumbai Pune Expressway) and Mumbai – Pune section of NH 48 (collectively, the "Mumbai – Pune Project"). Our BOT projects include the Ahmedabad – Vadodara NH 48 Highway and the Ahmedabad – Vadodara Expressway NE1. Our HAM project portfolio includes Gandeva to Ena section of the Vadodara – Mumbai Expressway, the Pathankot – Mandi four-laning project on NH 154 and the Chittoor – Thachur six-laning project on NH 716B. Our projects span a total of 2,456 Lane Kilometers, while the Private InvIT and the Public InvIT projects span a total of 10,567 Lane Kilometers and 2,421 Lane Kilometers, respectively, totaling 15,444 Lane Kilometers. We also have experience in developing road and highway infrastructure and have received various industry awards and recognitions.

All of our BOT, HAM and TOT projects are implemented and held through Project SPVs. We are involved in the design, development, construction, O&M of national and state highways and roads, many of which are in the high growth states of Maharashtra, Gujarat, Rajasthan, Punjab, Haryana, Telangana, Karnataka, Tamil Nadu, Madhya Pradesh and Uttar Pradesh.

To complement and support our BOT, HAM and TOT infrastructure development business verticals, we also operate in-house construction and O&M activities through MRMPL with requisite outsourcing, involving EPC and O&M work for projects on a contract basis with the Overall IRB Group's Project SPVs.

We believe that our large fleet of sophisticated construction equipment and our experienced employee resources, including a labor force of 2,280 skilled employees in our construction segment, as of December 31, 2023, along with our engineering knowhow and capabilities, enable us to implement modern infrastructure and construction methodologies effectively and efficiently while differentiating us from our peers and aligning with industry best practices for sustainability.

We generate revenues primarily from our BOT, HAM and TOT projects, and our construction and O&M activities. The following table shows certain key consolidated financial data of the Group as at and for the periods indicated.

	As at/For the year ended March 31,			As at/ For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(Rs. million)			(Rs. million)	
Total income	54,875.30	63,554.47	67,033.14	50,044.01	56,972.67
Profit after tax	1,171.49	3,613.97	7,200.11	5,898.59	4,169.38
EBITDA ⁽¹⁾	25,357.66	31,230.25	34,236.97	26,227.97	26,119.08
Adjusted EBITDA ⁽²⁾	27,015.62	33,492.40	35,307.06	26,930.44	27,914.39
Cash and cash equivalents	6,534.85	529.75	3,005.60	— ⁽³⁾	790.45
Adjusted Gross Debt	168,548.49	138,220.03	133,123.00	— ⁽³⁾	140,622.05
Total equity	69,007.69	125,656.41	133,788.99	— ⁽³⁾	137,095.70
Total assets	411,736.44	425,666.20	427,661.77	— ⁽³⁾	441,554.93

Notes:

- (1) Adds Depreciation and amortization expense, finance costs and tax expenses to profit after tax for the year/period. For a reconciliation of EBITDA to profit after tax, please see "Summary Financial and Other Data".
- (2) Adding Profit/(loss) from joint ventures. For a reconciliation of Adjusted EBITDA to EBITDA, please see "Summary Financial and Other Data".
- (3) The Group's balance sheet information as of December 31, 2022, is not included in this offering memorandum.

The Group has significantly improved its performance in terms of debt serviceability since financial year 2021 as highlighted by the ratios below:

Particulars	Financial year 2021	Financial year 2023
Combined Group Gross Leverage Ratio ⁽¹⁾	4.7	1.9
Fixed charge coverage ratio ⁽²⁾	1.9	2.8
Adjusted Net Debt-to-Equity ratio ⁽³⁾	2.1	0.8
Adjusted Net Debt-to-EBITDA ratio ⁽³⁾	5.6	3.1

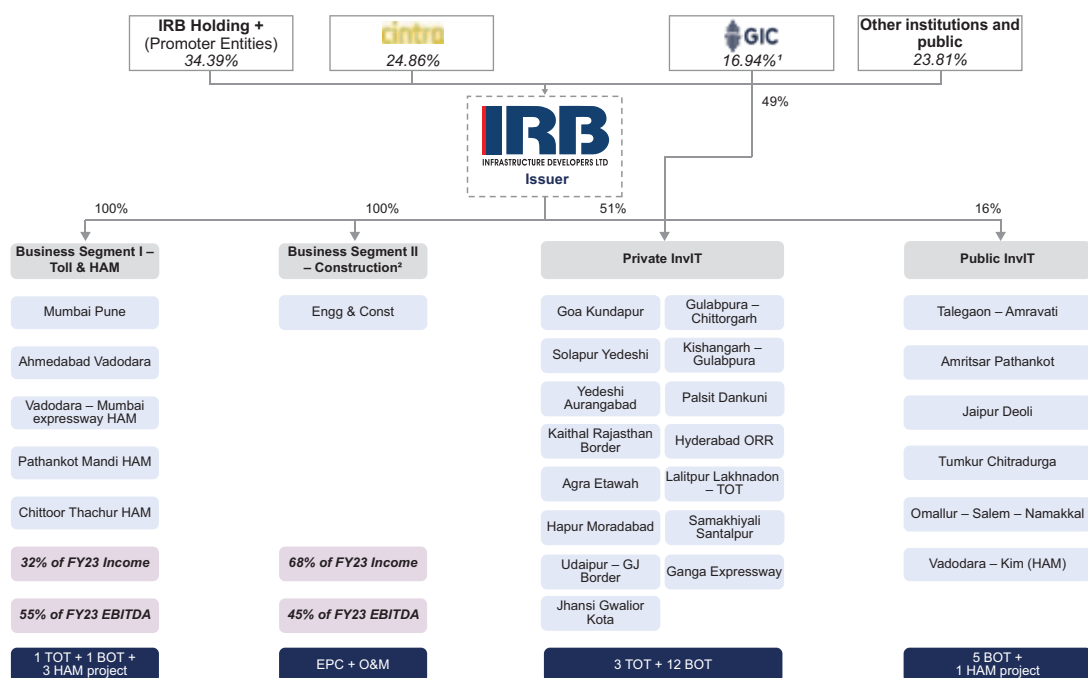
Notes:

- (1) Combined Group Gross Leverage Ratio means, the ratio of: (1) the sum of the combined Indebtedness of the Issuer (on a standalone basis) and MRMPL to (2) the sum of combined EBITDA for IRBIDL (on a standalone basis) and MRMPL plus distributions from Mumbai – Pune Project and InvITs for the respective financial year.
- (2) Fixed Charge Coverage Ratio means the ratio of (1) EBITDA of the Issuer (on a consolidated basis) plus Distributions from the Mumbai – Pune Project and InvITs to (2) the interest servicing of the Issuer (on a consolidated basis) for the respective financial year.
- (3) On a consolidated basis.

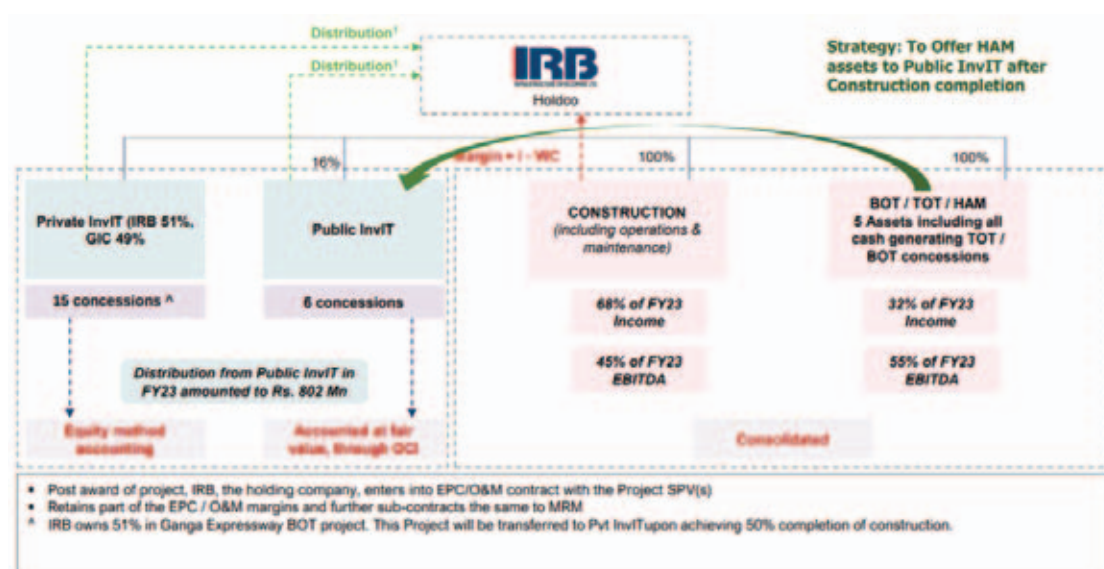
The following table provides calculation of Adjusted Net Debt-to-EBITDA Ratio for the years indicated:

Particulars	Financial year 2021	Financial year 2023
Adjusted Net Debt	142,036.18	106,994.61
EBITDA	25,357.66	34,236.97
Adjusted Net Debt-to-EBITDA ratio	5.6	3.1

The following diagram shows the Overall IRB Group's corporate structure and Project SPVs.



Notes: 1. GIC's public fund owns additional c. 3% stake in the company; 2. Operated through 100% subsidiary, Modern Road Makers Pvt Ltd; *The company also has non core businesses in Airport and Real Estate segment.



Note:

- (1) Distribution includes Interest payment, Return of Capital and Dividend. Distributions declared from Public InvIT and Private InvIT to the company for the nine months ended December 31, 2023, which amounted to Rs.556.2 million and Rs.2,262.2 million, respectively.

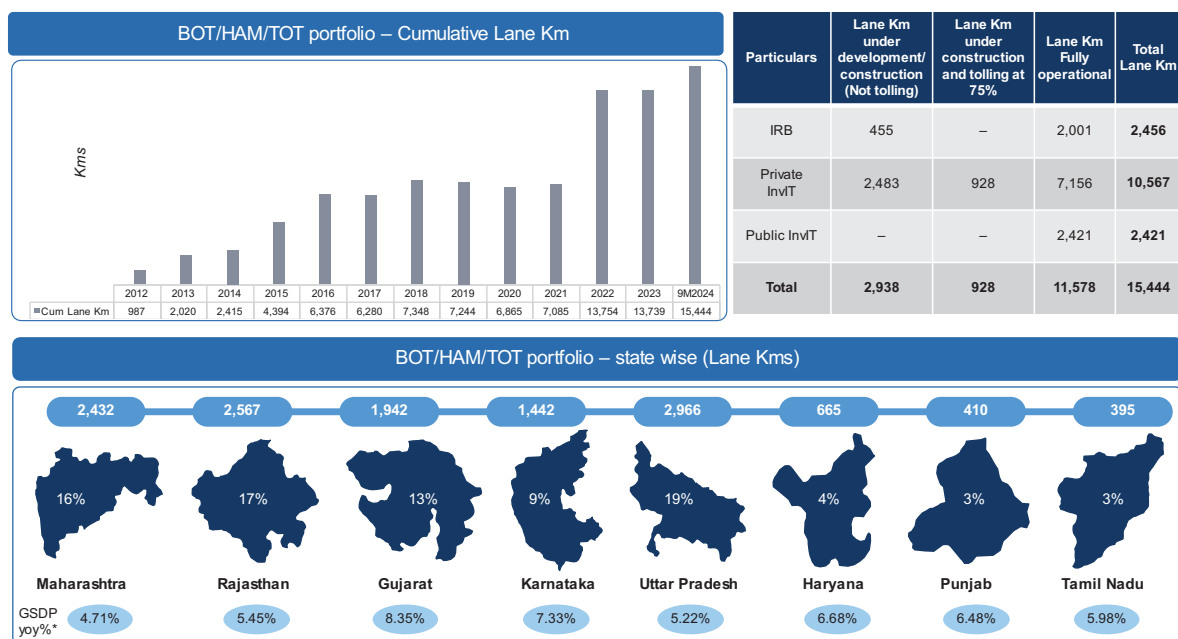
Our Strengths

Our principal competitive strengths are set out below:

Diversified and large asset portfolio of income generating assets with presence in high growth markets

Projects held by the Group (including the Private InvIT and the Public InvITs) span across 12 states, with a mix of projects across BOT, HAM and TOT. The Overall IRB Group also services multiple clients, including the NHAI, the MSRDC, the Ministry of Road Transport and Highways (“MoRTH”), Uttar Pradesh Expressways Industrial Development Authority (“UPEIDA”) and Hyderabad Metropolitan Development Authority (“HMDA”), managing and operating approximately 20% of the Golden Quadrilateral national highway network. The Private InvIT and the Public InvIT have self-sustaining portfolios with AAA rating, and a weighted average concession life of projects of 23 years and 15 years for the Private InvIT and Public InvIT, respectively, as of December 31, 2023. The Overall IRB Group’s HAM, BOT and TOT assets include 15,444 Lane Kilometers, most of which are revenue generating. The Company and the Private InvIT’s combined gross average daily toll revenue from all operating projects was Rs.152.94 million for the quarter ended December 31, 2023, which we believe is the highest toll revenue reported by any private developer in the industry.

The following diagrams shows the Overall IRB Group’s BOT, HAM and TOT portfolio buildup over the years, a breakdown of our operations in each state we operate in, and a table breaking down our total operational/tolling and under development project lengths by entity.



*Source: Directorate of Economics & Statistics or respective State Governments (FY12 – FY22).

The Private InvIT’s projects are located in high-growth markets which have great potential for sustained growth over the concession life of the projects.

Extensive experience and demonstrated track record in infrastructure development and construction projects in the roads and highways sector in India

We are one of the largest road and highway infrastructure companies in India with presence in BOT, TOT and HAM verticals. The Company owns 2,456 Lane Kilometers of roads and highways in India, with 2,001 Lane Kilometers currently in operation and 455 Lane Kilometers currently under construction or development, while the Private InvIT and the Public InvIT hold 10,567 Lane Kilometers and 2,421 Lane Kilometers of roads and highways, respectively. The Private InvIT has 7,156 Lane Kilometers currently fully operational, 928 Lane Kilometers tolling and under construction and 2,483 Lane Kilometers currently under construction or development. Our projects include large road and highway BOT project of

Ahmedabad – Vadodara NH 48 Highway and the Ahmedabad – Vadodara Expressway NE1, HAM projects of Gandeva to Ena section of the Vadodara – Mumbai Expressway, the Pathankot – Mandi four-laning project on NH 154 and the Chittoor – Thachur six-laning project on NH 716B and TOT project of the Mumbai – Pune Expressway. The Public InvIT's has a total of 2,421 Lane Kilometers, and all the projects are operational and revenue generating. We believe that our experience of over four decades in roads and highways infrastructure development projects and our established reputation in the industry provide us with an in-depth understanding of traffic along corridors and the associated financing and cost matrix. Our experience helps enable efficient pan-India project execution, with the ability to construct 500-600 kilometers at a time. As a result, our Group has competitive advantages when bidding for large BOT and TOT projects such as the Meerut – Budaun Expressway, the Mumbai – Pune Project and Hyderabad ORR Project. We also believe that our experience and focus on roads and highways infrastructure development projects enables us to effectively evaluate and execute new projects.

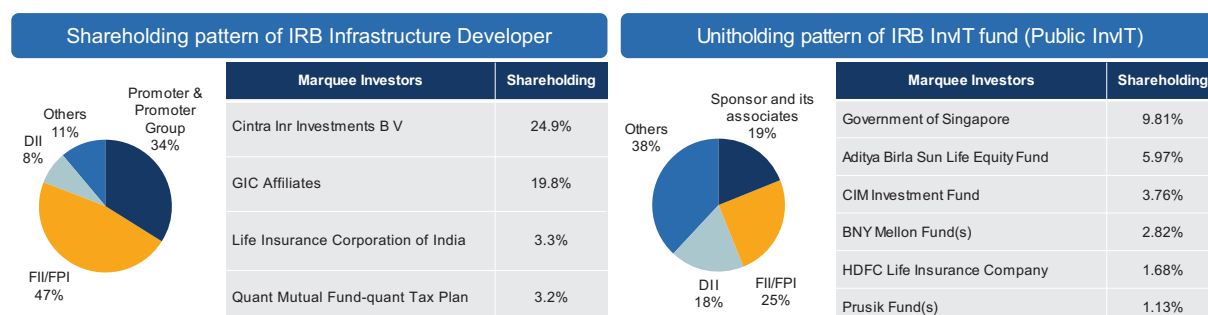
We have received several industry awards and recognitions, including industry honor for “Outstanding Contribution in Roads & Highways” for the six-laning of NH-8 in the State of Rajasthan & Gujarat Project – Infra Category in the 10th EPC World Award 2023, Construction Times Award 2023 for Udaipur – Shamlaji NH 48 Project for the Best Highway Project of the Year, the Construction Times Award in the Best BOT (Road Project of the Year) category in 2018, EPC Company of the Year Award conferred by the EPC World in 2018 and FinanceAsia Achievement Award on successfully listing India's first InvIT IPO in 2017. In addition, Mr. Virendra Mhaikar, our Chairman and Managing Director, was awarded the ET Edge Maharashtra Achievers' Award as “The Best Infra Person of the Year” in 2018.

Long-term strategic partnership with marquee investors and sovereign wealth funds

One of the largest global sovereign funds, GIC has shown confidence through its investment in all the vehicles of the Group. We pioneered with GIC to launch the Private InvIT in which GIC committed to invest up to Rs.44 billion, owning a 49% stake. In February 2020, GIC infused Rs.37.5 billion, of which Rs.30 billion was used toward repaying existing debt in the underlying SPVs and the rest was allocated toward various construction commitments. Subsequently, in November 2020 and July 2021, the Private InvIT received the second and third tranches of fundraising, totaling Rs.5.1 billion and Rs.3.8 billion, respectively, from IRB and GIC in proportion to their unitholding. Subsequently, in April 2022 a rights issue of Rs.2.42 billion in proportionate shareholding of IRB and GIC was completed in connection with commencement of construction work at the Dankuni Palsit SPV. Further, a fresh rights issue of Rs.28.61 billion with similar shareholding was executed to fund the newly acquired Hyderabad ORR TOT project SPV IRB Golconda Expressway Pvt. Ltd. We and GIC will continue to explore future opportunities in the road and infrastructure sector together, helping to grow the Private InvIT's portfolio and our order intake capacities. Additionally, GIC affiliates own a 19.82% stake in the Company and a 9.81% stake in the Public InvIT.

In December 2021, Ferrovial S.E., a global infrastructure company (“Ferrovial Group”), through its subsidiary Cintra, S.A. acquired 24.86% of the Company, and GIC affiliates acquired 16.94% of the Company. Through the relationship with our strategic investor in Ferrovial Group, we have gained access to the cutting-edge global technology and practices in the roads and highways sector.

We have also built strong and diverse investor relationships. Foreign institutional investors, such as GIC, Ferrovial Group (through its subsidiary, Cintra), BNY Mellon, Prusik and CIM Investment Fund and domestic institutional investors, such as Aditya Birla Mutual Fund, HDFC Life, Quant Mutual Fund and Life Insurance Corporation of India, have invested in the Company and the Public InvIT and may invest in our other group entities. The diagrams below show the shareholding pattern of the Company and the unitholding pattern of the Public InvIT as of December 31, 2023:



Thought leader in the industry

We have been a market pioneer in many areas, and over the years we have pioneered many one of the firsts in the industry, including:

- one of the first BOT projects in India with the Thane – Bhiwandi Bypass;
- one of the first NHAI projects on a revenue sharing basis of 38% for the Surat Dahisar BOT project in 2006;
- one of the projects with the highest upfront payment of Rs.5,040 million to NHAI in 2008 up to that time;
- one of the first BOT developers to integrate a “Toll Management System” with SAP in 2016;
- one of the projects with the highest upfront payment of Rs.9,180 million to MSRDC in 2004 up to that time, followed by the highest committed payment of Rs.82,620 million to MSRDC in March 2020;
- one of the first listed InvITs in India, raising Rs.50,100 million from the IPO;
- one of the first Private InvITs in the roads and highways segment, partnering with GIC who holds a 49% stake;
- one of the first Indian Highway Infrastructure Company to tap offshore bond markets.
- one of the largest TOT portfolio market share in awarded TOT projects across India at 38%; and
- one of the first infrastructure developers in India to have meaningful partnership with strategic investors, such as Ferrovial Group, and financial investors, such as GIC, with continued commitment to support growth.

Strong ability to meet pre-qualification credentials

We believe that the combination of our track record of completed projects, our existing portfolio and our financial performance allows us to meet the qualification requirements for a large number of new BOT projects, and we are financially and technically pre-qualified and best positioned to capitalize on the largest opportunities in the roads and highways sector. For example, we can pre-qualify to bid for an individual project with a total project development cost of up to approximately Rs.150,000 million for BOT, TOT and HAM projects by NHAI. We believe that we have the requisite experience, technical eligibility and financial resources to explore a large number of new bidding opportunities in the roads and highways BOT, TOT and HAM sector.

Fully integrated player with in-house management across tolling, construction and Operation and Maintenance (O&M) through a strong EPC segment

We are an integrated infrastructure development company. The EPC activities for all our BOT and HAM projects are undertaken in-house through our subsidiary, MRMPL. Similarly, most of the O&M activities related to these projects, including toll collection for BOT projects, are also carried out in-house by us. We believe these in-house capabilities enable us to reduce our dependence on third party sub-contractors, be more competitive, exercise greater control over the quality and cost of construction, achieve timely execution of our projects and capture the entire economic value chain in our projects.

We have executed 36 projects to date across difficult terrains in various climatic conditions, with strong execution capabilities to construct complex structures backed by a track record of executing over 18,000 Lane Kilometers of projects across 12 states in India. All operations are SAP compliant to help ensure accountability and transparency. Our captive execution capabilities allow us to generate high EBITDA margins as a result of better scheduling and resource management, as well as strict control over costs with limited dependence on intermediaries. Our strong long-term relationships with our suppliers enable us to plan and procure raw materials at highly competitive rates. Our centralized procurement, structured execution and resource optimization help ensure minimal cost slippages and strong control over timelines, as evidenced by us having experienced no execution delays beyond the stipulated completion date of projects.

Equipment asset management is a critical element of timely delivery of quality infrastructure development and construction projects. We own one of the largest fleets of sophisticated construction equipment in India, which enables us to be less dependent on third party equipment providers and to efficiently manage our project execution schedules. We believe that this also provides us with a competitive advantage during bidding over other infrastructure development and construction companies that outsource their construction activities to external contractors.

We believe that our integrated execution capabilities enable us to better evaluate business opportunities and efficiently execute and manage our projects, with on-site decision-making capabilities, efficient deployment of equipment and other resources, as well as strategic purchasing capabilities.

The following table shows the track record of our construction segment, as at and for the periods indicated.

(Rs. million)					
Particulars	2022-23	2021-22	2020-21	9M ended December 2023	9M ended December 2022
Total revenue ^{(1), (2)}	39,203.44	37,995.09	37,254.98	35,625.69	28,263.23
EBITDA	9,823.01	10,056.18	11,080.13	8,763.76	7,041.95

Notes:

(1) Represents EPC construction and O&M.

(2) For financial years 2022 and 2023, we have adjusted one time income of compensation income for Panaji Goa project (Rs.1,963.80 million) and Pathankot Amritsar project (Rs.4,178.33 million).

Strong financial performance underpinned by stable cash flows and attractive concession terms

We have demonstrated strong financial performance and cash flow generation in recent years. Our total income was Rs.54,875.30 million, Rs.63,554.47 million and Rs.67,033.14 million for the years ended March 31, 2021, 2022 and 2023, respectively, and Rs.50,044.01 million and Rs.56,972.67 million for the nine months ended December 31, 2022, and 2023, respectively. Our profit after tax for the year/period was Rs.1,171.49 million, Rs.3,613.97 million and Rs.7,200.11 million for the years ended March 31, 2021, 2022 and 2023, respectively, and Rs.5,898.59 million and Rs.4,169.38 million for the nine months ended December 31, 2022, and 2023, respectively. For the nine months ended December 31, 2023, we recorded an average per day toll income from BOT/TOT projects of Rs.149.78 million.

Most of our BOT projects are revenue generating, with low price risk due to India's long track record of formula driven toll rate escalation that takes place on April 1 of each year. Escalation is not entirely WPI dependent and follows the formula of fixed + 40% of WPI, thus providing an essential cushion. Typically, there is also limited to no competition from alternate routes. Our long concession period of 20 to 30 years provides for the flexibility of a long tail period and multiple refinancing opportunities. Additionally, a floor and cap model protects developer returns, providing for an automatic extension of the concession period of up to 20% if the target traffic is not achieved. We also benefit from a favorable regulatory environment with a regulator that has been supportive of the developers. For example, in light of the COVID-19 pandemic, regulators have offered loans to developers to provide cashflow support, as well as extensions in the concession period for up to six months to compensate developers for revenue losses during and after toll suspension. Furthermore, under the new termination payment regime by NHAI for BOT projects, 90% of debt is fully covered by the termination payment from NHAI in the case of a default by the concessionaire. In other cases, the termination payment for BOT projects can be up to 150% of equity invested and 100% of debt due.

Through transferring projects to the Private InvIT and the Public InvIT, we have further enhanced our financial performance. The Private InvIT is generating positive surplus cashflows, with an average weighted concession period of around 23 years. Additionally, the O&M of the 15 assets held by the Private InvIT (including for TOT 12 and TOT 13, in respect of which O&M agreements have not yet been executed) is being carried out by the Company on a fixed price basis in accordance with the O&M agreement, which also takes into account inflation, providing cash flow visibility. Furthermore, we receive distributions from the Public InvIT and income for the O&M of the six assets held by the Public InvIT.

As of December 31, 2023, our order book was Rs.361,852.59 million. This comprised Rs.64,046.55 million of construction under progress, Rs.5,220.00 million of construction orders to be executed and Rs.292,586.04 million of O&M. Our order book as of a particular date consists of estimated revenue from unexecuted or uncompleted portions of our “existing contracts”, i.e., the total contract value of such “existing contracts” as reduced by the value of construction work executed until such date. All of our order book consists of concessions, for which we have received a letter of award and signed concession agreements with the concessioning authority, and are waiting for the appointed date from the concessioning authority as of December 31, 2023. For further details, see “Order Book” below.

Prudent capital management with efficient churning of capital at various stages of development

The infrastructure sector is capital intensive with each project requiring significant initial funding. We have successfully arranged financing for all of our operational and under construction projects and believe that we enjoy significant goodwill with various leading banks and financial institutions in India. Furthermore, we have not experienced any delays in servicing our debt obligations. We believe that our ability to raise significant project finance has enabled us to fund our various projects at competitive rates. We consistently keep our overall leverage at a low level, with the project debt raised at the SPV level continually decreasing as the project matures.

Our robust credit history, as evidenced by ratings of “AA- (Stable)” from CRISIL and “IND AA-/Stable” from India Ratings, coupled with our extensive banking relationships across all leading national banks, empower us to access debt facilities on competitive terms. Furthermore, our lenders have demonstrated a willingness to participate in new projects undertaken by the Company, supported by our track record of timely debt servicing.

We have also adopted our BEST strategy of Bid, Execute, Stabilize and Transfer, and set up InvIT vehicles, which allows us to efficiently churn capital at various stages of development, keeping leverage under check. Our BEST strategy involves bidding for projects on the basis of expected financials and returns, and once a project is awarded, we execute the project through our in-house EPC segment. After completion of the project, we ensure that the toll collection stabilizes and matures. Once we believe there is sufficient visibility on toll collection trends, we are able to monetize the project by transferring the asset, completing our investment cycle and generating cash flow for stronger growth. We launched India’s first listed infrastructure investment fund, raising Rs.50,100 million from the IPO. At the time of the IPO, the Public InvIT was fully unlevered as its entire debt was prepaid from the IPO’s proceeds. We also launched India’s first ever private InvIT with GIC, which resulted in deleveraging. GIC infused Rs.37.5 billion toward the first tranche in February 2020, of which Rs.30 billion was applied toward deleveraging. The portfolio is generating positive cash flows which are presently utilized to partially fund the equity requirements for projects that are under construction. The Private InvIT was listed on the National Stock Exchange of India Limited in April 2023 in accordance with the InvIT Regulations which requires the listing of all InvITs.

All InvITs are strictly regulated by, and are subject to the regulations and guidelines laid down by the SEBI. Thus, the SEBI, in its role as the regulator maintains a prudent approach towards leverage ratios to ensure that levels remain low and manageable, to safeguard investor interests and to maintain financial stability in the market. The SEBI imposes stringent guidelines on leverage ratios to prevent excessive risk-taking and speculative behavior. This approach promotes transparency and accountability and enhances investor confidence in the InvIT market. By keeping leverage levels in check, the SEBI ensures that InvITs can effectively finance infrastructure projects while mitigating the potential for financial instability and disruptions to the market. Accordingly, these leverage ratios are required to be maintained by the Trust under the InvIT regulations.

Further, the InvIT is required to distribute not less than 90% of its net distributable cash flows to Unitholders. Accordingly, the InvIT’s ability to undertake any future acquisition will depend on the ability of the InvIT to raise further funds from investors through a fresh issue of Units and/or to raise debt financing from banks or other eligible lenders and will be subject to the leverage ratios as set out in the InvIT Regulations and Applicable Laws.

With respect to distributions made by the InvIT and the holding company and/or SPV, the InvIT regulations provide the following:

- not less than 90% of net distributable cash flows of the SPV shall be distributed to the InvIT holding company in proportion of its holding in the SPV subject to applicable provisions in Companies Act, 2013 or Limited Liability Partnership Act, 2008; and
- not less than 90% of net distributable cash flows of the InvIT shall be distributed to the unit holders.

With regard to distribution of net distributable cash flows by the holding company to the InvIT, the following shall be complied:

- with respect to cash flows received by the holding company from underlying SPVs, 100% of such cash flows received by the holding company shall be distributed to the InvIT; and
- with respect to the cash flows generated by the holding company on its own, not less than 90% of such net distributable cash flows shall be distributed by the holding company to the InvIT.

Such distributions shall be declared and made not less than once every six months in every financial year, in case of publicly offered InvITs and not less than once every financial year in case of privately placed InvITs and shall be made not later than 15 days from the date of such declaration. Subject to this, the distribution shall be made in the manner as mentioned in the offer document or placement memorandum.

Additionally, the aggregate consolidated borrowings and deferred payments of the InvIT (holdco and the SPV(s)), net of cash and cash equivalents shall not exceed seventy per cent of the value of the InvIT assets. If the aggregate consolidated borrowings and deferred payments of the InvIT (holdco and the SPV(s)) net of cash and cash equivalents exceed twenty-five per cent. of the value of the InvIT assets, for any further borrowing, above forty nine percent, an InvIT shall obtain a credit rating of “AAA” or equivalent for its consolidated borrowing and the proposed borrowing, from a credit rating agency registered with the SEBI.

Attractive sector with strong underlying fundamentals

Our industry benefits from strong fundamentals and secular growth trends backed by a stable, time-tested regulatory environment. India is experiencing growing urbanization and rising personal disposable income, resulting in an increase in consumption and discretionary spending. The roads sector registered a strong pace of construction by NHAI, increasing by 6,003 km (16.4 km per day) in financial year 2023 from 3,071 km (8.4 km per day) in financial year 2018. Investment in the roads and highways sector rose from approximately Rs.1.7 trillion in financial year 2018 to approximately Rs.2.9 trillion in financial year 2022, which represents a growth of approximately 1.7x. We believe we are well positioned to take advantage of this high growth market.

We have strategically built a portfolio with projects located in fast developing states with high GDP growth and traffic intensive corridors. This is further supported by strong underlying fundamentals, such as inflation pass through arrangements, high barriers to entry and a direct play on increasing consumer spending.

In addition, we benefit from regulators that have been supportive of the developers. For example, in light of the COVID-19 pandemic, regulators have offered loans to developers to provide cashflow support, as well as extensions in the concession period for up to six months to compensate developers for revenue losses during and after toll suspension. The GoI launched the Bharatmala Pariyojana umbrella program in October 2017 for upgrading highway infrastructure (34,800 km in Phase I) with a focus on ease of land acquisition and timely identification of economically important corridors.

Furthermore, under India’s Vision 2025, there will be a focus on last-mile connectivity and to tilt asset ownership in favor of financial investors. Road business gets further de-risked with increased transparency and penetration of FASTag for toll collection. NHAI further plans to introduce a GPS-based toll collection system.

Moreover, favorable concession terms requiring NHAI to provide 90% Right of Way (“ROW”) before the appointed date and the reduction of the equity lock-in period post achieving COD, have made greater participation in infrastructure projects more appealing and financially viable for potential investors and developers.

CRISIL Market Research and Analytics estimates that Rs.17-19 trillion will be invested in national highways between financial year 2023 and financial year 2027, with public funds dominating overall spending. Recently, the NHAI has proposed sweeping reforms in the BOT model and introduced projects worth Rs.2 trillion to be bid out in the coming months. The 53 projects, spread across various states, will span a length of 5,200 kilometers.

Experienced management team with a strong track record and a qualified and skilled employee base

We are a professionally managed company with a qualified, skilled and trained workforce. As of December 31, 2023, we had 7,154 total employees, of which 2,280 employees were engaged in construction activities and 4,043 employees were engaged in toll collection activities. Of our total workforce, 475 employees were engineers and technical personnel as of December 31, 2023. With an average of over 25 years of experience in their industries, our senior management team have contributed significantly to our growth in recent years. We believe that having a motivated and empowered employee base is essential for maintaining our competitive advantage and hence we remain committed to the professional development of our employees. As a result, over the previous decade there has been minimal attrition at the senior management level.

Our Strategy

Our principal business strategies are set out below:

Continue to Focus on BOT, TOT and HAM Projects in the Roads and Highways Sector and Leverage the Government led grid expansion plan for the sector

We intend to consolidate our position as one of the largest infrastructure development companies in the roads and highways sector in India. We believe that Government spending on the road infrastructure sector will be a key component of India's goal of sustained annual GDP growth. We also believe that the road infrastructure sector will continue to require further investment given the Government's focus on improving the infrastructure and road connectivity in the country. The Government intends to develop national highways under a variety of programs, such as the Bharatmala Paryojana and National Infrastructure Pipeline. A large part of these programs will be based on PPP mode of development through BOT and TOT models. We believe that our expertise and experience in the development, operation and management of road infrastructure projects, as well as our established reputation, provides us with a competitive advantage in pursuing opportunities in this rapidly growing sector.

Selectively Expand the Geographical Distribution of our Infrastructure Projects

We intend to consolidate our position in the roads and highways infrastructure development sector by selectively pursuing suitable opportunities in high growth States of India to expand and diversify our portfolio. We currently have projects in Western India in the states of Maharashtra and Gujarat, Northern India in the states of Punjab, Haryana, Uttar Pradesh, Himachal Pradesh and Rajasthan, Eastern India in the state of West Bengal, Central India in the state of Madhya Pradesh and in Southern India in the states of Karnataka, Telengana and Tamil Nadu. We intend to build on our experience to further expand our road portfolio across India by consolidating our position in the current markets as well as entering new states and regions offering desired growth opportunities.

Further Enhance our Project Execution Capabilities through an Integrated Approach

One of the primary focus areas of our project execution strategy is the completion of our projects on or ahead of schedule and on budget. We also intend to continue to focus on performance and project execution in order to maximize client satisfaction and our margins. We leverage technologies, designs and project management tools to increase productivity and maximize asset utilization in capital intensive activities. We seek to optimize operating and overhead costs to maximize our operating margins. Our ability to effectively manage our projects will be crucial to our continued success as a reputed infrastructure company. We believe that we are able to distinguish ourselves from our competitors because of our management strength and in-house development, construction, O&M capabilities. We

intend to continuously strengthen our execution capabilities by implementing the latest technologies for the most efficient and transparent operations management, and will also add to our existing pool of managers, attracting new graduates from engineering colleges in India, and facilitating continuous learning with in-house and external training opportunities. We will also continue to adopt an integrated approach to further develop our in-house expertise in construction, O&M and tolling, enabling us to capture the entire value chain. We will remain focused on our health, safety and environmental management and quality management standards as we believe these elements of performance measurement have become important competition differentiators and key criteria for prequalification of contractors by NHAI and other clients.

Continue to Focus on Prudent Financial Management and Strengthen Internal Processes and Systems

The road infrastructure sector is a highly competitive sector which is capital intensive and requires significant expenditure. Our ability to efficiently manage the costs associated with our projects and prudently maintain low leverage that we believe is conservative compared to our industry peers enables us to secure timely funding at favorable rates which is imperative for us to maintain healthy margins. We intend to continue to focus on increasing our margins by strengthening our internal processes and systems to achieve optimal utilization of our resources. We have also adopted over 20 policies to improve and direct operational procedures to align with global best practices. By focusing on our internal systems, we aim to efficiently manage our equipment and human resources to achieve cost efficiencies during execution of our projects. We maintain a centralized procurement department for major raw materials to achieve economies of scale and have a dedicated project execution team which monitors the development process of projects to implement best practices across our projects. In addition, we have implemented a company-wide ERP system on an SAP platform, which allows us to exercise desired control, manage operations effectively and respond to exigencies in a quick and efficient manner.

Continue to leverage our strong market position and integrated approach

We will continue to adopt our BEST strategy to efficiently develop projects, churn capital and augment our financial resources. We also intend to continue leveraging our strong market position, implement the latest technologies available and enhance our integrated model to further our financially and technically pre-qualified credentials and market-leading position. We believe this would enable us to capitalize on the opportunities in the roads and highways sector, such as the introduction of RFID tags in conjunction with a consistent GoI push to promote digital tolling payments, with RFID tag-based toll payment now contributing over 95% of our revenue.

Our BOT and TOT Projects

The Company currently hold 2 toll-based projects, 1 BOT project and 1 TOT project, both of which are operational and tolling.

In connection with toll-based projects, we are awarded tolling rights for the underlying projects and are required to make certain committed payments to the government and undertake the O&M of the projects. Typically, a toll-based project serves a mix of passenger and commercial vehicles. Traffic is based on the connectivity provided by the project to other locations in the country and is driven by the commercial and economic activities in the region. Tariffs vary based on the category of the vehicles and are made known to commuters using the road. Traffic growth generally follows the GDP growth of the region. Toll rates are determined in accordance with the NH Fee Rules in India, pursuant to which, base rates per kilometer increase annual by a rate of 3% + 40% of WPI. The base rate is multiplied by the tollable length of the road (in kilometers) and rounded to the nearest Rs.5. For four-to-six lanes projects that are under construction, the toll rate is determined in the first year, and the project collects 75% of such toll rate for the duration of the construction period, without annual increases. Once construction is completed and COD is achieved, the toll collection is revised upward to 100% of the toll rate, after giving effect to accumulated escalation for the construction period and any increases in tollable length for additional construction.

The Company holds one BOT project, consisting of the Ahmedabad – Vadodara NH 48 Highway and the Ahmedabad – Vadodara Expressway NE1 with a concession period of 25 years. We are required to incur construction-related capital expenditures for upgrading the projects, typically funded through 70% debt and 30% equity. Tariffs for our projects are subject to automatic revisions annually.

The Company's TOT projects include the Mumbai – Pune Project, won for a second time and with a concession period of 10 years and 2 months.

The following map highlights the Company's BOT and TOT projects:



Our TOT Project

Mumbai – Pune Project (Yashwantrao Chavan Mumbai – Pune Expressway and NH 48 Project)

The Mumbai – Pune Project is a cumulative 206 km expressway which connects two major economic hubs, Mumbai and Pune, consisting of Yashwantrao Chavan Expressway (95 km six-lane access-controlled expressway, along the Mumbai – Pune Corridor, starting from Kalamboli and ending at Dehu Road, in the State of Maharashtra) and Mumbai – Pune Section of NH-48 (111 km four-lane access-controlled expressway). There are no alternative short-or long-distance routes with comparable riding quality and cost efficiency between Mumbai and Pune. A large proportion of traffic on this project comprises passenger vehicles which is expected to show higher growth in the long run. Traffic for the Mumbai – Pune project is expected to continue to grow based on the “Twin City” concept, under which Pune evolves as an extended corridor and part of Mumbai.

Project	Client	State	Length of the project (in Lane Kilometers)	Project cost (Rs. million)	Start of concession period	Concession period ⁽¹⁾
Mumbai – Pune Expressway (Yashwantrao Chavan Expressway and NH 48).....	MSRDC	Maharashtra	1,014	88,750.90	March 1, 2020	10 years and two months

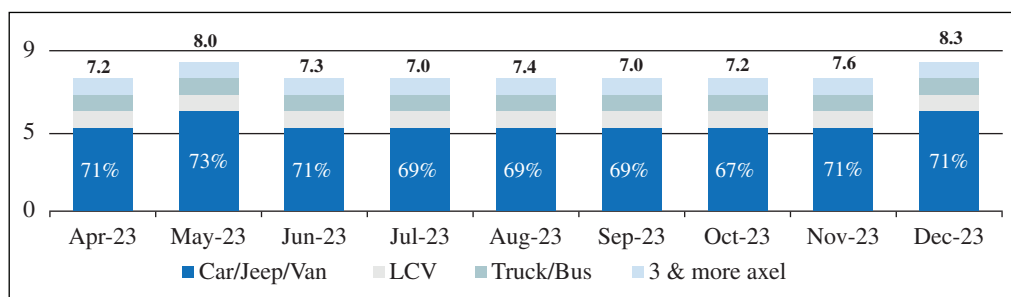
Note:

(1) Our concession period may be extended in certain defined circumstances, as set out in the concession agreement.

Under the first concession agreement for the Mumbai – Pune Project, which was for a concession period of 15 years and expired on August 10, 2019, we were awarded tolling and O&M rights in exchange for making approximately 10 years of committed payment to the government. We were required to pay relatively low capital expenditures for the initial construction, funded through 80% of debt and 20% of equity. We were engaged to expand a stretch of NH-48 to four lanes and to make value additions to the Yashwantrao Chavan Mumbai – Pune Expressway, such as providing cattle traps, constructing crash barriers, providing landscaping and beautification services and redoing paved shoulders.

IRB MP Expressway Private Limited, an SPV of the Company, signed the second concession agreement with MSRDC for tolling and O&M for the Mumbai – Pune Project in February 2020 for a total consideration of Rs.82,620.00 million to be paid to MSRDC. We made an upfront payment of Rs.65,000.00 million to MSRDC for a revenue linked concession period of 10 years and two months starting March 1, 2020, and the balance was paid in three tranches, in line with the concession agreement.

The Gross Toll revenue of the Mumbai – Pune project was Rs.9,685.15 million, Rs.12,231.67 million and Rs.14,245.23 million (US\$171.39 million) for the financial years 2021, 2022 and 2023, respectively, and Rs.10,640.10 million and Rs.12,748.49 million for the nine months ended December 31, 2022, and 2023, respectively. The average daily toll collection of the Mumbai – Pune project was Rs.28.07 million, Rs.33.51 million and Rs.39.0 million for the financial years 2021, 2022 and 2023, respectively, and Rs.46.36 million for the nine months ended December 31, 2023. The following table highlights traffic by vehicle type in millions for the nine months ended December 31, 2023.



Under the concession arrangements, toll increases at a rate of 18% every three years until financial year 2024 for the Yashwantrao Chavan Mumbai – Pune Expressway and by 16% on NH 48 every three years until the end of the concession period.

With more than 15 years of experience in managing this project, we have a deep understanding of the traffic trends of the Mumbai – Pune Project and are able to continue to leverage our experience in operating and managing the project. The project has exhibited traffic CAGR of approximately 7% over the last 18 years.

Concession Period: We have won the second concession for 10 years and two months starting March 1, 2020. Pursuant to the terms of the project agreements and certain notifications received by us from the Government of Maharashtra, we are entitled to collect and retain the notified toll rates from the users of the project facilities until April 30, 2030. The toll rates and policies for the Yashwantrao Chavan Mumbai – Pune Expressway are notified by the Public Works Department (“PWD”) and the toll rates and policies for NH 48 are notified by the MoRTH.

O&M: We also carry out operations and maintenance for this project. With respect to the Yashwantrao Chavan Mumbai – Pune Expressway, the scope of our operations and maintenance obligations include road maintenance, performing safety and security functions, asset management and road property management. With respect to NH 48, we are primarily responsible for ensuring smooth and uninterrupted flow of traffic, charging, collecting and appropriating tolls in accordance with the project agreements, repairing potholes, cracks, joints, drains, lane marking, lighting, maintenance of illuminations and signage, safety maintenance, operations and traffic management. The following table highlights the O&M cost as laid out in the O&M contract.

(Rs. million)	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30
O&M cost	2,212	2,280	1,240	1,295	2,996	3,060

Project Cost: The cost of this project was Rs.88,751 million. The following table sets forth a breakdown of the sources of financing for this project.

As of December 31, 2023, the outstanding debt to the lenders of the project with respect to this project was Rs.55,402.94 million (inclusive of interest capitalized as debt during the COVID-19 pandemic under a moratorium provided by the Reserve Bank of India (the “RBI”).

Type of financing	Amount (Rs. million)
Sponsor contribution	14,380
Internal accruals	8,271
Debt	66,100
Total	88,751

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue (Nine months ended December 31, 2023)	EBITDA (Nine months ended December 31, 2023)	Cash Balance⁽¹⁾ (As at December 31, 2023)
	(Rs. million)		
Yashwantrao Chavan Mumbai – Pune Expressway and NH 48 Project	12,557.51	10,884.11	185.32

Note:

(1) Includes cash balances and current investments.

The following table highlights the debt repayment schedule of the Project SPV for this project.

	Financial year 2025 to Financial Year 2028	Financial year 2029
Repayment as % of outstanding	74.86%	25.14%

With respect to our debt repayment obligation for the financing of this project, the order of priority for repayment to creditors in the event of liquidation is set forth as follows:

- all taxes due and payable by the sub-concessionaire for the project highways;
- all payments forming the sub-concession fee due and payable by the sub-concessionaire to MPEL in accordance with the terms of the sub-concession agreement;
- O&M expenses, subject to the ceiling set forth in the financing agreements;
- O&M expenses and other costs and expenses incurred by MPEL in accordance with the provisions of the escrow agreement, and certified by MPEL as due and payable to it subject to the ceiling for the relevant financial year in the O&M contract;
- incurred and accrued O&M expenses subject to the ceiling for the relevant financial year in the O&M contract;
- monthly proportionate provision of debt service payment due in the accounting year;
- all payments and damages certified by MPEL;
- funding all reserve requirements set forth in the relevant financing agreements;
- balance of any O&M expenses incurred (if any) beyond the ceiling specified in the relevant financing agreements after all reserve requirements are fully funded pursuant to such financing agreements; and
- balance, if any, in accordance with the instructions of the sub-concessionaire.

Overview of BOT Infrastructure Development Projects

Infrastructure development projects in India are typically awarded under the PPP model, as BOT projects.

Our BOT infrastructure development projects principally focused on the roads and highways sector are typically characterized by three distinct phases:

- **Build** – upon successfully securing a project by competitive bidding, we contract with a government entity for the construction of an infrastructure project and secure financing to construct the project;

- Operate – we are the operator of the infrastructure asset during an agreed concession period; we maintain and manage the asset for the agreed concession period and earn revenues through tolls generated from the asset; and
- Transfer – after the expiration of the agreed concession period, we transfer the ownership of the infrastructure asset back to the government entity.

The DBFOT model of infrastructure development projects, a category of BOT projects, has become increasingly prevalent in India and several of our recent projects are in this category. A DBFOT project involves, in addition to the activities specified above, provision of engineering design for such projects.

Phases of Development in our BOT Infrastructure Development Projects

Our BOT infrastructure development projects may be broadly classified under the following four development phases: (i) operational, (ii) under construction, (iii) under development and (iv) under award.

Operational

Our projects are classified as operational when the engineering, procurement and construction phases have been completed or substantially completed, a completion certificate (or provisional completion certificate, as the case may be) has been issued by the concessioning authority and the relevant Project SPV is recognizing revenues from tolls generated from the project. In certain projects which involve the expansion of existing road infrastructure, we may commence recognizing revenues from tolls generated from the existing road infrastructure that we are expanding during construction of the project. We have classified such projects as under construction, and not operational. We have 15 operational BOT projects, including nine projects held under Private InvIT, 5 projects held under Public InvIT and one project held by the Company.

Under Construction

Our projects are classified as under construction when financial closure has been achieved and when services in connection with engineering and construction of the infrastructure projects are in progress. Projects are considered to have achieved financial closure when definitive financing documents relating to the funding of the project by banks and financial institutions have become effective, all conditions precedent to the initial availability of funds under the financing documents have been satisfied or waived, and funds may be drawn down under such financing documents. We have three projects under construction as at December 31, 2023, all in Private InvIT, out of which two are four- to six-laning (operational) and one is a greenfield project.

Under Development

Our projects under development include the projects where the principal project agreements (such as a concession agreement) have been entered into, but where both the financial closure has not been achieved but is expected to be achieved in the near future and the construction has not yet commenced. We currently do not have any projects under development.

Under Award

We classify our projects as being under award where we have received letters of award from the government entities awarding the projects to us. Our projects under award are in the preliminary stage and are classified as **such** prior to execution of concession agreements or receiving permits, licenses, clearances or approvals from the relevant government authorities. We currently do not have any under award projects.

Our BOT Project

The Company holds one BOT project, the Ahmedabad – Vadodara NH 48 Highway and the Ahmedabad-Vadodara Expressway NE1 (operational). The following table sets out certain key details of this BOT project.

Project	Client	State	Length of the project (in Lane Kilometers)	Project cost (Rs. million)	Start of concession period	Concession period ⁽¹⁾
Ahmedabad – Vadodara NH 48 Highway and the Ahmedabad – Vadodara Expressway NE1	NHAI	Gujarat	987	46,697.71	January 1, 2013	25 years

Note:

- Where provided for under the terms of the relevant project agreements entered into in connection with the projects, our concession period may be extended or reduced in certain defined circumstances.

On July 25, 2011, NHAI and our subsidiary, IRB Ahmedabad Vadodara Super Express Tollway Private Limited (“IRBAV”), entered into a concession agreement in connection with the Ahmedabad – Vadodara NH 48 Highway and the Ahmedabad – Vadodara Expressway NE1 project. We were engaged to expand the Ahmedabad to Vadodara section of NH 48 (kilometer 6.40 to kilometer 108.70) from two lanes to six lanes and to undertake improvements of an existing section of NE-1 (kilometer 0.00 to kilometer 93.30) under NHDP Phase V on a DBFOT basis. The total project length was 195.6 km. The project was bid on a premium of Rs.3,096 million payable to NHAI in the first year from the appointed date with an increment of 5% every year. The financing of the project was finalized in February 2012. We have been collecting tolls on the NE-1 section of project since January 1, 2013, and on the NH 48 section of the project since its completion on December 6, 2015.

Concession Period: The concession period for this project is 25 years commencing January 1, 2013, including a construction period of 1,095 days, with the handover date being December 2037, subject to extensions granted by the concessioning authority. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the specified concession period, we are entitled to collect fees from project highway users, subject to the National Highways Fee Rules. Further, as per a floor and cap provision in the concession agreement, if the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of continued concession fees and a maximum cap of 20% of the original concession period (for this project, five years) on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor, as provided for in the concession agreement.

O&M: During the concession period, we are required to operate and maintain the facilities relating to this project, and modify, repair or otherwise make improvements to the project highway in accordance with the terms of such agreement with NHAI. The following table highlights the O&M cost as laid out in the O&M contract.

(Rs. million)	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30
O&M Cost.....	1,939	407	428	449	471	2,475

Pursuant to a scheme of premium restructuring approved by the Government, NHAI has approved the rescheduling of the premium payable to NHAI for this project in June 2014. Pursuant to the scheme, part of the payment to NHAI is deferred to later years, with the premium in a particular year determined by reference to the extent of the remaining revenues after deducting routine and periodic maintenance costs and debt servicing costs. The deferred balance of premium is payable to NHAI as and when surplus cash flows are available after meeting O&M costs and debt servicing costs to lenders during the tenure of the concession with a tail period of over 10 years.

However, due to the diversion caused by an alternate competing road developed by the State Government, the premium commitments are being challenged by the Company and the matter is under arbitration. In the interim, an order dated April 16, 2019, by the Bombay High Court directed that the Company as the Petitioner is protected against termination of the Concession Agreement in the event of default in payment of the premium to NHAI for an initial period of three months, subject to an undertaking (dated April 22, 2019) submitted by the Petitioner that if the Petitioner is unsuccessful in the arbitration, the premium for the period mentioned in the order shall be payable by the Petitioner on the principle of “premium deferment scheme” of the Central Government. Further, the Supreme Court has also dismissed an SLP filed by NHAI against the Bombay High Court order. Subsequently, the Delhi High Court passed a judgement extending beyond the initial three months the relief ordered by the Bombay High Court with respect to any default in payment of premium to NHAI and will continue until the decision of the Arbitral Tribunal on the application under Section 17 of the Arbitration and Conciliation Act 1996 of the arbitration is rendered. In this regard, the Arbitral Tribunal pronounced an interim award on October 14, 2021 in favor of the Company. Subsequently, the arbitral proceedings continued which stands concluded and the Award is reserved.

Project Cost: The cost of this project was Rs.46,697.71 million. The following table sets forth a breakdown of the means of financing for this project.

As of December 31, 2023, the outstanding debt owed to the lenders of the project with respect to this project was Rs.27,674 million (inclusive of interest capitalized as debt during the COVID-19 pandemic under a moratorium provided by the RBI).

Type of financing	Amount
	(Rs. million)
Sponsor contribution	15,120
Internal accruals	—
Debt	31,578
Total	46,698

Key Financial Information: The following tables sets forth certain key financial information for this project.

	Revenue from operation (Nine months ended December 31, 2023)	EBITDA (Nine months ended December 31, 2023)	Cash Balance⁽¹⁾ (As at December 31, 2023)
		(Rs. million)	
Ahmedabad – Vadodara NH 48 Highway and the Ahmedabad – Vadodara Expressway NE1	5,143.74	4,572.85	1,481.42

Note:

(1) Includes cash balances and current investments.

The following table highlights the debt repayment schedule of the Project SPV for this project.

	Financial year 2025 to Financial year 2028	Financial year 2029 to Financial year 2032
Repayment as % of total outstanding	41.35%	58.65%

General provisions of our BOT project agreements

The summaries of our BOT project agreements provided above are not meant to be exhaustive. Certain of the project agreements **include** provisions that could provide third parties with rights that, if exercised, would adversely affect our business operations and financial conditions. Such rights include:

- the right of government entities to take over our BOT project facilities after providing the appropriate compensation;
- the rights of third parties to be indemnified under certain circumstances; and
- “step-in” and substitution rights possessed by certain lenders with respect to the project assets.

Counterparties to the majority of our infrastructure development are government entities, and we have only a limited ability to negotiate the standard terms of government contracts, which means that many terms in the agreement tend to favor the client. There are generally no caps on our liability as a contractor, and it is not always clear whether we can be liable for consequential and/or economic loss to a client. Performance guarantees are also common features of our contracts and are typically unconditional and payable on demand, and can be invoked by the client in accordance with the terms of such contracts. However, in our case, no such performance guarantees have been invoked so far.

Project Lifecycle of BOT Infrastructure Development Projects

We bid for infrastructure projects primarily through a competitive bidding process. Governments and other clients typically advertise proposed projects in leading national newspapers or on their websites. We evaluate available bid opportunities and decide whether we should pursue a particular project based on various factors, including the client’s reputation, the geographic location of the project and the degree of difficulty in executing the project in such location, our current and projected workload, current traffic on the project road and scope for future growth, the likelihood of additional work, the project’s cost and profitability estimates and our competitive advantage relative to other likely bidders. Once we have identified projects that meet our criteria, we submit an application to the client according to the procedures set forth in the relevant advertisement.

We have a centralized tender department that is responsible for applying for all pre-qualifications and tenders. We believe that by centralizing our tender monitoring and preparation functions, we are able to streamline our bidding processes while effectively managing our current and future resource allocations. The tender department evaluates our credentials based on the stipulated qualification criteria. We endeavor to qualify on our own for projects for which we propose to bid, but if we do not qualify for a project due to qualification requirements relating to the size of the project, technical know-how, financial resources or other reasons, we may seek to form strategic alliances or project-specific joint ventures with other experienced and qualified contractors. By using the combined credentials of the cooperating companies, our chances of pre-qualifying and winning the bid for the project are enhanced.

Prequalification

In selecting contractors for major projects, clients generally limit the tender to contractors they have prequalified based on several criteria, including experience, technological capacity and performance, reputation for quality, safety record, financial strength and bonding capacity and size of previous contracts in similar projects, although price competitiveness of the contractor’s bid is generally the most important selection criterion. Pre-qualification is key to us winning major projects and we are pre-qualified for almost all existing and potential pipeline of projects, considering our technical and financial qualifications vis-à-vis the threshold used in Roads and Highways sector. Until the final bid, pre-bid discussions continue with the client on matters such as specific engineering and performance parameters, project evaluation parameters, the construction schedule and financial and other contractual terms and conditions. All major clients circulate annual prequalification tenders to select prospective bidders. Accordingly, we can be prequalified by NHAI to bid for an individual BOT project with a total project development cost of up to Rs.150,000 million.

Submitting a Bid

If we pre-qualify for a project, the next step is to submit a financial bid, currently by way of online filing. Prior to submitting a financial bid, we carry out a detailed study of the proposed project, including the technical and commercial conditions and requirements of the tender followed by a site visit. A site visit enables us to determine the site conditions by studying the terrain and access to the site. Thereafter, a local market survey is conducted to assess the availability, rates and prices of key construction materials and the availability of labor and specialist sub-contractors in that particular region. We also visit the suppliers and sources of key materials are also visited to assess the availability and quality of such material. Traffic surveys are also conducted to assess the traffic density that exists at the project site in order to assess potential revenues from the project.

We attend pre-bid meetings convened by the clients, during which ambiguities or inconsistencies in the document issued by the client are highlighted to the client for further clarification. We seek quotations from suppliers and other sub-contractors for various items or activities in respect of the tender, which supplements the data gathered by the market survey. The information gathered is then analyzed to estimate likely project costs. We then estimate the revenues from the project over the concession period from the traffic survey reports. We use estimation systems and financial models to evaluate the costs and benefits of any specific project. If we believe that the benefits outweigh costs and the project meets our target IRR, we submit a formal financial bid estimate to the client. The bid forms the basis of a project budget against which performance is tracked through a project cost system, enabling management to monitor projects continuously.

Engineering, Procurement and Construction

Typically, subsequent to a successful bid made in accordance with the process described above, our construction division is required to prepare project specific architectural and/or structural designs that adhere to regulatory requirements, procure materials for the relevant project, and effect the actual construction of the project. Our EPC capabilities are integral to the success of our infrastructure development business, managed by an EPC leadership team with an average of more than 25 years of experience.

In the construction of any road, detailed engineering is necessary before physical work can be started. Engineering work normally includes work related to project layout, process, control systems and instrumentation, equipment needs planning, and civil works. Designing cost control measures and scheduling are some of our most important pre-construction engineering activities. Through our experience in the roads and highways sector, we believe we have developed expertise in addressing the unique engineering issues that can arise in the roads and highways sector as a result of difficult terrain, extreme climatic conditions and environmental issues.

Corresponding to this project execution cost and plan, the project financing is secured, typically at a 70:30 debt-equity ratio. Because material procurement plays such a critical part in the success of any project, we employ experienced personnel to carry out material procurement activities. Our central material procurement, tracking and control systems enable effective monitoring of our purchases. Immediately following engineering design work, the materials required for the particular project are ordered. We typically enter into pre-bid arrangements with suppliers of construction materials required for a project. We source bitumen from third party owned refineries under short term sales agreements and use stone aggregate chips quarried from mines licensed to us.

Unlike many of our competitors, we maintain a significant inventory of construction equipment that is owned by our subsidiary, MRMPL. Owning the equipment that we use in our construction operations enables us to avoid costs involved in hiring significant amounts of construction equipment and, as we are not subject to equipment related construction delays that may be caused by third parties, to complete our projects in a timely manner.

Construction of roads can involve remote rural stretches, busy urban stretches, and at times difficult terrain such as mountainous areas, forested areas or marshy terrain, including construction of bridges across waterways and similar terrain. This makes road construction work extremely challenging and requires the implementation of modern project management techniques and construction methods in

order to complete projects in accordance with time schedules and quality specifications. The construction of embankments is one of the most crucial phases in road construction and requires mobilization of various construction equipment such as excavators, dozers and dumpers for earthworks, motor graders for grading and leveling, compacting rollers for compaction of various road layers and pavers for laying crust layers. Emphasis is given to compaction of all structural layers to avoid uneven settlement. The drainage layer over the embankment and both sub-base and base layers of the road requires high volumes of sand and stone aggregate. The logistics of arranging material for these activities are vital to the construction process. The economy of construction of these layers depends largely on availability of material in nearby areas to avoid transportation costs. The top layer of roads is made either of concrete or bitumen mixed with sand and aggregate. The use of sophisticated paving equipment such as sensor pavers and compaction rollers enables preparation of structurally sound top layers of roads and improves ride quality. The construction of cross drainage, bridge works over rivers and canals also forms part of the road construction process. A systemic framework is developed to construct these bridges over pile/open/well foundations and cranes are used to launch bridging slabs. Generally, the specific methodology of construction depends upon the nature of the project.

Equipment

We own a large fleet of construction equipment including crushers, graders, batching plants, and sensor pavers, totaling approximately Rs.4.77 billion in value as of December 31, 2023. The main equipment and machinery used in roads and highways projects are stone crushers, granular sub-base screening plant, hot mix plant (batch type and drum type), wet mix plant, electronic sensor paver, mechanical paver, kerb laying machine, concrete batching and mixing plant, weigh batchers, vibro compactor, tandem vibratory roller, front-end wheel loader, bitumen spreaders, rock breakers, sand piling machinery, dozers, automatic road marking machines and tunneling boomers. Most of the equipment relating to road works that we use on our projects is owned by us. In addition, we may be required to mobilize and procure various other equipment from time to time. Equipment asset management is a critical element of timely delivery and quality of our projects. Owning a large fleet of equipment enables us to be less dependent on third parties when implementing our various projects. Our large equipment fleet is managed, maintained and operated by our subsidiary, MRMP. We believe that our strategic investment in equipment assets is an advantage as it enables rapid mobilization of required equipment on our projects.

Toll Collection Arrangements

Following a successful project bid and the completion of the construction phase of our BOT projects, we assume the role of the operator of the relevant project during the concession period. In certain projects, such as in the Palsit Dankuni, Samyakhali Santharpur, Tumkur Chitradurga NH 4 project, and the Ahmedabad – Vadodara NE-1 project, on which we were engaged to expand and strengthen the existing highway from four lanes to six lanes, we were entitled to commence toll collection on the existing road infrastructure on commencement of the contract, even during the construction phase. During the concession period, we maintain and manage the road infrastructure and earn revenues through tolls generated from the road infrastructure. The levels of tolls that may be generated from any particular project are usually enumerated in the relevant project agreements that we enter into with government entities or in certain notifications provided to us by government entities. The terms of tolling are generally specified before calling for the request for proposal and are normally not altered. The tolling rates set by government entities depend on the nature of vehicles that use the roads on our BOT projects as well as various socio-economic goals of the government, and on the perceived benefit derived by the users of the highway as a result of the improvement of the facility. Although business circumstances may materially change over the life of one or more of our infrastructure projects, we may not have the ability to modify our agreements with government entities to reflect these changes or negotiate satisfactory alternate arrangements, except to the extent provided for in the agreements.

Guarantees

Our projects require us to provide certain guarantees, and there are also certain mitigants in place. For further details, please see “Management Discussion & Analysis of Financial Condition and Results of Operations”.

O&M Agreements

After construction has been completed on our BOT infrastructure development projects, and during the concession period, we are generally responsible for carrying out O&M activities at our BOT project sites. The scope of our O&M activities is usually defined in the relevant BOT project agreements. Within the scope of our O&M obligations, we are required to undertake routine and periodic maintenance of project roads, maintain and comply with safety standards to ensure smooth and safe traffic movement, deploy adequate human resources for incident management, maintain proper medical and sanitary arrangements for personnel deployed at the site, prevent any unauthorized entry to and exit from the project as may be required. O&M function is outsourced by both the Private and Public InvITs to the assigned project manager (the Company) at fixed price for 10 years, which also takes into account inflation, which can be extended to cover the entire concession tenure.

Our HAM Projects

In addition to our BOT and TOT projects, the Company also holds 3 HAM projects, which are all under construction. The HAM model serves as a deferred EPC model, where the government funds 40% of the project cost during construction and the concessionaire funds the remaining balance of 60% and receives annuity payments over the concession period, which include the interest thereon. The concession does not involve tolling rights and we are required to provide maintenance during the concession period.

Any HAM projects will be held by the Company during the construction phase and we expect to monetize post-completion. The Public InvIT has the right of first refusal for the Company's HAM projects. The EPC and O&M of all the HAM projects will be undertaken by the Company.

The following map shows the HAM projects held by the Company.



The following table sets out certain key details of Company's HAM projects.

Project	Client	State	Length of the project (in Lane Kilometers)	Appraised Project cost (Rs. million)	Start of concession period ⁽¹⁾	Status	Concession period
Vadodara – Mumbai Expressway VM 7 (HAM)	NHAI	Gujarat	220	17,020.00	November 9, 2021	Under Construction	15 years after construction period
Pathankot – Mandi NH 154	NHAI	Himachal Pradesh	115	8,280.00	May 18, 2022	Under Construction	15 years after construction period
Chittoor-Thachur NH 716B.....	NHAI	Tamil Nadu	120	9,090.00	January 24, 2023	Under Construction	15 years after construction period

Note:

- (1) All projects have received an interim Extension of Time for construction which may be extended further due to reasons attributable to the NHAI.

The Company's HAM projects are briefly discussed below:

1. Vadodara Mumbai Expressway VM 7 Project

We were engaged to construct an eight-lane access-controlled expressway from kilometer 190.0 to kilometer 217.5 of Vadodara-Mumbai Expressway. A concession agreement was entered into between NHAI and our subsidiary, VM7 Expressway Private Limited, on September 15, 2020.

Concession Period: The concession period for this project is 15 years over construction period of 730 days. The project has received an interim Extension of Time until June 2024, which may be extended further due to reasons attributable to NHAI.

O&M: The concessionaire is to receive 40% of the project cost during the construction period and the balance of 60% in the form of semi-annual annuity from NHAI during the concession period along with interest as per provision of concession agreement. The concessionaire is to also receive O&M payment for the maintenance of the project highway. The concessionaire is to be responsible for the maintenance of the project until the end of concession period.

Project Cost: The appraised cost of this project was Rs.17,020.00 million. The following table sets forth a breakdown of the sources of financing for this project.

Type of financing	Amount as appraised	As at
		December 31, 2023
	(Rs. million)	
Sponsor contribution	2,530	1,265
Grant.....	7,020	4,305
Debt	7,470	3,837
Total	17,020	9,407

As of December 31, 2023, the outstanding debt with respect to this project was Rs.3,836.76 million.

2. Pathankot – Mandi NH 154 Project

We were engaged to upgrade and expand Pathankot – Mandi Highway from kilometer 11.0 to kilometer 42.0 to four lanes. A concession agreement was entered into between NHAI and our subsidiary, Pathankot Mandi Highway Private Limited, on June 14, 2021.

Concession Period: The concession period for this project is 15 years over construction period of 730 days. The project has received an interim Extension of Time until January 2025, which may be extended further due to reasons attributable to NHAI.

O&M: The concessionaire is to receive 40% of the project cost during the construction period and the balance of 60% in the form of semi-annual annuity from NHAI during the concession period along with interest as per provision of concession agreement. The concessionaire is to also receive O&M payment for the maintenance of the project highway. The concessionaire is to be responsible for the maintenance of the project until the end of concession period.

Project Cost: The appraised cost of this project was Rs.8,280 million. The following table sets forth a breakdown of the sources of financing for this project.

Type of financing	Amount as appraised	As at
		December 31, 2023
	(Rs. million)	
Sponsor contribution	1,242	621
Grant.....	3,312	1,143
Debt	3,726	676
Total	8,280	2,440

As of December 31, 2023, the outstanding debt with respect to this project was Rs.676 million.

3. Chittoor – Thachur NH 716B Project

We were engaged to expand the Chittoor – Thachur Road (from kilometer 96.04 (Pondavakkam) to kilometer 116.1 (Kannigaipair)) to six lanes. A concession agreement was entered into between NHAI and our subsidiary, Chittoor Thachur Highway Private Limited, in December 2021.

Concession Period: The concession period for this project is 15 years over construction period of 730 days. The project has received an interim Extension of Time until July 2025, which may be extended further due to reasons attributable to NHAI.

O&M: The concessionaire shall receive 40% of the project cost during the construction period and the balance of 60% in the form of semi-annual annuity from NHAI during the concession period along with interest as per provision of concession agreement. The concessionaire shall also receive O&M payment for the maintenance of the project highway. The concessionaire shall be responsible for the maintenance of the project until the end of concession period.

Project Cost: The appraised cost of this project was Rs.9,090 million. The following table sets forth a breakdown of the sources of financing for this project.

Type of financing	Amount as appraised	As at
		December 31, 2023
	(Rs. million)	
Sponsor contribution	1,160	580
Debt	4,294	—
Grant.....	3,636	364
Total	9,090	944

As of December 31, 2023, the outstanding debt with respect to this project was nil.

O&M Contracts of HAM Projects

Below table highlights the O&M expenses to be incurred by HAM Projects till 2030 as per the O&M contract entered with the construction segment of the Company.

(Rs. million)	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30
O&M cost	188.35	385.08	396.28	407.59	418.79	432.13

The Private InvIT

Overview

The Private InvIT is a registered infrastructure investment trust under the Private InvIT Regulations. The Private InvIT owns, builds, operates and maintains a portfolio of nine toll-road assets in the states of Haryana, Uttar Pradesh, Rajasthan, Gujarat, Goa, Maharashtra and Karnataka. These toll roads are operated and maintained pursuant to concessions awarded by NHAI. The Private InvIT was the first unlisted infrastructure investment trust focused on toll-road assets in India, with definitive agreements signed with GIC for an investment of approximately Rs.44 billion, representing a 49% stake in the Private InvIT. We and GIC will continue to explore future opportunities in the road and infrastructure sector together. The Private InvIT became listed on the National Stock Exchange of India Limited in April 2023 in accordance with the SEBI InvIT regulation which requires the listing of all InvITs.

The Private InvIT's 15 projects span a total of 10,567 Lane Kilometers of which 12 are BOT projects and three are TOT projects. Of the 12 BOT projects, 11 are revenue generating, with nine projects operational, two under construction (but tolling at 75%) and one greenfield project under construction. Of the 3 TOT projects, one is operational and two are under financial closure. This mix of BOT and TOT projects has resulted in a self-sustaining portfolio with sponsor contribution for projects under construction provided by IRB and GIC in proportion to their unit holding. Supported by cashflows of underlying SPVs, the Private InvIT has started making distributions which is expected to continue over average balance concession life of 25 years for the portfolio. The O&M of the assets are being carried out by IRB on a fixed price basis for a period of 10 years.

The Company acts as the Private InvIT's sponsor and project manager and holds a 51% stake in the Private InvIT while the remaining 49% is held by GIC (which holdings may change from time to time). The investment manager of the Private InvIT is MMK Toll Road Private Limited, and the trustee is IDBI Trusteeship Services Limited. The Company's interest in the consolidated financial statements of Private InvIT are accounted for using the equity method in the consolidated financial statements.

The Private InvIT's BOT Projects

The following map shows the locations of the BOT projects held by the Private InvIT.



The following table sets out certain key details of the Private InvIT's BOT projects.

Project	Client	State	Length of the project	Project cost ⁽²⁾	Start of concession period	Status	Concession period ⁽¹⁾	Average daily toll collection for the month of December 2023	Commercial Operation Date (Actual/Expected)
			(in Lane Kilometers)	(Rs. million)				(Rs. million)	
Solapur – Yedeshi section of NH 211	NHAI	Maharashtra	395	15,938	January 21, 2015	Operational	29 years	3.7	10/15/2019
Yedeshi – Aurangabad section of NH 211	NHAI	Maharashtra	756	42,192	July 1, 2015	Operational	26 years	7.0	9/24/2020
Kaithal – Rajasthan border section of NH 152/65	NHAI	Haryana	665	23,230	July 15, 2015	Operational	27 years	4.0	3/29/2019
Agra – Etawah section of NH 2	NHAI	Uttar Pradesh	747	31,608	August 1, 2016	Operational	24 years	6.9	11/24/2020
Goa/Karnataka border-Kundapura section of NH 17 ⁽³⁾	NHAI	Karnataka	758	36,824	March 3, 2014	Operational	28 years	4.1	3/19/2023
Udaipur – Rajasthan/ Gujarat border section of NH 48	NHAI	Rajasthan/ Gujarat	683	28,257	September 3, 2017	Operational	21 years	8.5	6/1/2021
Gulabpura – Chittorgarh section of NH 79	NHAI	Rajasthan	749	23,350	November 4, 2017	Operational	20 years	10.2	8/14/2021
Kishangarh – Gulabpura section of NH 79/79A	NHAI	Rajasthan	540	18,244	February 21, 2018	Operational	20 years	6.5	7/20/2022
Hapur – Moradabad section of NH 9 ⁽⁴⁾	NHAI	Uttar Pradesh	599	38,071	May 28, 2019	Operational	22 years	8.4	4/7/2023
Palsit – Dankuni section of NH 19	NHAI	West Bengal	383	14,741	April 2, 2022	Under Construction (Tolling at 75%)	17 years	5.0	9/28/2024
Samakhiali – Santalpur Highway NH 27	NHAI	Gujarat	545	2,445	December 28, 2023	Under Construction (Tolling at 75%)	20 years	3.9	12/28/2025
Meerut – Budaun Expressway	UPEIDA	Uttar Pradesh	778	31,044	October 12, 2022	Under Construction	30 years	–	9/30/2025

Notes:

- 1 Where provided for under the terms of the relevant project agreements entered into in connection with the projects, our concession period may be extended in certain defined circumstances.
- 2 For projects under construction, the project cost stated is as of December 31, 2023.
- 3 Tolling at 94% toll rate.
- 4 Tolling at 95% toll rate.

The Private InvIT's BOT projects are briefly discussed below:

1. Solapur – Yedeshi NH 211 Project

The Private InvIT's Project SPV was engaged to expand the Solapur to Yedeshi section of NH 211 (kilometer 0.0 to kilometer 99.0) in Maharashtra from two lanes to four lanes under NHDP Phase IV on a DBFOT basis, with two toll plazas. A concession agreement dated March 3, 2014, was entered into between NHAI and our subsidiary, Solapur Yedeshi Tollway Limited ("SYTL"). The Private InvIT's Project SPV received from NHAI a project grant of Rs.1,890.00 million for this project during the construction period. This Project SPV was transferred to the Private InvIT in February 2020.

Concession Period: The concession period for this project is 29 years commencing January 21, 2015, including a construction period of 910 days. The handover date will be in November 2045, subject to extension or reduction as described below. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the specified concession period, the SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor.

O&M: During the concession period, the Private InvIT has contracted with the project manager to operate and maintain the facilities relating to this project, and if required, modify, repair or otherwise make improvements to the project highway in accordance with the terms of such agreement with NHAI, at a fixed price for 10 years.

Project Cost: The cost of this project was Rs.15,938 million.

Type of financing	Amount (Rs. million)
Sponsor contribution	4,948
Grant.....	1,890
Debt*	9,100
Total	15,938

* Out of which Rs.4,000 million was repaid with a portion of the proceeds of GIC's investment in 2020 at the time of formation of Private InvIT.

As of December 31, 2023, the outstanding debt with respect to this project was Rs.5,910 million (inclusive of interest capitalized as debt during the COVID-19 pandemic under a moratorium provided by the RBI).

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue (Nine months ended December 31, 2023)	EBITDA ⁽¹⁾ (Nine months ended December 31, 2023) (Rs. million)	Cash Balance ⁽²⁾ (As at December 31, 2023)
Solapur – Yedeshi NH 211 Project	973.83	815.46	836.67

Notes:

(1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

2. Yedeshi to Aurangabad NH 211 Project

The Private InvIT's Project SPV was engaged to expand the Yedeshi to Aurangabad section of NH 211 (kilometer 100.0 to kilometer 290.2) in Maharashtra from two lanes to four lanes under NHDP Phase IV-B on a DBFOT basis, with three toll plazas. A concession agreement dated May 30, 2014, was entered into between NHAI and our subsidiary, Yedeshi Aurangabad Tollway Limited ("YATL"). The NHAI extended to us a project grant of Rs.5,580 million for this project. This Project SPV was transferred to the Private InvIT in February 2020.

Concession Period: The concession period for this project is 26 years, commencing July 1, 2015, including a construction period of 910 days. The handover date will be in December 2046, subject to extension or reduction as described below. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the concession period, the Private InvIT's Project SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor of 10% of the concession period, measured in days.

O&M: During the concession period, the Private InvIT has contracted with the project manager to operate and maintain the facilities relating to this project, and if required, modify, repair or otherwise make improvements to the project highway in accordance with the terms of our agreement with NHAI, at a fixed price for 10 years.

Project Cost: The cost of this project was Rs.42,192 million.

Type of financing	Amount
	(Rs. million)
Sponsor contribution	19,052
Grant.....	5,580
Debt*	17,560
Total	42,192

* Out of which Rs.4,000 million was repaid with a portion of the proceeds of GIC's investment in 2020 at the time of formation of Private InvIT.

As of December 31, 2023, the outstanding debt with respect to this project was Rs.15,150 million (inclusive of interest capitalized as debt during the COVID-19 pandemic under a moratorium provided by the RBI).

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue (Nine months ended December 31, 2023)	EBITDA ⁽¹⁾ (Nine months ended December 31, 2023)	Cash Balance ⁽²⁾ (As at December 31, 2023)
		(Rs. million)	
Yedeshi to Aurangabad NH 211 Project	1,939.96	1,678.87	1,628.21

Notes:

(1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

3. Kaithal to Rajasthan Border NH 152/65 Project

The Private InvIT's Project SPV was engaged to expand the Kaithal to Rajasthan/Haryana Border section of NH 152/65 (kilometer 33.25 to kilometer 241.58) in Haryana from two lanes to four lanes under NHDP Phase IV on a DBFOT basis, with three toll plazas. A concession agreement dated June 23, 2014, was entered into between NHAI and our subsidiary, Kaithal Tollway Limited ("KTL"). NHAI extended to us a project grant of Rs.2,340 million for this project. This Project SPV was transferred to the Private InvIT in February 2020.

Concession Period: The concession period for this project is 27 years, commencing July 15, 2015, including a construction period of 910 days. The handover date will be in March 2048, subject to extension or reduction as described below. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the concession period, the Private InvIT's Project SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor of 10% of the concession period, measured in days.

O&M: During the concession period, the Private InvIT has contracted with the project manager to operate and maintain the facilities relating to this project, and if required, modify, repair or otherwise make improvements to the project highway in accordance with the terms of our agreement with NHAI, at a fixed price for 10 years.

Project Cost: The cost of this project was Rs.23,230.00 million.

Type of financing	Amount
	(Rs. million)
Sponsor contribution	6,890
Grant.....	2,340
Debt*	14,000
Total	23,230

* Out of which Rs.8,472 million has been repaid with a portion of the proceeds of GIC's investment in 2020 at the time of formation of Private InvIT.

As of December 31, 2023, there is no outstanding debt with respect to this project as the same was refinanced by availing debt at the Private InvIT level.

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue (Nine months ended December 31, 2023)	EBITDA ⁽¹⁾ (Nine months ended December 31, 2023)	Cash Balance ⁽²⁾ (As at December 31, 2023)
		(Rs. million)	
Kaithal to Rajasthan Border NH 152/65 Project	1,080.66	775.26	481.68

Notes:

(1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

4. Agra Etawah NH 2 Project

On September 1, 2015, NHAI and our subsidiary, AE Tollway Limited ("AETL"), entered into a concession agreement in respect of the Agra – Etawah NH-2 Project. AETL was engaged to augment a 124.52 km section of NH-2 between Agra and Etawah (kilometer 199.66 to kilometer 323.525) in Uttar Pradesh from four lanes to six lanes on a DBFOT basis, with two toll plazas. This Project SPV was transferred to the Private InvIT in February 2020.

Concession Period: NHAI granted AETL a concession for a period of 24 years for this project. The concession period commenced on August 1, 2016. The handover date is August 19, 2045, subject to extension or reduction as described below. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the concession period, the Private InvIT's Project SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor of 10% of the concession period, measured in days.

O&M: During the concession period, the Private InvIT has contracted with the project manager to operate and maintain the facilities relating to this project, and if required, modify, repair or otherwise make improvements to the project highway in accordance with the terms of our agreement with NHAI, at a fixed price for 10 years.

Project Cost: The cost of this project was Rs.31,608 million.

Type of financing	Amount
	(Rs. million)
Sponsor contribution	15,108
Debt*	16,500
Total	31,608

* Out of which Rs.9,528 million has been repaid with a portion of the proceeds of GIC's investment in 2020 at the time of formation of Private InvIT.

As of December 31, 2023, there is no outstanding debt with respect to this project as the same was refinanced by availing debt at the Private InvIT level.

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue (Nine months ended December 31, 2023)	EBITDA ⁽¹⁾ (Nine months ended December 31, 2023)	Cash Balance ⁽²⁾ (As at December 31, 2023)
		(Rs. million)	
Agra Etawah NH 2 Project	1,785.61	448.36	459.35

Notes:

(1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

5. Goa/Karnataka border – Kundapur NH 17 Project

The Private InvIT's Project SPV was engaged to expand a stretch of the Goa/Karnataka Border to Kundapur section of NH 17 (kilometer 93.70 to kilometer 283.30) in Karnataka from two lanes to four lanes under NHDP Phase IV on a DBFOT basis, with three toll plazas. A concession agreement dated March 25, 2013, was entered into between NHAI and our subsidiary, IRB Westcoast Tollway Limited ("IRB Westcoast"). NHAI extended to us a grant of Rs.5,362 million for this project during the construction period. This Project SPV was transferred to the Private InvIT in February 2020.

Concession Period: The concession period for this project is 28 years commencing March 3, 2014, including a construction period of 910 days. The handover date will be in January 2048, subject to extension or reduction as described below. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the specified concession period, the Private InvIT's Project SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules and certain government notifications. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor of 10% of the concession period, measured in days.

O&M: During the concession period, the Private InvIT has contracted with the project manager to operate and maintain the facilities relating to this project, and if required, modify, repair or otherwise make improvements to the project highway in accordance with the terms of such agreement with NHAI, at a fixed price for 10 years.

Project Cost: The cost of this project was Rs.36,824 million.

Type of financing	Amount
	(Rs. million)
Sponsor contribution	17,573
Grant.....	5,362
Debt*	13,889
Total	36,824

* Out of which Rs.4,000 million has been repaid with a portion of the proceeds of GIC's investment in 2020 at the time of formation of Private InvIT.

As of December 31, 2023, there's no outstanding debt with respect to this project as the same was refinanced by availing debt at the Private InvIT level.

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue (Nine months ended December 31, 2023)	EBITDA ⁽¹⁾ (Nine months ended December 31, 2023) (Rs. million)	Cash Balance ⁽²⁾ (As at December 31, 2023)
Goa/Karnataka border-Kundapur NH 17 Project	984.83	470.94	440.54

Notes:

(1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

6. Udaipur – Rajasthan/Gujarat border NH 8 Project

On December 9, 2016, NHAI and our subsidiary, Udaipur Tollway Limited (“UTL”), entered into a concession agreement in respect of the Udaipur – Rajasthan Border NH-8 Project. UTL was engaged to augment a 113.80 km section of NH-8 between Udaipur and Rajasthan Border (kilometer 287.4 to kilometer 401.2) in Rajasthan and Gujarat by from four lanes to six lanes on a DBFOT basis, with one toll plaza. This Project SPV was transferred to the Private InvIT in February 2020.

Concession Period: NHAI granted UTL a concession for a period of 21 years for this project. The concession period commenced on September 3, 2017, with a construction period of 2.5 years, subject to extensions by the authority. The handover date will be in December 2036, subject to extension or reduction as described below. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the specified concession period, the Private InvIT’s Project SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules and certain government notifications. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor of 10% of the concession period, measured in days.

O&M: During the concession period, the Private InvIT has contracted with the project manager to operate and maintain the facilities relating to this project, and if required, modify, repair or otherwise make improvements to the project highway in accordance with the terms of our agreement with NHAI, at a fixed price for 10 years.

Project Cost: The cost of this project was Rs.28,257 million.

Type of financing	Amount (Rs. million)
Sponsor contribution	12,431
Internal accruals	1,217
Debt	14,609
Total	28,257

As of December 31, 2023, the outstanding debt with respect to this project was Rs.15,281 million (inclusive of interest capitalized as debt during the COVID-19 pandemic under a moratorium provided by the RBI).

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue (Nine months ended December 31, 2023)	EBITDA⁽¹⁾ (Nine months ended December 31, 2023)	Cash Balance⁽²⁾ (As at December 31, 2023)
		(Rs. million)	
Udaipur – Rajasthan/ Gujarat border NH 8 Project	2,153.99	353.00	482.55

Notes:

(1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

7. Gulabpura – Chittorgarh NH 79 Project

On December 9, 2016, NHAI and our subsidiary, CG Tollway Limited (“CGTL”), entered into a concession agreement in respect of the Gulabpura – Chittorgarh NH-79 Project. CGTL was engaged to augment a 124.87 km section of NH-79 between Gulabpura and Chittorgarh (kilometer 90.0 to kilometer 214.87) in Rajasthan from four lanes to six lanes on a DBFOT basis, with two toll plazas. This Project SPV was transferred to the Private InvIT in February 2020.

Concession Period: NHAI granted CGTL a concession for a period of 20 years for this project, with a construction period of 2.5 years, subject to extensions by the authority. The concession period commenced on November 4, 2017. The handover date will be in July 2040, subject to extension or reduction as described below. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the specified concession period, the Private InvIT’s Project SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules and certain government notifications. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor of 10% of the concession period, measured in days.

O&M: During the concession period, the Private InvIT has contracted with the project manager to operate and maintain the facilities relating to this project, and if required, modify, repair or otherwise make improvements to the project highway in accordance with the terms of our agreement with NHAI, at a fixed price for 10 years.

Project Cost: The cost incurred on this project was Rs.23,350 million.

Type of financing	Amount
	(Rs. million)
Sponsor contribution	7,213
Internal accruals	2,137
Debt	14,000
Total	23,350

As of December 31, 2023, the outstanding debt with respect to this project was Rs.13,903.71 million (inclusive of interest capitalized as debt during the COVID-19 pandemic under a moratorium provided by the RBI).

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue	EBITDA⁽¹⁾	Cash Balance⁽²⁾
	(Nine months ended	(Nine months ended	(As at
	December 31, 2023)	December 31, 2023)	December 31, 2023)
		(Rs. million)	
Gulabpura – Chittorgarh			
NH 79 Project	2,745.93	559.31	583.38

Notes:

(1) EBITDA is calculated by adding depreciation and 153 mortization expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

8. Kishangarh – Gulabpura NH 79/79A Project

On February 22, 2017, NHAI and our subsidiary, Kishangarh Gulabpura Tollway Limited (“KGTL”), entered into a concession agreement in respect of the Kishangarh – Gulabpura NH-79/79A Project. KGTL was engaged to augment a 90.00 km section of NH-79/79A between Kishangarh and Gulabpura (kilometer 0.0 to kilometer 90.0) in Rajasthan from four lanes to six lanes on a DBFOT basis, with one toll plaza. This Project SPV was transferred to the Private InvIT in February 2020.

Concession Period: NHAI granted KGTL a concession for a period of 20 years for this project, with a construction period of 2.5 years, subject to extensions by the authority. The concession period commenced on February 21, 2018. The handover date will be in November 2039, subject to extension or reduction as described below. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the specified concession period, the Private InvIT’s Project SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules and certain government notifications. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor of 10% of the concession period, measured in days.

O&M: During the concession period, the Private InvIT has contracted with the project manager to operate and maintain the facilities relating to this project, and if required, modify, repair or otherwise make improvements to the project highway in accordance with the terms of our agreement with NHAI, at a fixed price for 10 years.

Project Cost: The cost incurred on this project was Rs.18,244 million.

Type of financing	Amount
	(Rs. million)
Sponsor contribution	7,206
Internal accruals	1,013
Debt	10,025
Total	18,244

As of December 31, 2023, there is no outstanding debt with respect to this project as the same was refinanced by availing debt at the Private InvIT level.

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue	EBITDA⁽¹⁾	Cash Balance⁽²⁾
	(Nine months ended	(Nine months ended	(As at
	December 31, 2023)	December 31, 2023)	December 31, 2023)
		(Rs. million)	
Kishangarh – Gulabpura NH 79/79A Project	1,789.84	41.53	148.57

Notes:

(1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

9. Hapur – Moradabad NH 9 Project

On May 29, 2018, NHAI and our subsidiary, IRB Hapur Moradabad Tollway Limited (“IRB HMTL”), entered into a concession agreement in respect of the Hapur – Moradabad NH-9 Project. IRB HMTL was engaged to augment a 99.867 km section of NH-9 between Hapur and Moradabad (kilometer 50.0 to kilometer 148.277 in Uttar Pradesh from four lanes to six lanes on a DBFOT basis, with two toll plazas. This Project SPV was transferred to the Private InvIT in February 2020.

Concession Period: NHAI granted IRB HMTL a concession for a period of 22 years for this project, with a construction period of 2.5 years, subject to extensions by the authority. The concession period commenced on May 28, 2019. The handover date will be in February 2041, subject to extension or reduction as described below.

O&M: During the concession period, the Private InvIT has contracted with the project manager to operate and maintain the facilities relating to this project, and if required, modify, repair or otherwise make improvements to the project highway in accordance with the terms of our agreement with NHAI, at a fixed price for 10 years. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the specified concession period, the Private InvIT’s Project SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules and certain government notifications. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor of 10% of the concession period, measured in days.

Project Cost: The cost incurred on this project was Rs.38,071.00 million.

Type of financing	Amount (Rs. million)
Sponsor contribution	16,303
Internal accruals	6,450
Debt	15,318
Total	38,071

As of December 31, 2023, there is no outstanding debt with respect to this project as the same was refinanced by availing debt at the Private InvIT level.

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue (Nine months ended December 31, 2023)	EBITDA ⁽¹⁾ (Nine months ended December 31, 2023) (Rs. million)	Cash Balance ⁽²⁾ (As at December 31, 2023)
Hapur – Moradabad NH 9 Project	2,161.78	1,575.24	223.33

Notes:

(1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

10. Palsit – Dankuni NH 19 Project

On June 14, 2021, NHAI and our subsidiary, Palsit Dankuni Tollway Private Limited (“PDTP”), entered into a concession agreement in respect of the Palsit – Dankuni NH 19 Project. PDTP was engaged to augment a 63.83 km section of NH 19 between Palsit and Dankuni (kilometer 588.87 to kilometer 652.7) in West Bengal from four lanes to six lanes on a DBFOT basis, with one toll plaza. This Project SPV was transferred to the Private InvIT in February 2020.

Concession Period: NHAI granted PDTP a concession for a period of 17 years for this project, with a construction period of 2.5 years, subject to extensions by the authority. The concession period commenced on 2nd April 2022. The handover date will be in April, 2039, subject to extension or reduction as described below. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the specified concession period, the Private InvIT’s Project SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules and certain government notifications. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor of 20% of the concession period, measured in days.

O&M: During the concession period, the Private InvIT has contracted with the project manager to operate and maintain the facilities relating to this project, and if required, modify, repair or otherwise make improvements to the project highway in accordance with the terms of our agreement with NHAI, at a fixed price for 10 years.

Project Cost: The estimated cost to complete this project is Rs.23,140 million, of which Rs.14,741 million was incurred as of September 30, 2023.

Type of financing	Incurring Cost (As at September 30, 2023)	Appraised Cost
	(Rs. million)	
Sponsor contribution	4,546	4,850
Internal accruals	1,701	1,790
Debt	8,494	16,500
Total	14,741	23,140

As of December 31, 2023, the outstanding debt with respect to this project was Rs.8,289 million.

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue (Nine months ended December 31, 2023)	EBITDA ⁽¹⁾ (Nine months ended December 31, 2023)	Cash Balance ⁽²⁾ (As at December 31, 2023)
	(Rs. million)		
Palsit – Dankuni NH 19 Project	1,281.99	1,178.07	145.42

Notes:

(1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

11. Samakhiyali – Santalpur Highway NH 27 Project

On May 12, 2023, NHAI and our subsidiary, Samakhiyali Tollway Private Limited (“STPL”), entered into a concession agreement in respect of the Samakhiyali – Santalpur (NH 27) Project. STPL was engaged to expand an existing 90.9 kilometer stretch of the Samakhiyali-Santalpur highway (NH 27) in the State of Gujarat into six lanes on a BOT basis. Construction work on this project is expected to be completed in 730 days from Appointment Date.

Concession Period: We have been granted a concession period of 20 years for this project commencing December 28, 2023. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the specified concession period, the Private InvIT’s Project SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules and certain government notifications. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor of 20% of the concession period, measured in days.

O&M: During the concession period, the Private InvIT contracted with us to operate and maintain the facilities relating to this project, and if required, modify, repair or otherwise make improvements to the project highway in accordance with the terms of its agreement with NHAI, at a fixed price for 10 years.

Project Cost: The appraised cost of this project was Rs.20,920.00 million. As of December 31, 2023, the outstanding debt with respect to this project was nil.

Type of financing	As appraised	Incurred Cost (As at December 31, 2023)
	(Rs. million)	
Sponsor contribution	4,650	2,431
Internal accruals	1,810	14
Debt	14,460	–
Total	20,920	2,445

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue (Nine months ended December 31, 2023)	EBITDA ⁽¹⁾ (Nine months ended December 31, 2023)	Cash Balance ⁽¹⁾ (As at December 31, 2023)
	(Rs. million)		
Samakhiyali – Santalpur Highway NH 27 Project.....	15.56	73.43	15.86

Notes:

(1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

12. Meerut – Budaun Expressway

On January 6, 2022, the UPEIDA and our SPV, Meerut Budaun Expressway Limited (“MBEL”), entered into a concession agreement in respect of the Meerut – Budaun Expressway. MBEL was engaged to construct 129.7 kilometers of six lane (expandable to eight lanes) expressway from Meerut to Budaun in the State of Uttar Pradesh under Group 1 of the four groups of the project on a DBFOT basis. In October 2022, GIC acquired 49% stake in MBEL, with the remaining 51% owned by the Company. The Project SPV is expected to be transferred to Pvt InvIT once 50% of the total project cost is incurred, which is expected to occur in the next couple of months. The project agreements relating to this project were entered into between MBEL and UPEIDA. Construction work on this project is expected to be completed in October 2025.

Concession Period: We have been granted a concession period of 30 years (including three years for construction) for this project commencing June 1, 2022. Pursuant to the concession agreement and notifications issued to us by relevant regulatory authorities during the specified concession period, the Private InvIT's Project SPV is entitled to collect fees from project highway users, subject to the National Highways Fee Rules and certain government notifications. If the actual average road traffic falls short of predetermined target traffic, the concession period may be extended, subject to the payment of a concession fee and a maximum cap on such extension. However, if the actual average road traffic exceeds the target traffic volume, the concession period may be reduced, subject to a floor of 20% of the concession period, measured in days.

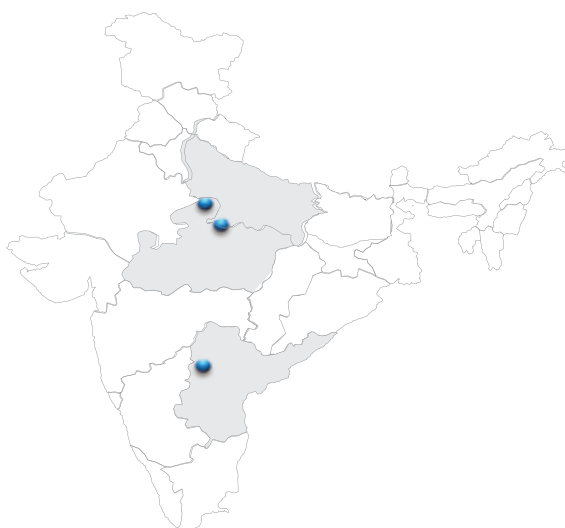
O&M: We are also responsible for the O&M of the project facility for the duration of the concession period. The scope of our O&M obligations for this project include carrying out all command and control functions, monitoring road inspection programs, making payment of all electricity, water and other charges, maintaining the safety of moving traffic, maintaining cleanliness and security on the project facility and also carry out the routine and periodic maintenance as required under the concession agreement.

Project Cost: The appraised cost of this project was Rs.65,380.00 million. The project is under construction and the total loan sanctioned for this project is Rs.26,590.00 million and the outstanding debt as on December 31, 2023, is Rs.10,991 million.

Type of financing	As appraised	Incurred Cost (As at December 31, 2023)
	(Rs. million)	
Sponsor contribution	21,330	20,053
Grant.....	17,460	—
Debt	26,590	10,991
Total	65,380	31,044

The Private InvIT's TOT Projects

The following map shows the locations of the TOT projects held by the Private InvIT.



The following table sets out certain details of the Private InvIT's TOT projects. With these projects, the Overall IRB Group leads the industry with an approximately 38% market share in awarded TOT space.

Project	Client	State	Length of the project (in Lane Kilometers)	Project cost (Rs. million)	Start of concession period	Concession period ⁽¹⁾
Nehru Outer Ring Road, Hyderabad	HMDA	Telangana	1,264	83,620.00	August 12, 2023	30 years
Lalitpur Lakhnadon NH 44 TOT Project.....	NHAI	Uttar Pradesh/ Madhya Pradesh	1,264	Under FC ⁽²⁾	Under FC ⁽²⁾	20 years
Kota Bypass and Cable Stay Bridge on NH 76 TOT Project.....	NHAI	Rajasthan/Madhya Pradesh/Uttar Pradesh	441	Under FC ⁽²⁾	Under FC ⁽²⁾	20 years

Notes:

- 1 Where provided for under the terms of the relevant project agreements entered into in connection with the projects, our concession period may be extended in certain defined circumstances.
- 2 Financial Closure.

Hyderabad ORR Project

Hyderabad ORR Project is a 158 km, eight-lane ring road expressway encircling Hyderabad, the capital city of Telangana state, starting at kilometer 0.0 at Narsingi junction and ending at kilometer 158.01 at Gachibowli in Hyderabad. Opened in December 2012, this ring road expressway covers urban nodes including an international airport, financial districts, industrial parks and other important urban destinations. This ring road expressway also has well established connectivity with other important national highways and state highways.

IRB Golconda Expressway Private Limited, an SPV of the Company, signed a concession agreement with HMDA for tolling and O&M for the Hyderabad ORR Project in May 2023. We made an upfront payment of Rs.73,800.00 million to HMDA for a revenue linked concession period of 30 years. Private InvIT purchased 99.99% of this Project SPV in August 2023.

Concession Period: We have won the concession for 30 years starting August 12, 2023. Pursuant to the terms of the project agreements and certain notifications received by us from the Government of Telangana, we are entitled to collect and retain the notified toll rates from the users of the project facilities until July 11, 2053. The toll rates and policies for the Hyderabad ORR Project are notified by HMDA.

O&M: We also carry out O&M for this project. The scope of our O&M obligations include ensuring smooth and uninterrupted flow of traffic, charging, collecting and appropriating tolls in accordance with the project agreements, repairing potholes, cracks, joints, drains, lane marking, lighting, maintenance of illuminations and signage, safety maintenance, operations and traffic management.

Project Cost: The appraised project cost of this project was Rs.83,620 million and was funded by debt of Rs.55,000.00 million and equity of Rs.28,620.00 million. As of December 31, 2023, the outstanding debt to the lenders of the project with respect to this project was Rs.51,978.06 million. Since the project is executed through Private InvIT, the Company's share of equity is approximately Rs.14,600.00 million with the balance of equity held by GIC.

Key Financial Information: The following table sets forth certain key financial information for this project.

	Toll Revenue (Nine months ended December 31, 2023)	EBITDA⁽¹⁾ (Nine months ended December 31, 2023)	Cash Balance⁽²⁾ (As at December 31, 2023)
		(Rs. million)	
Hyderabad ORR Project ⁽³⁾	2,724.77	2,485.11	3,493.37

Notes:

(1) EBITDA is calculated by adding depreciation and amortisation expense, finance costs, tax expenses to profit after tax.

(2) Includes cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

(3) The project commenced tolling on August 12, 2023.

TOT 12 Project

TOT-12 project from Lalitpur to Lakhnadon is the single largest major highway link of 316 km (1,264 Lane Kilometers) between Srinagar in North and Kanyakumari in South. The project covers prime cities in the Madhya Pradesh, Viz. Lalitpur, Gwalior, Sagar, Narsinghpur and Lakhnadon and has four toll plazas situated at Malthone, Chitora, Titarpani and Bakori. The project envisages strong visibility of traffic for NH 44 due to upcoming developments like Hyderabad – Nagpur Industrial Corridor, Hyderabad – Bangalore Industrial Corridor, Hyderabad Warangal Industrial Corridor, Multi Model Logistic Park at Nagpur, and high growth states along the NH 44 like Uttar Pradesh, Maharashtra, Telangana, Karnataka, etc.

The project envisages tolling, maintenance and transfer of the four-lane Lalitpur – Sagar – Lakhnadon section (from kilometer 99.005 to kilometer 415.089) of NH-44 (old NH-26) in the states of Uttar Pradesh and Madhya Pradesh on TOT basis. The concession has been awarded to the company by NHAI for a period of 20 years. Private InvIT has received Letter of Award on October 28, 2023, and has incorporated an SPV, IRB Lalitpur Tollway Private Limited. The concession agreement between IRBLTPL and NHAI was executed on November 24, 2023. Private InvIT was declared as the successful bidder with a concession fee of Rs.4,428 crores payable to NHAI.

The following table sets forth a breakdown of the indicative sources of financing for this project based on the term sheets received from banks/financial institutions.

Type of financing	Amounts (Rs. million)
Sponsor contribution	16,823
Debt	35,000
Total	51,823

TOT 13 Project

The project stretch is a section of NH-44 (old NH-26) which is the longest highway in India (from Srinagar to Kanyakumari). NH-44 passes through the union territory of Jammu & Kashmir in addition to the states of Punjab, Haryana, Delhi, Uttar Pradesh, Rajasthan, Madhya Pradesh, Maharashtra, Telangana, Andhra Pradesh, Karnataka and Tamil Nadu. The project stretch starts from km 16.0 of NH-44 at Gwalior and ends at km 98.455 of NH-44 at Jhansi in the state of Uttar Pradesh and Madhya Pradesh. The length of the project stretch is 82.455 km and has a four-lane configuration with toll plaza at Dagrai. The project stretch primarily caters to the north south traffic.

Private InvIT has been awarded the project by the NHAI, which envisages tolling, operation, management, maintenance and transfer of Kota Bypass and Cable Stay Bridge on NH-76 in the state of Rajasthan & Gwalior Jhansi section of NH-44 in the state of Uttar Pradesh and Madhya Pradesh. Private InvIT has received the Letter of Award on December 15, 2023, for a concession period of 20 years.

Private InvIT is in the process of forming SPVs for the project which are expected to sign the concession agreement with NHAI. Private InvIT was declared as the successful bidder for this project with a concession fee of Rs.1,683 crores payable to NHAI. The project is yet to achieve financial closure.

The following table sets forth a breakdown of the indicative sources of financing for this project based on the term sheets received from banks/financial institutions.

Type of financing	Amounts
	(Rs. million)
Sponsor contribution	5,704
Debt	13,311
Total	19,015

Debt Profile of Private InvIT SPVs

The repayment profile of all Private InvIT project SPVs and Private InvIT (excluding Solapur – Yedeshi, Yedeshi Aurangabad, TOT 12 and TOT 13) totaling Rs.204,418 million is highlighted below:

	FY2025 to FY2028	FY2029 to FY2032	FY2033 to FY2036	FY2037 to FY2040	FY2041 to FY2044	FY2045 to FY2048
Repayment as % of Total outstanding....	7.59%	20.37%	30.89%	26.10%	14.47%	0.57%

The repayment schedule of Solapur Yedeshi and Yedeshi Aurangabad amounting to Rs.5,910 million and Rs.15,115 million, respectively, is highlighted below.

	FY2025 to FY2028	FY2029 to FY2030
Repayment as % of Total outstanding.....	82.50%	17.50%

Note: Given the long residual concession period remaining, the debt maturing in 2028 shall be refinanced over the residual concession life.

The repayment schedule of external loan of recently awarded projects TOT 12 and TOT 13, amounting to Rs.26,583⁽¹⁾ million and Rs.35,002⁽¹⁾ million respectively is highlighted below:

	Repayment as % of Total outstanding					
Name of the Project	FY2025 to FY2028	FY2029 to FY2032	FY2033 to FY2036	FY2037 to FY2040	FY2041 to FY2044	FY2045 to FY2048
TOT-12⁽¹⁾...	1.70%	10.75%	37.50%	40.00%	10.05%	–
TOT-13⁽¹⁾...	2.42%	13.31%	33.55%	40.34%	10.38%	–

Note:

(1) TOT 12 and TOT 13 are under financial closure and the debt level and an indicative repayment schedule has been highlighted above.

O&M Contracts of Project SPVs of Private InvIT

Below table highlights the O&M expenses to be incurred by all Private InvIT SPVs until 2030 as per the O&M contract entered with the construction segment of the Company.

(Rs. million)	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30
O&M Expenses ⁽¹⁾	6,521	8,282	8,950	7,299	10,940	10,685

Note:

(1) Exclusive of TOT 12 and TOT13 which are under financial closure and O&M contracts will be executed once financial closure is achieved.

The Public InvIT's Projects

Overview

The Public InvIT is a registered infrastructure investment trust under the InvIT Regulations. The Public InvIT owns, operates and maintains a portfolio of six toll-road assets in the states of Maharashtra, Gujarat, Rajasthan, Karnataka, Punjab and Tamil Nadu. These toll roads are operated and maintained pursuant to concessions granted by NHAI. The Public InvIT was listed in May 2017 with an issue size of Rs.59,210 million, and is the first listed infrastructure investment trust focused on toll-road assets in India.

The Public InvIT's 5 BOT projects and 1 HAM project span a total of 2,421 Lane Kilometers, and all the projects are operational and revenue generating.

The following map shows the Public InvIT's assets:



The Company acts as the Public InvIT's sponsor and project manager and holds a 15.97% stake (92,705,000 Units) in the Public InvIT. The top five investors as of December 31, 2023, were the Government of Singapore, Aditya Birla Sun Life Equity Hybrid Fund, Virendra D Mhaskar, Monetary Authority of Singapore and CIM Investment Fund. The investment manager of the Public InvIT is IRB Infrastructure Private Limited, a wholly owned subsidiary of the Company, and the trustee is IDBI Trusteeship Services Limited. Currently, distribution of 90% of net distributable cash flows ("NDCF") is mandatory to the unit holders of a publicly-listed InvITs. The following table shows the Distributions Per Unit of Public InvIT since inception.

Distribution per unit (DPU)

INR	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	9MFY2024 ²
DPU (Rs.)	10.6	12.3	10.0	8.5	9.0	8.0	6.0
Yield ¹	11.5%	16.4%	17.6%	20.8%	16.1%	13.4%	NA

Notes:

- (1) Calculated on average share price for each financial year.
(2) Until the third quarter of financial year 2024.

The following table highlights the O&M expenses to be incurred by Public InvIT until 2030 as per the O&M contract entered with the construction segment of the Company:

(Rs. million)	Mar-25	Mar-26	Mar-27	Mar-28	Mar-29	Mar-30
O&M Expenses	1,594	1,026	1,729	1,914	2,387	2,048

Order Book

As of December 31, 2023, our order book was Rs.361,852.59 million. This comprised Rs.64,046.55 million of construction under progress, Rs.5,220.00 million of construction orders to be executed and Rs.292,586.04 million of O&M. Our order book as of a particular date consists of estimated revenue from unexecuted or uncompleted portions of our "existing contracts", i.e., the total contract value of such "existing contracts" as reduced by the value of construction work executed until such date. In our order book, "existing contracts" include only construction of BOT, HAM and TOT projects, for which we have received a letter of award, irrespective of whether or not definitive contracts have been executed for such projects as of such date. Order book information provided by us is not audited or reviewed by our auditors and does not necessarily indicate future earnings related to the performance of such contracts.

Although projects in our order book represent business that we consider firm, cancellations or scope adjustments may occur. Due to changes in project scope and schedule, we cannot predict with any certainty when or if the projects in our order book will be performed and will generate revenue. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or dispute the amounts owed to us. There may also be delays associated with collection of receivables from clients. Any delay, cancellation or payment default could adversely affect our cash flow position, revenues or profits. Investors are cautioned against placing undue reliance on the information relating to our order book included in this offering memorandum. In addition, if we do not achieve our expected margins or suffered losses on one or more of these contracts, this could reduce our income or cause us to incur a loss. See "Risk Factors – Risks Relating to Our Business – Information relating to our order book may not be representative of our future results. If we do not achieve expected turnover or margins, or suffer losses or termination or cancellation of one or more of the contracts in our order book, we may incur losses or our total income could be adversely affected.

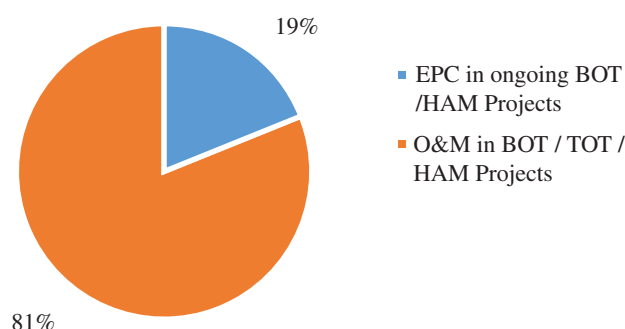
Existing EPC/O&M orderbook as at December 31, 2023 (Rs. million)

EPC	69,266.55
O&M⁽¹⁾	
Wholly Owned Subsidiaries.....	12,308.89
SPVs of Pvt. InvIT	269,637.31
SPVs of Public InvIT	10,639.84
Total	361,852.59

(1) Represents construction and O&M.

The following diagram shows our O&M/EPC order book split as of December 31, 2023.

Order book of Rs. 361,853 million as at December 31, 2023



Financing

Projects undertaken by the Company are typically funded through a mix of debt, equity and NHAI grants if applicable. Typically, the debt-equity ratio of our funding is 70:30. The equity portion is funded by the Company through internal accruals, while lenders assess the debt financing based on a tail period of 15% of concession life and an average debt service coverage ratio of greater than 1.25. To optimize the cost of capital, upon completion of construction, projects will either avail low cost refinancing or approach existing lenders for interest rate reduction.

Other Businesses

Apart from our BOT, TOT and HAM projects, we have also made investments in a greenfield airport, land parcels and wind energy projects, amounting to less than 2% of our asset base. These investments are debt free and are expected yield surplus cash when monetized.

Greenfield Airport Development

For this project, we have been engaged to develop a greenfield airport in the Sindhudurg district in Maharashtra on a DBFOT basis. We are required to design, finance, construct and operate the greenfield airport, including all its buildings, equipment, facilities and systems, and perform certain related airport and non-airport related activities, including provision of services, facilities and equipment in relation to aerodrome control services, airfield lighting and air navigation services, as well as non-airport related services, such as business parks and hotels.

Pursuant to a project development agreement dated September 25, 2009, between the Maharashtra Industrial Development Corporation ("MIDC") and our subsidiary, IRBSA, we have been granted a 95-year leasehold interest over an approximate 260-hectare project site on which the greenfield airport is constructed. The SPV is debt free, with a total capital cost of Rs.6,801.09 million as at December 31, 2023. The airport construction was completed and we received the COD for the airport in March 2021. The project development agreement is valid for a period of 95 years from date of execution of the relevant lease agreement for the project site. Upon the expiry of the term of the agreement, we are required to transfer the site and all assets related to the airport and non-airport activities to the MIDC.

Wind Energy

Our wind energy business is operated through our subsidiary, MRMPL. We own and operate 16 wind turbine generators with an aggregate installed capacity of 20 MW in Jaisalmer, Rajasthan. Pursuant to a sublease deed dated August 10, 2009, between MRMPL and Suzlon Gujarat Wind Park Limited, MRMPL has sub-leased government land measuring 12.96 hectares for a period of 19 years for our wind farm.

We entered into a power purchase agreement on September 15, 2008, with Jodhpur Vidyut Vitran Nigam Limited ("JVNL") and Suzlon Energy Limited, which provides for the sale of electricity produced at our wind farm to JVNL for a period of 20 years from the commercial operation date, at tariffs specified by the Rajasthan Electricity Regulatory Commission. The agreement may be terminated by us in the event of default by JVNL by reason of non-payment of electricity charges for a consecutive three month period and JVNL is entitled to terminate the agreement in the event of non-supply and delivery by us of total net electricity generated for a period of three months for reasons exclusively attributable to us.

Real Estate

We own certain parcels of land situated in Mouje Taje and Mouje Pimploli in District Pune with a book value of Rs.1,699.08 million as at December 31, 2023. In October 2021, we announced that land measuring approximately 13,047.80 square meters, located in Chandivali Village, Mumbai, comprising of IRB's corporate offices and two residential properties will be sold to Mr. Mhaiskar, the promoter, at fair market value ascertained at the time of the transaction.

Competition

We face competition from both domestic and international entities in the roads and highways infrastructure sector, as most of the contracts awarded by the Government and state governments are awarded on a competitive bidding basis and satisfaction of other prescribed pre-qualification criteria. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience, are important considerations in client decisions, price is a major factor in most tender awards. Our ability to bid for and win major infrastructure development projects is also dependent on our ability to show experience in executing large projects, demonstrate that we have strong engineering capabilities in executing technically complex projects, and that we have sufficient financial resources and/or ability to access funds.

Our competitors include other construction and infrastructure development companies such as Larsen & Toubro Limited, Dilip Buildcon, Adani Infra, PNC Infra, KNR Constructions, Sadbhav Engineering Limited and Ashoka Buildcon Limited and infrastructure based funds, such as Ind Infra Vit, Cube Highways Trust, Maple Highways, CDPQ and Oriental Infra Trust. We may also face competition from smaller, regional contractors for HAM bids.

Health, Safety and Environment

We believe that we are in compliance, in all material respects, with applicable health, safety and environmental regulations and other requirements in our operations and also maintain adequate workmen's compensation, and group medical insurance.

We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors. Project managers appointed by us for a project are principally responsible for ensuring that safety standards are met at the relevant project sites.

Intellectual Property

We use the "IRB" trademark in our business which has been registered in our Company's name under the Trademarks Act of 1999.

Property

Our corporate office is located in Mumbai from which we conduct all our administrative and reporting activities. We either own or lease various commercial premises in connection with our corporate, administrative or project-related functions. We typically lease various premises across India to facilitate our work at various project sites. These leases usually expire upon completion of the relevant project. Most of our owned properties are mortgaged and security (in the form of charges) is usually created in favor of our lenders.

Insurance

Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Our principal types of insurance coverage include all risk insurance policies, fire insurance, money insurance, plant and machinery insurance as well as transit insurance. We also maintain workmen's compensation policies. Insurance during the construction phase typically includes the following:

- comprehensive all risk policy for construction activities during the construction period covering all risks associated with construction;
- third party liability insurance;
- workmen's compensation Plant and equipment insurance including transit insurance; and
- motor own damage and liability, contractor's plant and machinery and third party liability insurance.

Human Resources

As of December 31, 2023, we had total of 7,154 employees of which 3,355 were permanent employees. As of December 31, 2023, 475 employees were engineers. We also use contract labor and are therefore also partially dependent on the availability of a sufficient pool of such labor to execute our infrastructure development and construction projects. The number of contract laborers employed by us varies from time to time based on the nature and extent of work being undertaken. We enter into contracts with independent contractors to complete specified assignments on our projects.

REGULATION

Set forth below is a brief overview of the principal laws and regulations currently governing the businesses of the Issuer/Company and the Group. The information set out below has been obtained from sources available in the public domain and is based on the current provisions of Indian laws statutes, regulations and guidelines, as amended, and which are subject to amendments, changes, and modifications.

The laws, statutes, regulations and guidelines set out below are not exhaustive and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for professional legal advice. Prospective investors should seek independent legal advice on the laws and regulations applicable to the businesses of the Issuer/Company and the Group as a whole. The information in this section is based on the current provisions of applicable law that are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions in India.

The Issuer is one of the largest and leading infrastructure developers in the Build, Operate, Transfer Model space in the roads and highways sector in India.

The industry-specific laws and regulations governing the Issuer and its business are as follows:

Infrastructure- related Statutes and Regulations

Governmental Authority

The MoRTH is an apex organization under the GoI, which is entrusted with the task of formulating and administering in consultation with other Central Ministries/departments, state governments, union territory administrations, organizations and individuals, policies for road transport, national highways and transport research with a view to increasing the mobility and efficiency of the road transport system in the country. The MoRTH has two wings: the roads wing; and transport wing.

Regulations and Policies

The primary central legislations governing the road sector are the National Highways Act, 1956, as amended from time to time (the “NH Act”) and the National Highways Authority of India Act, 1988, as amended from time to time (the “NHAIA Act”).

The NH Act

As per the preamble of the NH Act, it is a statute to provide for the declaration of certain highways to be national highways and for matters connected therewith.

In accordance with the NH Act, the GoI is vested with the power to declare a highway as a national highway and also to acquire land for this purpose. The GoI may, by notification published in two local newspapers, one of which has to be in a vernacular language, declare its intention to acquire any land when it is satisfied that, for a public purpose, such land is required for the building, maintenance, management or operation of a national highway, or part thereof. The NH Act prescribes the procedure for such land acquisition. Such procedure includes, *inter alia*, a declaration of an intention to acquire, entering and inspecting such land, hearing of objections, a declaration of the acquisition and the power to take possession. The NH Act also provides for payment of compensation to owners and any other person whose right of enjoyment in the land has been affected.

The GoI is responsible for the development and maintenance of national highways. However, it may direct that such functions may also be exercised by the government of a state in which the highway is located or by any officer or authority subordinate to the GoI or to the state government. Further, the GoI has the power to enter into an agreement with any person for the development and maintenance of a part or whole of the highway. Such person would have the right to collect and retain fees at such rates as may be notified by the GoI and will also have the powers to regulate and control the traffic, for proper management of the highways, in accordance with the provisions of the Motor Vehicles Act, 1988, as amended from time to time. The GoI also has the power to make rules for carrying out the purposes of the NH Act.

National Highways Fee (Determination of Rates and Collection) Rules, 2008

The National Highways Fee (Determination of Rates and Collection) Rules, 2008, as amended from time to time ("NH Fee Rules"), regulates the collection of fees for the use of national highways. In accordance with the NH Fee Rules, the GoI may, by a notification, levy a fee for use of any section of a national highway, permanent bridge, bypass or tunnel forming part of a national highway, as the case may be. However, the GoI may, by notification, exempt any section of a national highway, permanent bridge, bypass or tunnel constructed through a public funded project from levy of such fee.

The NH Fee Rules supersede the National Highways (Temporary Bridges) Rules, 1964, the National Highways (Collection of Fees by any Person for the Use of Section of National Highways/Permanent Bridge/Temporary Bridge on National Highways) Rules, 1997, the National Highways (Fees for the use of National Highways Section and Permanent Bridges – Public Funded Project) Rules, 1997 and the National Highways (Rate of Fees) Rules, 1997 other than in respect of things done or omitted to be done under such rules prior to supersession. The NH Fee Rules do not apply to agreements and contracts executed or bids invited prior to the publication of such rules, i.e., prior to December 5, 2008.

The collection of fees in case of a public funded project shall commence within 45 days from the date of completion of the section of national highway, permanent bridge, by-pass or tunnel, as the case may be, constructed through the public funded project. The NH Fee Rules further provide a base rate of fees applicable for the use of a section of the national highway for different categories of vehicles and the fees collected by the executing authority shall be remitted to the GoI. However, the GoI may, by notification, allow any or all of the executing authorities to appropriate the whole, or part of such fees for purposes as may be specified.

The NH Fee Rules were amended on December 16, 2013, to provide that the driver or owner of a mechanical vehicle which is loaded in excess of permissible load specified for its category, (i) shall not be permitted to use the national highway or cross the fee plaza until the excess load has been removed, and (ii) shall be liable to pay to the toll collection agency a fee which is equal to ten times of the fee applicable to such category of mechanical vehicle as per Rule 10(1) and Rule 10 (IA) of the amended NH Fee Rules, for entering the overloaded vehicle on the national highway. However, in case no weighbridge has been installed at the toll plaza, no fee for overloading shall be levied and collected and the driver, owner or person in charge of the mechanical vehicle shall be liable to pay the fee applicable for such vehicle. The NH Fee Rules were amended on November 21, 2014, to introduce a separate FASTag lane at toll plazas. FASTag is a device which is affixed to the front windscreen of a vehicle, facilitating quick online toll payments. The amended NH Fee Rules stipulate a penalty equivalent to twice the applicable toll fee when a vehicle without FASTag enters the dedicated FASTag lane. However, in case a user is unable to pay, due to malfunctioning electronic toll collection infrastructure, the user will be permitted to pass through the toll plaza without payment.

The NH Fee rules were also amended to provide that the driver or owner of a mechanical vehicle which is loaded in excess of permissible load specified for its category, (i) shall not be permitted to use the national highway or cross the fee plaza until the excess load has been removed, and (ii) shall be liable to pay a fee to the toll collection agency equal to ten times of the fee applicable to such category of mechanical vehicle. However, in case no weighbridge has been installed at the toll plaza, no fee for overloading shall be levied.

The National Highways Rules, 1957

The National Highways Rules, 1957 ("NH Rules") provide that in situations where the estimate cost of the execution of any original work on a national highway exceeds Rs.1,000,000, a detailed estimate of the cost is to be forwarded to the GoI. An application for allotment of funds for meeting expenditure on an original work on a national highway must also be made to the GoI. The executing agency of the highway is required to furnish monthly progress reports and a completion report on the conclusion of the work. The NH Rules also give the consulting engineer of the GoI the right to inspect the work while it is in progress or after completion.

The NHAI Act

NHAI

The NHAI was constituted pursuant to the NHAI Act and became operational in 1995. The NHAI Act details the functions of the NHAI, which primarily are the development, maintenance and management of national highways and any other highways vested in, or entrusted to it, by the GoI, and matters connected therewith or incidental thereto. In accordance with the NHAI Act, the GoI carries out development and maintenance of the national highway system through NHAI. Subject to the provisions of the NHAI Act, the NHAI has the power to enter into and perform any contract necessary for the discharge of its functions. The NHAI has the power to acquire any land to discharge its functions, and such acquired land will be deemed to be land needed for a public purpose. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, the NHAI may enter into contracts exceeding the specified value, on obtaining prior approval of the GoI. The NHAI Act provides that the contracts for acquisition, sale, or lease of immovable property on behalf of the NHAI cannot exceed a term of 30 years unless previously approved by the GoI. In accordance with the NHAI Act, the NHAI shall consist of a full-time chairman, not more than 6 (six) full time members and not more than 6 (six) part time members who are appointed by the GoI.

As per the NHAI Works Manual, 2006, the NHAI's mandate is the time and cost bound implementation of the National Highways Development Project ("NHDP"). The NHDP was launched in 1998 with the objective of developing roads of international standards for facilitating smooth flow of traffic. The sources of finance available to the NHAI include fund assistance from external funding agencies like the World Bank and the Asian Development Bank. NHDP Phase – I also strive to provide road connectivity to major ports. The NHAI's role encompasses involving the private sector in provision, maintenance and operation of the national highways.

The MoRTH published guidelines and Standard Operating Procedure (SOP) for quality control in construction of national highways and other centrally sponsored projects dated October 1, 2020. The objective of the notification is construction of quality roads which are not only essential for efficient utilization of national resources and capital cost but also to provide safe and comfortable journey to the road users with minimum operating cost. For the efficient implementation of the quality assurance system, the MoRTH imposes certain roles/responsibilities on various stakeholders like contractors, engineers, regional offices and quality control zones.

Introduction of Project Management Software and Data Lake Portal

The NHAI has introduced Project Management System (PMS/Data Lake), a unique cloud-based software application to facilitate early disbursement of payments to the concessionaires/contractors and consultants vide their circular No. NHAI/IT/Data Lake 05 dated April 21, 2020 (as amended from time to time). All project-related communications including stage payment bills, approvals and correspondences between contractors/concessionaires, authority, engineers/independent engineers & project directors/regional offices/NHAI headquarters are now mandated to be processed through PMS/data lake portal only. No physical paper is accepted unless it is a legal requirement.

Contingency Charges

The MoRTH vide circular No. A-12025/1/2020-NHIDCL Cell (Pt.) dated August 12, 2021, has reduced the contingency charges for the execution of National Highways Works from 2.8% to 1% of the civil cost component. This shall apply to all estimates whether original or revised.

Financing of the NHDP

The GoI, under the Central Road and Infrastructure Fund Act, 2000 has created a fund which is required to be utilized for the development and maintenance of national highways ("Central Road Fund"). Through a notification dated January 31, 2020, the MoRTH introduced criteria for the allocation of funds for development of state roads under the Central Road Fund Act, 2000 ("Fund Act, 2020"). The general criteria for allocating funds involve assigning 30% weightage to fuel consumption and 70% weightage to the geographical area of the respective state government/union territory. From the funds allocated to state governments/union territory, 10% shall be specifically designated for road safety initiatives.

Section 18 of the NHAI Act also provides for the creation of a separate NHAI Fund. Any capital grant or aid received, loan taken, borrowing made, or any other sum received by the NHAI is credited to the NHAI Fund. Certain sources for financing of the NHDP are through dedicated accruals under the Fund Act, 2020 by levy of cess on fuel as well as involving the private sector and encouraging PPPs. The NHDP is also financed through long-term external loans from the World Bank, the Asian Development Bank and the Japan Bank for International Cooperation as well as through tolling of roads for different projects undertaken by the NHAI.

Private Participation in NHDP

In an effort to attract private sector participation in the NHDP, the NHAI has formulated model concession agreements where a private entity being the concessionaire is awarded a concession to build, operate and collect toll on a road for a specified period of time, which is usually up to 30 years ("Model Concession Agreement").

The bidding for the projects takes place in two stages as per the process provided below:

1. in the pre-qualification stage, the NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and
2. in the second stage, the NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

In accordance with the Model Concession Agreement for projects above Rs.1,000 million, the concessionaire meets the upfront cost and expenditure on annual maintenance and recovers the entire cost along with the interest from toll collections during the concession period. As per the 'Guidelines for Investment in Road Sector' issued by the MoRTH in 2009, in order to increase the viability of projects, a capital grant of up to 40% of the project cost is provided by the NHAI or the GoI. The quantum of grant is determined on a case-to-case basis and typically constitutes the bid parameter in BOT projects which are generally not viable based on toll revenue alone. For certain projects with high traffic volumes, concessionaire also offers a negative grant (i.e., premium) to the NHAI. The concessionaire at the end of the concession period transfers the road back to the GoI (free of charge and clear of all encumbrances). The concessionaire's investment in the road is recovered directly through user fees collected by way of tolls. As per the Model Concession Agreement for annuity-based projects, the concessionaire is required to meet the entire upfront cost (no grant is paid by the NHAI or the GoI) and the expenditure on annual maintenance for annuity-based projects. The concessionaire recovers the entire investment through pre-determined annuity payments to be made by the NHAI or the GoI. Furthermore, the MoRTH has approved certain amendments to the Model Concession Agreement, inter-alia, in relation to deferment of premium payments.

MoRTH Circular dated December 14, 2020, on Use of New/alternative Material and Technology in construction of Highways ("Circular")

As per the "Manual for Quality Control in Road and Bridge works" and various Indian Roads Congress ("IRC") Codes, the MoRTH guidelines prescribe specifications and standards for design and construction of various proprietary items such as Geosynthetics. In accordance with the Circular, the contractor/concessionaire will ensure that the design parameters, warranty and other requirements are fulfilled by manufacturer(s) of such proprietary items as specified in applicable standards/guidelines. In addition, the contractor/concessionaire has to comply with the documentation requirements from manufacturer/self, test on proprietary items as specified in the "Manual for Quality Control in Road and Bridge works" and applicable standards/guidelines.

MoRTH Circular dated February 11, 2021, on Development of Wayside Amenities along National Highways and Expressways

According to this circular, the MoRTH will attempt to establish wayside amenities at intervals of 40-60 kilometers on the national highways. In the case of divided carriageways, this criterion is to be independently applied in each direction. Moreover, such wayside amenities shall not be located in vicinity of the toll plazas. They shall be at least 1 kilometer away from the toll plazas. The land area for development of wayside amenities may preferably be about hectare and shall have adequate frontage for easy entry and exit of the traffic.

MoRTH Draft Policy Guidelines dated December 27, 2023, on use of inert material in construction of National Highways

The MoRTH, in collaboration with the NHAI, had initiated two pilot projects aimed at utilizing inert materials, that form a significant component of municipal solid waste. The initial pilot project has been conducted in Delhi – NCR on the urban extension road and Sohna spur of the Delhi – Mumbai Expressway. In the second pilot project, inert solid waste materials have been utilized on the Ahmedabad – Dholera Expressway. Due to the successful utilization of inert materials in the construction of these embankments, the MoRTH has decided to explore alternative uses for this solid waste in highway road projects and has accordingly issued draft policy guidelines on usage on inert materials in construction of national highways.

Toll Operate Transfer (“TOT”) Model

The CCEA in August 2016 authorized the NHAI to monetize public funded national highway projects which are operational and are generating toll revenues for at least two years after the COD through the TOT Model. The TOT model is to facilitate efficient toll realization through the private sector and create business opportunities for concessionaires that specialize in the O&M of highways and for investors that may be averse to construction risks but are able to make long term investments in road infrastructure projects.

The CCEA in December 2019, approved amendments proposed in the TOT Model by the NHAI stating that the public funded national highway projects which are operational and have toll revenue generation history of one year after the COD shall be monetized through the TOT Model. The monetization will be subject to the approval of the competent authority in the MoRTH or the NHAI on a case-to-case basis. The approved TOT Model authorized the NHAI to provide for a 15-to-30-year concession period depending on the project features.

Hybrid Annuity Model

The MoRTH introduced HAM in 2016 to speed up the construction of roads in India by renewing interest of private concessionaires in highway projects. Under HAM, GoI disburses the initial 40% of the project cost as construction support through five equal instalments, linked to project completion milestones. The concessionaire shall have to initially bear the remaining 60% of the project cost through a combination of equity and debt and construct the project highway. Semi-annual annuity payments shall be made to the concessionaire by GoI on completion of the project for the balance 60% of the project cost. During the construction period private concessionaires have to look for alternative funding sources for the balance project cost. HAM provides adequate liquidity to the project as the financial burden is shared by the concessionaire and the GoI.

Exit Policy

The CCEA, in May 2015, approved a comprehensive exit policy framework with the objective of mobilizing funds in the market. This policy framework permits divestment of 100% equity by concessionaires/developers after two years of completion of construction to facilitate unlocking of funds for new projects. The equity divested is required to be invested by promoters in their new projects. This comprehensive exit policy framework is expected to harmonize certain conditions across all concessions signed prior to 2009 with the policy framework for post 2009 contracts which permit divestment of equity up to 100%, two years after completion of construction.

In November 2020, the MoRTH modified the change in ownership clause for HAM projects and permitted the concessionaires to dilute their equity after a period of six months from the COD. Prior to the relaxation, the concessionaires had to retain their equity for a period of two years from COD. Further, the MoRTH in May 2022 approved changes in the Model Concession Agreements of BOT projects and permitted the change of ownership from the existing two years to one year after COD/issuance of completion certificate and completion of punch list items.

Rationalized Compensation

The CCEA in November 2015 approved a policy for rationalized compensation to concessionaires for languishing national highway projects in BOT mode for delays that are not attributable to the concessionaires. Under the policy, the NHAI is authorized to allow an extension of the concession period for BOT (Toll) projects while keeping the original operation period unchanged. The NHAI has also been authorised to pay compensatory annuities to the concessionaire corresponding to the actual period of delay that is not attributable to the concessionaire upon successful completion of the project. In these cases, the construction period will be enhanced but the tenure of the concession will remain unchanged.

One Time Fund Infusion

The CCEA, in October 2015 gave its approval to the NHAI for a one-time infusion of funds with the purpose of reviving and physically completing stalled projects in the advanced stages of completion as of November 2014. As per the policy, the amount of funds required in each case shall be approved by the NHAI on a case-to-case basis. After the completion of construction of such projects, the funds provided are to be recovered along with interest by the NHAI from the annuities payable to it. Such repayment is to be effected through execution of a tripartite agreement among the senior lender, concessionaire and the NHAI.

Bidder Information

The MoRTH has developed the Bidder Information Management System (“BIMS”) to streamline the process of pre-qualification of bidders for EPC mode of contracts for all national highway works, with enhanced transparency and objectivity. BIMS works as a data base of bidder information that covers basic details, civil works experience, cash accruals and network, and annual turnover so that bidders’ pre-qualification can be assessed based on evaluation parameters like threshold capacity and bid capacity from already stored data and the technical evaluation can be carried out in a faster manner.

Land Acquisition

While land is acquired for national highway projects under the NH Act, the Land Acquisition Act must also be complied with. The MoRTH has issued comprehensive guidelines on land acquisition for national highways taking into account the applicability of the Land Acquisition Act.

Arbitral Awards

CCEA on August 31, 2016, approved various measures to revive the construction sector. An office memorandum dated September 5, 2016, was issued by the National Institute for Transforming India with certain proposals. On November 20, 2019, the CCEA approved certain proposals in relation to the arbitrations by or against government entities, for the effective implementation of the CCEA’s decision on August 31, 2016, on its initiatives to revive the construction sector. Initially, the CCEA had approved the proposal that government agencies will be required to pay 75% of the arbitral award to the concessionaire against a bank guarantee, in cases where the award already announced is challenged. However, pursuant to a press release dated November 20, 2019, the CCEA approved, *inter alia*, that where a government entity has challenged an arbitral award, resultant of which the amount of the arbitral award has not been paid, 75% of such award will be paid by the government entity to the contractor or the concessionaire against a bank guarantee only for the said 75% and not for its interest component. In relation to interest payable to the government entity, if a subsequent court order required the refund of 75% of the amount, the payment of such amounts will be required to be made as per the court orders. On October 29, 2021, the Department of Expenditure inserted a new Rule 227A in the General Finance Rules, 2017 (GFR) to incorporate the above decision of the CCEA. The above rule further requires payment to be made into a designated escrow account with the stipulation that the proceeds will be used: (i) for the payment of lenders’ dues; (ii) for completion of the project, and (iii) for completion of other projects. The balance remaining in the escrow account may be used by the contractor/concessionaire with prior approval of the lead banker and the ministry/department. Retention money and other amounts withheld may also be released against the bank guarantee subject to eligibility conditions and applicable contractual provisions.

Miscellaneous Statutes

The following statutes are also applicable to the industry in which the Company operates:

- Carriage by Road Act, 2007.
- NHAI Quality Assurance Manual, 2006.
- Manual of Road Safety Audit, 2010.

Policy Initiatives by the MoRTH

The recent major policy initiatives by the MoRTH are as follows:

- Process streamlining which facilitated growth of the sector are as under:
 - (a) Mode of delivery – MoRTH empowered to decide on mode of delivery of projects.
 - (b) Increased threshold for project appraisal & approval – MoRTH has been authorized to appraise and approve projects up to Rs.1,000 crore (earlier Rs.500 crore).
 - (c) Innovative project implementation models viz. HAM, TOT, etc. developed and put to use.
 - (d) Languishing Projects revived – 73 projects of length around 8,310 km revived through policy interventions, viz. 100% equity divestment two years after start of operations – private developers/concessionaires allowed to take out their entire equity from all operational BOT projects two years from start of operations.
 - (e) Premium deferment in stressed projects – allows rescheduling of premium committed by concessionaires during bid stage.
 - (f) Rationalized compensation to concessionaires for languishing NH projects in BOT mode for delays not attributable to concessionaires – allows extension of concession period for BOT (Toll) projects keeping original operation period unchanged. For BOT (Annuity) projects, payment of missed annuities corresponding to actual delay allowed.
 - (g) One-time fund infusion – allows physical completion of languishing BOT projects that have achieved at least 50% physical progress, through one-time fund infusion by the NHAI.
 - (h) Proactive steps taken to accelerate Land Acquisition (LA): Single CALA account set up at the NHAI to aggregate disbursed compensation funds and maximize interest savings. The MoRTH with the help of National Informatics Centre has developed a Web Portal – “Bhoomi Rashi”, to digitize the entire process of land acquisition.
 - (i) Further, the MoRTH issued comprehensive guidelines dated 28.12.2017 on Land Acquisition for NHs to simplify the complex issues of Land Acquisition viz. applicability of certain provisions of the Land Acquisition Act on NH Act, date of determination of market value of land, issue of multiplication factor, bulk acquisition through consent of land-owners etc.
- PMIS (Project Monitoring Information System) developed – over 2,000 projects are monitored on a real time basis.
- Sound detailed project reports and effective pre-project preparation.
- Electronic Toll Collection (“ETC”) – encouraged to minimize toll collection time and reduce pilferage in toll collection on NHs. Enabling facilities for ETC being put proactively in all toll plazas.
- National Highways Fees (Determination of Rates and Collection) Rules, 2008, has been amended from time to time to rationalize user fee collection and facilitate the convenience of road users. The details are (i) facilitating electronic toll collection through FASTag; (ii) measures have been taken to deter the practice of overloading; (iii) streamlining of the Maximum Gross Vehicle Weight (GVW) criteria for convenience of road users; (iv) extending exemption from payment of user fees to vehicles specially constructed for use of person suffering from physical disability; (v) facilitating less-cash economy by enabling user fee payment through Prepaid payment instruments; (vi) exempting combined harvesters from payment of user fees; (vii) further streamlining Electronic user fees collection.

- FASTag lanes on fee plazas is a policy initiative of the GoI in which there is an exclusive lane in the fee plaza for movement of vehicles fitted with FASTag. The FASTag (launched in 2014 and mandatory for every vehicle since 2019) is a device which is fitted on the front windscreen of vehicles to indicate online toll payment. The amended NH Fee Rules impose a penalty equivalent to two times the fee applicable if a vehicle not fitted with FASTag enters the exclusive FASTag lane. However, in case a user is unable to pay, due to malfunctioning electronic toll collection infrastructure, the user will be permitted to pass the fee plaza without payment.
- INAM-Pro is a web-based application designed to serve as a comprehensive information platform for infrastructure and materials providers. Launched in 2015, it caters to various stakeholders, including cement companies, steel companies, infrastructure providers, and other relevant entities.
- Sukhad Yatra is an interactive mobile application designed to provide key information to users, launched in 2018 by the NHAI. Through the application users can report highway-related incidents and provide feedback on road quality. Moreover, the users can also check waiting time at toll plazas on national highways and purchase FASTags.
- In 2021, the GoI launched the “Gati Shakti – National Master Plan for Multi-modal Connectivity”, which is essentially a digital platform to bring 16 ministries of the GoI including the railways and the roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects. The multi-modal connectivity aims to provide integrated and seamless connectivity for the movement of people, goods and services from one mode of transport to another. It will facilitate the last mile connectivity of infrastructure and also reduce travel time for people. The Gati Shakti will incorporate the infrastructure schemes of various ministries and state governments like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN-Ude Desh Ka Aam Naagrik (UDAN) was launched as a Regional Connectivity Scheme (RCS) under the Ministry of Civil Aviation, the GoI in 2016. Economic Zones like textile clusters, pharmaceutical clusters, defense corridors, electronic parks, industrial corridors, fishing clusters, and agricultural zones will be covered to improve connectivity. This will also leverage technology extensively including spatial planning tools with ISRO (Indian Space Research Organisation) imagery developed by BiSAG-N (Bhaskaracharya National Institute for Space Applications and Geoinformatics).

Indian Tolls Act, 1851

In accordance with the Indian Tolls Act, 1851 (the “Tolls Act”), state governments have been vested with the power to levy tolls at such rates as they deem fit, to be levied upon any road or bridge, made or repaired at the expense of the GoI or any state government. The tolls levied under the Tolls Act, are deemed to be ‘public revenue’ and the collection of tolls can be placed under the management of any person the state governments’ may deem fit. Such individuals are instructed with the same responsibilities as if they were employed in the collection of land revenue. Further, all police officers are bound to assist the toll collectors when required in the implementation of the Tolls Act. The Tolls Act further gives power for recovery of tolls and exempts certain categories of people from payment of toll. As per Section 3 of the Tolls Act, in case of non-payment of any toll on demand, the officers appointed to collect the toll may seize the mode of transport (carriage or animal) or a part of the load of the offender to cover the toll tax.

Policy on forceful stoppage of toll collection due to farmers’ agitation – Relief to be provided to concessionaires

The NHAI issued a circular dated July 2, 2021, in connection with the stoppage of toll collection at toll plazas on national highways due to protests in relation to certain agricultural laws across the country. The circular is applicable to all BOT projects of the NHAI based on the Model Concession Agreement issued post 2009.

The impact of the farmers' agitation has been considered as "indirect political force majeure event" under the Model Concession Agreement. The corresponding impact on the concession period is to be dealt as per the relevant provisions of the Model Concession Agreement and in case the provisions in the signed concession agreement differ from the Model Concession Agreement, the same shall be dealt as per provisions of the signed concession agreement. In relation to extension of concession period after COD, the Model Concession Agreement states, *inter-alia*, that in case the concessionaire was unable to collect fee despite making best efforts or the NHAI directed suspension of toll collection during the subsistence of such a force majeure event, the concession period will be extended by a period equal in length to the period during which the concessionaire was prevented from collecting fee. Further, in the event of partial collection of fees where the daily collection is less than 90% of the average daily fee, the NHAI will extend the concession period in proportion to the loss of fee on a daily basis.

In the event force majeure costs exceed insurance cover, the circular provides for reimbursement of costs attributable to the force majeure event by the NHAI to the concessionaire, to the extent of half of the excess amount. The circular also prescribes guidelines for reimbursement of and calculation of force majeure costs, including in relation to interest payment on debt and O&M expenses.

Provisions under the Constitution of India and other legislations in relation to collection of tolls

Entry 59, List II of Schedule VII read with Article 246 of the Constitution of India vests state governments with the power to levy tolls. Further, in accordance with the Tolls Act, state governments have been vested with the power to levy tolls at such rates as they deem fit.

Control of National Highways (Land and Traffic) Act, 2002

The Control of National Highways (Land and Traffic) Act, 2002 (the "Control of NH Act") provides for control of land within national highways, right of way and traffic moving on national highways and also for removal of unauthorized occupation thereon.

In accordance with the provisions of the Control of NH Act, the GoI has established the highway administration which is governed by Highway Administration Rules, 2004. Its functions include maintenance of land records and issuance of permits. Under the Control of NH Act, all land that forms part of a highway which vests in the GoI, or that which does not already vest in the GoI but has been acquired for the purpose of highways shall be deemed to be the property of the GoI. The Control of NH Act prohibits any person from occupying any highway land or discharging any material through drain on such land without the permission of the highway administration or any officer authorised by such administration. The Control of NH Act permits the grant of lease and license for use of highway land for temporary use.

Indian Trusts Act, 1882

The Indian Trusts Act, 1882 (the "Trusts Act") governs all private trusts in India.

The Trusts Act sets out the purpose for which private trusts can be established, the manner in which they may be created, executed and extinguished. The person creating a trust under the Trusts Act is the author of such trust, the person to whom the author grants the power and authority to regulate the trust is the trustee and the persons for whose benefit such trust has been created are the beneficiaries of such trust. The Trust Act sets out the rights, duties, liabilities and powers of the trustees and the beneficiaries *vis-a-vis* the trust. The Trust has been settled in accordance with the provisions of the Trusts Act.

Electricity Act, 2003

The Electricity Act, 2003, as amended (the "Electricity Act") is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trade of electricity require licenses from the Central Electricity Regulatory Commission ("CERC"), the State Electricity Regulatory Commissions ("SERCs") or a joint commission (constituted by an agreement entered into by two or more state governments or the Government of India in relation to one or more Union territories and one or more state governments, as the case may be).

Under the Electricity Act, the appropriate commission shall specify the terms and conditions for the determination of tariff.

Companies Act, 2013

The Companies Act, 2013, as amended (the “Companies Act”) is the primary legislation governing companies established in India. It encompasses a wide range of provisions relating to incorporation, capital infusion, management & administration, borrowing & investment, audits & accountability, restructuring and investor protection. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Companies Act. The provision of the Companies Act shall apply to all the companies incorporated either under the Companies Act or under any other previous law.

Competition Act, 2002

The Competition Act, 2002 as amended (the “Competition Act”), is a statute to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interest of consumers and to ensure freedom of trade in India. The Competition Act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations.

The prima facie duty of the CCI is to eliminate practices having adverse effect on competition, promote and sustain competition, protect the interest of consumers, and ensure freedom of trade. In case a person fails to comply with the directions of the CCI, he shall be punishable with a fine which may exceed to Rs.100,000 for each day during such failure subject to maximum of Rs.100,000,000 as the CCI may determine.

Environment Laws

The Environmental Protection Act, 1986 as amended from time to time, (the “Environment Act”). The Water (Prevention and Control of Pollution) Act, 1974 as amended from time to time (the “Water Pollution Act”), and the Air (Prevention and Control of Pollution) Act, 1981 as amended from time to time (the “Air Pollution Act”) provide for the prevention, control and abatement of pollution. Pollution control boards have been set up in states in India to exercise the powers under these statutes to prevent and control pollution.

The Ministry of Environment, Forest and Climate Change (“MoEFCC”) is the nodal agency in the administrative structure of the Central Government for the planning, promotion, co-ordination and overseeing the implementation of India’s environmental and forestry policies and programmes. The primary concerns of the MoEFCC are implementation of policies and programmes relating to conservation of the country’s natural resources including its lakes and rivers, its biodiversity, forests and wildlife, ensuring the welfare of animals, and the prevention and abatement of pollution. While implementing these policies and programs, the MoEFCC is guided by the principle of sustainable development and enhancement of human well-being.

The MoEFCC also serves as the nodal agency in the country for the United Nations Environment Programme (UNEP), South Asia Co-operative Environment Programme (SACEP), International Centre for Integrated Mountain Development (ICIMOD) and for the follow-up of the United Nations Conference on Environment and Development (UNCED). The MoEFCC is also entrusted with issues relating to multilateral bodies such as the Commission on Sustainable Development (CSD), Global Environment Facility (GEF) and of regional bodies like Economic and Social Council for Asia and Pacific (ESCAP) and South Asian Association for Regional Co-operation (SAARC) on matters pertaining to the environment.

The broad objectives of the MoEFCC are conservation and survey of flora, fauna, forests and wildlife, prevention and control of pollution, afforestation and regeneration of degraded areas, protection of the environment and ensuring the welfare of animals.

These objectives are well supported by a set of legislative and regulatory measures, aimed at the preservation, conservation and protection of the environment. Besides the legislative measures, Infrastructure projects must also ensure compliance with the aforesaid environmental legislation such as the Water Pollution Act, the Air Pollution Act and the Environment Act. The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards.

The Pollution Control Boards ("PCBs"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state to control and prevent pollution. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.

The functions of the Central Pollution Control Board include, *inter alia*, coordination of activities of the State Pollution Control Boards, collecting data relating to water pollution and the measures devised for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for, *inter alia*, the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control, inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water, laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters, and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer, or bring into use any new or altered outlet for discharge of sewage or begin to make any new discharge of sewage without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the Water Pollution Act perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Pollution Control Board, establish or operate any industrial plant in an air pollution control area as notified by the State Government.

The Environment Act has been enacted for the protection and Improvement of the environment. The Environment Act empowers the GoI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate. The GoI may make rules for regulating environmental pollution.

With respect to forest conservation, the Forest (Conservation) Act, 1980 prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or managed or controlled by the Government without the prior approval of the GoI.

For dealing with the issue of hazardous waste, Hazardous and Other Wastes (Management and Trans-boundary Movement) Rules, 2016 have been issued by the MoEFCC, the rules list processes that generate hazardous waste, creating a danger to health or environment. Each occupier and operator of any facility generating hazardous waste must dispose of such hazardous waste in accordance with the steps delineated in the rules. Each occupier and operator of any facility generating hazardous waste is required to obtain authorisation from the relevant State Pollution Control Board for collecting, storing, handling and treating the hazardous waste. The relevant State Pollution Control Board is required to monitor the setting up and operation of the common or captive treatment, storage and disposal facility regularly.

The Environment Impact Assessment (EIA) Notification dated September 14, 2006

The MoEFCC mandates that Environment Impact Assessment ("EIA") must be conducted for specified projects. In the process, the MoEFCC receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

The EIA Notification S.O. 1533, issued on September 14, 2006 ("EIA Notification") and amended from time to time, under the provisions of the Environment Act, prescribes that new construction of specified projects require prior environmental clearance from the MoEFCC. The environmental clearance must be obtained from the MoEFCC according to the procedure specified in the EIA Notification. No construction work or preparation of land by the project management except for securing the land, relating to the setting up of a specified project can be undertaken until such clearance is obtained. Under the EIA

Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft ‘EIA Report’ and the ‘Environment Management Plan.’ The final EIA Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final EIA Report. The EIA Guidance Manual for Highways, 2010 explains the four stages of the environmental clearance process and the contents of the EIA Report required to be submitted by highway projects.

The MoEFCC issued a notification on June 14, 2022 (the “MoEFCC Notification”), introducing a compliance module for projects that have received environmental clearance under the EIA Notification. As per the EIA Notification, projects granted permission under it are obligated to submit a compliance report, outlining the status of adherence to conditions specified in the environmental clearance letter. This compliance report is to be submitted to the MoEFCC on a bi-annual basis from the date of procuring environmental clearance. However, the MoEFCC Notification highlights a prevalent issue where project owners fail to comply with the specified timeline for submission of the compliance report. Consequently, the notification mandates the online submission of the compliance report to enhance efficiency and transparency in the compliance and monitoring framework.

Draft Environmental Impact Assessment Notification, 2020 dated March 23, 2020

The MoEFCC, GoI proposed a draft Environmental Impact Assessment Notification, 2020 dated March 23, 2020 (“Draft EIA Notification”), on April 11, 2020. The Draft EIA Notification is intended to replace the previous notification implemented since September 14, 2006.

The Draft EIA Notification is intended to promote transparency and streamline compliance, as it integrates numerous notifications, amendments, office orders, circulars, court and tribunal directions since the last EIA notification in 2006, which is currently in force.

The primary concern regarding the Draft EIA Notification has been the dilution of thresholds for assessment of environmental impact and whittling down of clearance related checks and balances to ensure that environmentally sensitive projects are properly assessed – post-facto clearance being the most contentious.

The Draft EIA Notification proposes a new set of rules for various industrial projects and aims to make the process of issuing environmental clearances more transparent and expedient through implementation of an online system.

The two most significant changes in the new Draft EIA Notifications are provisions for a post facto clearance of projects and abandoning the public trust doctrine. The notification codifies the process to identify and evaluate the environmental effects of proposed development and industrial projects and also provides the basis of a plan to mitigate these effects. However, the Draft EIA Notification has not been notified yet.

Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the “Public Liability Act”) imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the legislation has been enumerated by the GoI by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

Green Highways (Plantation, Transplantation, Beautification and Maintenance) Policy, 2015

In September 2015, the MoRTH launched Green Highways (Plantation, Transplantation, Beautification and Maintenance) Policy, 2015 which requires road developers/concessionaires to earmark 1% of a project's total cost for planting of trees and shrubs across the national highways. Under this policy, the maintenance of such plantations will be outsourced through a bidding process to plantation agencies. The MoRTH/NHAI appoints the authorized agency for empanelment of such plantation agencies. Contracts for greening highways will be given to NGOs, agencies, private companies and government organizations. These stakeholders will be responsible for the survival and health of trees.

The aim of the policy is to promote greening of highway corridors with the participation of the community, farmers, private sector, NGOs, and government institutions. The objective of the policy is to reduce the impact of air pollution and dust by planting trees and shrubs along the national highways. They will act as a natural sink for air pollutants and arrest soil erosion at the embankment slopes. This policy is applicable for all upcoming and developed national highways regardless of their administrative agency.

International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021

The International Financial Services Centres Authority (IFSCA) has been established on April 27, 2020, under the International Financial Services Centres Authority Act, 2019. It is headquartered at GIFT City, Gandhinagar in Gujarat. The IFSCA is a unified authority for the development and regulation of financial products, financial services and financial institutions in the International Financial Services Centre (IFSC) in India. At present, the GIFT IFSC is the maiden international financial services center in India.

The main objective of the IFSCA is to develop a strong global connect and focus on the needs of the Indian economy as well as to serve as an international financial platform for the global economy.

For the first time, the regulatory powers of four financial services regulators in India, namely, the RBI, the SEBI, Insurance Regulatory Development Authority of India (IRDAI), Pension Fund Regulatory Development Authority of India (PFRDAI), have been vested in IFSCA with respect to regulation of financial institutions, financial services and financial products in the IFSC, making it a unified regulator for the IFSC.

The International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021 (the "IFSC Listing Regulations"), were notified by the IFSCA on July 16, 2021, which provide for a comprehensive framework for issuance and listing of securities at the IFSC- in case of public offer, start up and SME companies, depository receipts, debt securities, ESG Debt securities, etc. With the enactment of IFSC Listing Regulations, the framework for issuance of securities as provided in the SEBI IFSC Guidelines stands repealed and further limits the jurisdiction of the SEBI in IFSCs.

The listing of the Notes by the Issuer is in compliance with the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021, as amended from time to time.

Laws Relating to Employment

India has extensive labor related legislation. Preliminary information on some of the labor laws that may be applicable has been provided below. This list is indicative and does not cover all provisions of the law specified or cover other applicable labor laws.

Certain other laws and regulations that may be applicable to the Company, are Contract Labour (Regulation and Abolition) Act, 1970; Employees' State Insurance Act, 1948; Employees' Provident Funds and Miscellaneous Provisions Act, 1952; Maternity Benefit Act, 1961; Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; Payment of Gratuity Act, 1972; Shops and Commercial Establishments Acts, where applicable; Industrial Disputes Act, 1947; Employees Compensation Act, 1923; and The Code of Wages, 2019.

Other applicable Laws

In addition to the above, the Issuer is also required to comply with the provisions of various tax-related legislations, intellectual-property related legislations and other applicable laws for the Company's day-to-day operations.

Labour Law Codes

The National Commission on Labour (2002) (the "NCL") had emphasised the need for universal and comprehensive social security coverage to avoid deprivation of basic needs of workers and recommended the simplification and consolidation of existing laws towards this end.

The Code on Wages, 2019

The Wage Code consolidates and amends four existing labour laws relating to wages, namely, the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Wages Act, 1936 and the Payment of Bonus Act, 1965. It may be noted that the Gol is empowered to bring into force the various provisions of the Wage Code in a staggered manner. The Wage Code proposes 149 to extend the benefits and make the requirements prescribed with respect to payment of wages and minimum wages applicable to all types of establishments irrespective of their nature of business or activities.

The Wage Code proposes a common definition of the term "wages" as opposed to the separate definitions in the erstwhile laws. This will enable employers to take a consistent and uniform approach and avoid multiple interpretations. The Wage Code makes it mandatory for the employer to pay within seven days from expiry of succeeding month, irrespective of the size of the establishment. The Wage Code has introduced stringent penalties in cases of contravention. It introduces the concept of "floor wages", which will be fixed by the Gol taking into account the minimum living standards of a worker. Once the Wage Code comes into force, the minimum rates of wages fixed by the state government cannot be less than floor wages as determined by the Gol. The Gol notified certain provisions of the Wage Code in relation to the constitution and functions of the central advisory board. In this regard, the Gol has also notified the Code on Wages (Central Advisory Board) Rules, 2021.

The Code on Social Security, 2020

The Code on Social Security, 2020 (the "Social Security Code") amends and consolidates nine existing labour laws, namely the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Cine Workers Welfare Fund Act, 1981, the Building and Other Construction Workers' Welfare Cess Act, 1996, the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, and the Unorganised Workers' Social Security Act, 2008. It proposes to universalize social security and extend it to all workers.

The Social Security Code proposes the creation of the following social security organizations namely, the Central Board of Trustees for the Employees Provident Fund, the Employees State Insurance Corporation, the National Social Security Board for unorganized workers, the State Unorganised Workers' Social Security Board, and the State Building Workers' Welfare Boards to administer the various social security schemes included in the Social Security Code. The benefits of the schemes are proposed to be paid out of funds comprising employer and employee contribution and may also include funds from the central or state government or from the corporate social responsibility fund. The Social Security Code empowers the Gol to exempt an establishment or class of establishment, from any or all provisions of the Social Security Code. On November 13, 2020, draft Social Security (Central) Rules, 2020 were notified, for inviting comments from relevant stakeholders. The rules detail procedures on insurance, gratuity, and maternity benefits. The rules are yet to be notified.

Corporate and Securities Laws

In addition to the above, the Issuer is required to comply with the provisions of the Companies Act, 2013, as amended, Companies Act, 1956, to the extent applicable, and rules framed thereunder, and other applicable statutes imposed by the central or the state government and authorities for the day-to-day business and operations. The Issuer is also subject to various central and state tax laws.

Moreover, there are various rules and regulations which are framed and amended from time to time by the SEBI in order to regulate the functioning of the securities market, which Issuer is required to comply with, being a listed company. The various laws and regulations that are primarily applicable to a listed company in India are Securities Contracts (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992, and regulations and guidelines, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, Depositories Act, 1996, and other key SEBI regulations include, SEBI (Delisting of Equity Shares) Regulations, 2021, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

National Bank for Financing Infrastructure and Development Act, 2021

This statute was introduced in order to establish the National Bank for Financing Infrastructure and Development (the “NBFID”) as a development financial institution for boosting infrastructure financing. NBFID has been set up as a corporate body with authorized share capital of one lakh crore rupees. The act also specifies that the shareholders of NBFID may be: (i) Gol, (ii) multilateral institutions, (iii) sovereign wealth funds, (iv) pension funds, (v) insurers, (vi) financial institutions, (vii) banks, and (viii) any other institution prescribed by the Gol, provided that the Gol shall hold 26% of the shares of NBFID at all times. The Gol will provide grants to NBFID as and when necessary, in the form of cash or marketable government securities. The government will also provide a guarantee at a concessional rate of fees, of up to 0.1% for borrowings from multilateral institutions, sovereign wealth funds, and other foreign institutions, as may be prescribed. The National Bank for Financial Infrastructure and Development General Rules, 2022 and the National Bank for Financial Infrastructure and Development General Regulations, 2022 were introduced to provide provisions in relation to the chairperson and other directors and to outline the operational duties of the board and internal committees of NBFID.

SEBI (Infrastructure Investment Trusts) Regulations, 2014

An Infrastructure Investment Trust (“InvIT”) is collective investment scheme similar to a mutual fund, which enables direct investment of money from individual and institutional investors in infrastructure projects to earn a small portion of the income as return. The InvIT is designed as a tiered structure with the sponsor setting up the InvIT which in turn invests into the eligible infrastructure projects either directly, or via special purpose vehicles (“SPVs”). The InvITs are regulated by SEBI (Infrastructure Investment Trusts) Regulations, 2014 (the “InvIT Regulations”). On February 14, 2023, SEBI (Infrastructure Investment Trusts) (Amendment) Regulations, 2023 were introduced by the SEBI. The amendment has introduced a new definition for an independent director, leading to a corresponding modification in the definition of ‘change in control’ as well.

An InvIT is a trust formed under the Trusts Act and registered under the Indian Registration Act, 1908. In accordance with the Trusts Act, a trust is an obligation attached to the ownership of property. The obligation is created by the author of the trust, accepted by the owner of property and owed to the beneficiaries identified in the trust deed. In the context of an InvIT, the trust is created by the sponsor, the ownership of the property vests in the trustee and the beneficiaries of the trust are the unitholders of the InvIT. An InvIT can only invest in holders or SPVs, infrastructure projects or securities in India within the framework provided under the InvIT Regulations and the investment strategy of the InvIT.

Private Placement of unlisted InvITs

In order to cater to demand from sophisticated investors while balancing the need to protect retail investors, the SEBI, in April 2019 relaxed the InvIT framework to permit InvITs to issue privately placed unlisted units.

A private placement of units by an unlisted InvIT is an offer limited to institutional investors and bodies corporate. The salient features of the framework governing such privately placed unlisted units are as follows: (a) the requirement of a minimum number of investors has been done away with and the maximum number of investors is 20; (b) there is no restriction on the maximum holding by an investor

unlike the 25% threshold applicable for listed InvITs; (c) the minimum investment by an investor must be Rs.10 million; (d) InvITs issuing privately placed unlisted units are not subject to the SEBI imposed thresholds and have the liberty to determine their leverage thresholds in accordance with the trust deed of the InvIT. In respect of a privately placed unlisted InvIT, not less than 80% of the value of InvIT assets shall be invested in eligible infrastructure projects. For mandatory disclosures in the annual report, a privately placed InvIT may only disclose the items, as may be applicable to its structure and activities.

In November 2020, the SEBI has also issued guidelines permitting an unlisted InvIT to issue units on a rights basis. On November 11, 2022, the SEBI issued SEBI (Infrastructure Investment Trusts) (Amendment) Regulations, 2022. Through the amendment the SEBI has imposed restrictions on the private placement of units of unlisted InvITs. As per the newly inserted Regulation 26F, the SEBI may grant exemptions from this restriction to InvITs which have previously issued units, for the purpose of facilitating listing of their units on a recognized stock exchange.

Foreign Exchange Laws

Foreign Investment Regulations

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications thereunder, and the policy prescribed by the Department of Industrial Policy and Promotion, GOI, which is regulated by the Foreign Investment Promotion Board. The FEMA regulates transactions involving foreign exchange and provides that certain transactions cannot be carried out without the general or specific permission of the RBI.

The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (the “NDI Rules”), notified by the GoI on October 17, 2019, along with the Foreign Exchange Management (Debt Instrument) Regulations, 2019, and the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019, supersede the Foreign Exchange Management (Transfer of Issue of Security by a Person Resident outside India) Regulations, 2017 (the “TISPRO”) and Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2018.

Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 provide for reporting requirements in relation to any investment under NDI Rules.

The External Commercial Borrowing (“ECBs”) regulatory framework has undergone substantial changes in recent years. The RBI vide its notification dated December 17, 2018, had introduced the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 (“ECB Regulations”) for introducing a revised regulatory regime for ECBs. The ECB Regulations have repealed the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, and the Foreign Exchange Management (Borrowing or Lending in Rupees) Regulations, 2000. In light of the new ECB Regulations, the RBI had issued a new Master Direction titled ‘External Commercial Borrowings, Trade Credits and Structured Obligations, 2019’ (“ECB Master Direction”) dated March 26, 2019.

ECBs are classified into two categories, namely: (i) foreign currency denominated ECBs (Foreign currency denominated ECBs); and (ii) Indian rupee dominated ECBs (INR denominated ECBs) including Rupee denominated bonds. All entities eligible to receive foreign direct investment in India, port trusts, special economic zones units, Small Industries Development Bank of India, Export Import Bank of India can raise ECBs and in addition registered micro-finance entities can raise Rupee ECBs.

All ECBs which do not comply with any of such conditions prescribed by the ECB Master Directions require prior approval of the RBI under the approval route. Under the approval route, the prospective borrowers are required to send their requests to the RBI through their AD Bank, for examination.

The ECB Master Direction set out that any resident of FATF or IOSCO compliant country can provide ECBs to eligible Indian borrowers. ECBs are required to be in compliance with the restrictions imposed under the ECB Master Direction in relation to, *inter alia*, their amounts, minimum average maturity periods and all-in-cost ceilings. Under the ECB Master Direction, the negative list provides a list of end uses, for which the ECB proceeds cannot be utilised and includes the following: (a) real estate activities; (b) investment in capital market; (c) equity investment (d) working capital purposes except in cases of ECB raised from foreign equity holder with a MAMP of 5 years and where ECB is raised for working capital

purposes with a MAMP of 10 years; (e) general corporate purposes except in cases of ECB raised from foreign equity holder with a MAMP of 5 years and where ECB is raised for general corporate purposes with a MAMP of 10 years; and (f) repayment of Rupee loans except in cases of ECB raised repayment of Rupee loans availed domestically for capital expenditure with a MAMP of 7 years and for repayment of Rupee loans availed domestically for purposes other than capital expenditure with a MAMP of 10 years. All eligible borrowers under the ECB Master Direction can raise ECB up to US\$750 million or equivalent per financial year under the automatic route. Plain vanilla Rupee denominated bonds can be issued overseas, which can be either placed privately or listed on exchanges as per host country regulations.

Foreign Direct Investment (“FDI”) Policy

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries or departments of the GoI and the RBI.

The GoI has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade (the “DPIIT”), under the Ministry of Commerce and Industry, GoI has issued the Consolidated FDI Policy by way of circular bearing number DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020 which, with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The GoI proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular. Foreign Investment Facilitation Portal (FIFP <https://fifp.gov.in/>) is the new online single point interface of the GoI for investors to facilitate FDI. There are about 11 (eleven) notified sectors/activities requiring government approval.

Downstream investment by an infrastructure investment trust shall be regarded as indirect foreign investment if neither the sponsor nor the investment manager of such an infrastructure investment trust is Indian ‘owned and controlled’ as defined in the FEMA. Downstream investment by an ‘investment vehicle’ is required to conform to the sectoral caps and conditions/restrictions, if any, as applicable to the company in which the downstream investment is made as per the FDI Policy. Foreign investment of up to 100% through the automatic route is permitted in the infrastructure sector in India. An infrastructure investment trust that receives foreign investment shall be required to make such report and in such format to the RBI or to the SEBI as may be prescribed by them from time to time.

The payment for the units of an infrastructure investment trust acquired by a person resident or registered/incorporated outside India shall be made in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016 and other applicable law.

Further, any person who is a non-resident and holds units of an infrastructure investment trust in accordance with the FEMA may pledge such units (i) in favor of a bank in India to secure the credit facilities being extended to the Indian company for bona fide purposes; (ii) in favor of an overseas bank to secure the credit facilities being extended to the person, or a person resident outside India who is the promoter of the Indian company or the overseas group company of the Indian company; (iii) in favor of a Non-Banking Financial Company registered with the RBI to secure credit facilities being extended to the Indian company for bona fide purposes; and (iv) subject to the authorized dealer bank satisfying itself of the compliance of the conditions stipulated by the RBI in this regard.

Other Laws

The Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code 2016 (the “IBC”) is one of the biggest legal reforms in the economic sector and received the assent of the President and was notified in the Official Gazette on May 28, 2016. The IBC primarily consolidates the existing insolvency law, *inter alia*, relating to companies and corporate entities with the objective of providing clarity and consistency in the treatment of all the stakeholders in the insolvency process. The objective of the IBC is to promote entrepreneurship, availability of credit, and balance the interests of all stakeholders by consolidating and amending the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a timely manner and for maximization of value of assets of such persons and matters connected therewith or incidental thereto.

The IBC offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

The IBC aims to consolidate the laws relating to insolvency of companies and limited liability entities (including limited liability partnerships and other entities with limited liability), unlimited liability partnerships and individuals, presently contained in a number of legislations, into a single legislation. Such consolidation will provide for a greater clarity in law and facilitate the application of consistent and coherent provisions to different stakeholders affected by business failure or inability to pay debt. The vision of the new law is to encourage entrepreneurship and innovation. The IBC is a comprehensive and systemic reform, which will have a significant effect on the functioning of the credit market.

Under the IBC, upon initiation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor (except related party of the corporate debtor) is given a voting share proportionate to its admitted claim against the company. Any decision of the committee of creditors must be taken by a vote of either 50% or 66% of the voting share of all financial creditors (other than for withdrawal of an application by which corporate insolvency resolution process was initiated, which requires 90% of the total voting share of the committee of creditors).

Any resolution plan approved by committee of creditors is binding on the corporate debtor and its employees, members, creditors, including the GoI, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the resolution plan. In case the corporate debtor is subjected to liquidation process, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. In this order of priority, the insolvency resolution and liquidation process costs rank higher than the admitted claims of secured creditors. Secured creditors may decide to opt out of the liquidation process, in which case they are permitted to realize their security interests separately should they choose to do so. As per the RBI's annual report for the financial year 2019, the IBC has aided and gradually improved the recovery process in relation to stressed assets.

In light of the outbreak of the COVID-19 pandemic, by a notification dated March 24, 2020, issued by the Ministry of Corporate Affairs (the "MCA"), the minimum amount of default to initiate insolvency proceedings has been increased from Rs.0.1 million to Rs.10 million. The IBC has further been amended by Insolvency and Bankruptcy Code (Second Amendment) Act, 2020 (the "Bankruptcy Code Amendment") inserting Section 10A in the IBC which states that notwithstanding anything contained in Sections 7, 9 and 10 of the IBC no application for initiation of corporate insolvency resolution process of a corporate debtor shall ever be filed for any default arising on or after March 25, 2020, for a period of six months or such further period, not exceeding one year from such date, as may be notified in this behalf. Exercising its powers under Section 4 of the IBC, the GoI has issued a notification on March 24, 2020, increasing the minimum amount for filing an application to initiate Corporate Insolvency Resolution Process of a corporate debtor from Rs.1 Lakh to Rs.1 Crore.

On June 5, 2020, an Ordinance was promulgated barring initiation of the corporate insolvency resolution process for defaults committed within six months (extendable up to one year) from March 25, 2020. The Ordinance states that no application can ever be filed in respect of such defaults, thereby, giving a permanent immunity to such defaulting companies under the IBC. This suspension was extended in September 2020 for another three months. It was important for the GoI to provide relief to businesses which have been severely impacted by the pandemic and continue to reel under the global crisis.

The MCA, GoI, on December 22, 2020, issued a notification to extend the suspension of insolvency proceedings by another three months, until March 24, 2021. Following the expiration of the three month period specified in the notification dated December 22, 2020, the suspension of proceedings under IBC ended on March 25, 2021.

The Insolvency and Bankruptcy Code (Amendment) Act, 2021

This amendment introduced an alternative insolvency resolution process for Micro, Small, and Medium Enterprises (“MSMEs”), termed as the pre-packaged insolvency process (“PIRP”). The PIRP may be initiated only by the corporate debtor which is classified as an MSME under the MSME Development Act, 2006. The corporate debtor must also have a base resolution plan as per the requirements of the IBC. The management of affairs of the corporate debtor continues to vest in the board of directors or the partners of the corporate debtor, as the case may be. The initiation of the PIRP process must be approved by financial creditors of the corporate debtor, not being related parties, representing at least 66% in value of the financial debt due to such creditors. The resolution plan must be approved by the committee of creditors, by a vote of not less than 66% of the voting shares, after considering its feasibility and viability. A PIRP must be concluded within 120 days of commencement. In case the PIRP does not conclude within the prescribed timeline, or if the committee of creditors does not approve any plan, an application may be filed before the NCLT for termination of the PIRP.

Tax Regulation

Income Tax Act, 1961

The Income Tax Act, 1961 is applicable to every domestic and foreign company whose income is taxable depending upon its “residential status” and “type of income” involved.

Goods and Services Tax Act, 2017

GST is a tax on supply of goods or services or both. Inter-state supply of goods and services attract integrated GST under the Integrated Goods and Services Tax Act, 2017 (the “GST Act”). For this purpose, inter-state supply includes: (i) supply of goods and services between two different states within India; and (ii) supply of goods and services imported into India and exported out of India. Supply of goods and services within a state or union territory in India attracts central GST under the Central Goods and Services Tax Act, 2017; and state GST or union territory GST levied under the GST Act of the state or union territory in question.

The applicable rate of GST depends upon the nature of the goods and services in question. The general rates of GST are provided in notifications issued by the GoI and the State/Union Territory governments. Concessional tax rates/exemptions have also been notified for certain categories of goods and services.

An input tax credit mechanism is available, in terms of which the GST incurred on goods and services purchased by a taxpayer can be taken as input tax credit. Input tax credit can be used to offset the GST payable on the taxpayer’s output of goods and services.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Board of Directors

Our Board of Directors consists of eight directors. According to our Articles of Association, our Company shall not have less than three directors and not more than eight directors.

The listing agreement entered into among the Issuer, BSE Limited and National Stock Exchange of India Limited requires that at least half of the Board of Directors should comprise non-executive directors. In addition, it also requires that if our chairman is a non-executive director, at least one-third of the Board of Directors should comprise independent directors and if he is an executive director, at least half of the Board of Directors should comprise independent directors. The Board of Directors currently consists of 4 independent directors, 4 non-independent executive directors and two non-independent non-executive directors.

The Companies Act, 2013, provides that not less than two-thirds of the total number of directors, excluding the independent directors, shall be liable to retire by rotation. Out of which, one-third of directors shall automatically retire every year at an annual general meeting and shall be eligible for re-appointment. The independent directors may be appointed for a maximum of two terms up to five consecutive years each; however, such directors are eligible for re-appointment after the expiry of three years of ceasing to be an independent director provided that such directors are not, during the three-year period, appointed in or associated with the Company in any other capacity, either directly or indirectly.

The following table sets forth details regarding the Board of Directors of the Issuer.

Name	Age	Position	Date Appointed
Virendra D. Mhaiskar	52	Chairman and Managing Director	27/07/1998
Deepali V. Mhaiskar	50	Whole-time Director	27/07/1998
Jose Angel Tamariz Martel Goncer ..	55	Non-Executive Director	29/12/2021
Ravindra Dhariwal	71	Non-Executive Director	05/08/2022
Chandrashekhar S. Kaptan	71	Independent Director	01/04/2014
Sunil Talati	72	Independent Director	01/04/2014
Sandeep J. Shah	64	Independent Director	05/02/2015
Priti Savla	46	Independent Director	10/02/2022

Biographies of the Directors

Mr. Virendra D. Mhaiskar, aged 52 years, is the Chairman and Managing Director of the Issuer. He holds a diploma in civil engineering from Shriram Polytechnic, Navi Mumbai. As a Civil Engineer, he has hands on experience of more than 25 years in the construction and infrastructure industry to his credit. He is responsible for developing new business, executing road construction and BOT projects. He is providing overall vision and strategy to the Company.

Mrs. Deepali V. Mhaiskar, aged 50 years, is a Whole-time Director of the Issuer. She joined the Issuer in July 1998. She has a Bachelor's degree in Arts (Special) from Gujarat University and has approximately 23 years of experience in administration and management.

Mr. Jose Angel Tamariz Martel Goncer, aged 55 years, is a Non-executive Director of the Issuer. Jose is a civil engineer from the Polytechnic University of Madrid, he joined Cintra in 1999. Since then, he has held several positions such as Head of Development at Cintra Aparcamientos and Head of Ireland. He became Head of Canada and CEO of 407 ETR in 2009, Head of Europe and New Markets in 2017 and Asset Management Director in 2018 to direct the Cintra Global and Cintra Infrastructure offices, located in Netherlands.

Mr. Ravindra Dhariwal, aged 71 years, is a Non-executive Director of the Issuer. Ravi Dhariwal is the co-founder and Chairman of Sagacito Technologies, a data analytics firm specializing in helping enterprises maximize their revenues. He is also Senior Advisor, Mentor and Board Member of several leading listed and private firms. Just prior to co – founding Sagacito, Ravi was the Group CEO of Bennett & Coleman, India's largest media company, with diversified media platforms including Radio Mirchi, Times Television Network, Times Internet, Times OOH and the world's largest selling English newspaper The Times of India. Ravi was also the World-Wide President of International News Media Association from 2011-2013. He was honored for his voluntary contribution to World News Media in 2014. Prior to joining Bennett & Coleman, Ravi worked with PepsiCo for 12 years. He was Pepsi's first employee in India, launched Pepsi brands in India helping build a successful business. He also led the Beverage Business in India, Africa and South East Asia for PepsiCo. Ravi started his career with Unilever in India in 1977, and worked for them in India and Australia for over 12 years mostly in Sales and Marketing management. In his career now spanning over 42 years he has built consumer businesses all over the world. He has worked in diverse and varied cultures, and, helped companies win customer loyalty and consumer regard. Ravi is an Engineer from IIT/Kanpur, and an MBA from IIM Calcutta. He was bestowed the Distinguished Alumni Award by IIM Calcutta in 2013 and also from IIT Kanpur in 2019.

Mr. Chandrasekhar S. Kaptan, aged 71 years, is an Independent Director of the Issuer. He has been a practicing lawyer at the Nagpur Bench of the Mumbai High Court since 1975, representing government, semi-government and private institutions, mostly in constitutional and civil matters. He was the Senior Standing Counsel for the Union of India during 2001 – 2003 at the Nagpur Bench of the Mumbai High Court. He presently acts as Special Counsel and a Panel Counsel for the State of Maharashtra for the High Court.

Mr. Sunil H. Talati, aged 72 years, is an Independent Director of the Issuer. He holds a Bachelor's degree in law from Gujarat University and a Master's degree in commerce from H.L. Commerce College, Ahmedabad. He is also a fellow member of the Institute of Chartered Accountants of India. He was the Vice President and President of the Institute of Chartered Accountants of India for the year 2006-07 and 2007-08, respectively. Mr. Talati has more than 30 years of experience in the fields of accounting, audit and tax laws. He regularly contributes articles related to tax law in various financial dailies.

Mr. Sandeep J. Shah, aged 64 years, is an Independent Director of the Issuer. He is a member of the Institute of Chartered Accountants of India since 1983. He joined M/s. J. M. Shah & Co. as a Partner in 1984. He was a proprietor of M/s. J. M. Shah & Co. from 1985. Since 2011, he has been a Partner in Shah Baxi & Associates. He has been a practicing chartered accountant for 31 years. He is specialized in the field of company audit and direct tax.

Ms. Priti Savla, aged 46 years, is an Independent Director of the Issuer. She is a practicing Chartered Accountant and a partner in KPB & Associates since 2002, a chartered accountant's firm based in Mumbai. She is a Central Council Member of the Institute of Chartered Accountants of India (ICAI) for the year 2022-2025. She has also served as Western Regional Council Member between 2013-22 and the Chairperson of WIRC of ICAI for the year 2019-20. She has pursued Diploma in Information System Audit – ICAI, Certificate Course in Forensic Accounting & Fraud Detection – ICAI, Insolvency Professional – IBBI, Entrepreneurship Management course Indian School of Business – ISB. She has more than 20 years of experience in the areas of audit, strategic planning, business advisory, process set up, risk mitigation & finance. She is serving the Board of Listed Companies as Independent Director since 2014. She has also worked with various Indian and foreign Corporates on the professional matters.

Shareholding of the Directors

The following table sets forth the number of Equity Shares held by the directors as of December 31, 2023.

Director	Number of Equity Shares	Percentage Shareholding
Virendra D. Mhaiskar	50,639,850	0.84
Deepali V. Mhaiskar	16,144,000	0.27
Sandeep J. Shah	2,020	Less than 0.01

Committees of the Board of Directors

The members and functions of the Company's audit committee and nomination and remuneration committee are described below:

Audit Committee

The Audit Committee consists of the following members:

Name and Designation of Director	Committee Designation
Sunil H. Talati (Independent Director)	Chairman
Virendra D. Mhaiskar (Chairman and Managing Director)	Member
Jose Angel Tamariz Martel Goncer (Non-Executive Director)	Member
Sandeep J. Shah (Independent Director)	Member
Chandrashekhar S. Kaptan (Independent Director)	Member
Priti Savla (Independent Director)	Member

The composition, role, terms of reference as well as powers of the Audit Committee are in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The brief terms of reference of the Audit Committee include overseeing of the Company's financial reporting process, reviewing the financial statements with the management, recommending appointment/re-appointment of auditors, setting audit fees, reviewing the adequacy of internal audit function, holding periodic discussions with auditors about their scope and adequacy of internal control systems and discussing on any significant findings made by internal auditor.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following members:

Name and Designation of Director	Committee Designation
Chandrashekhar S. Kaptan (Independent Director)	Chairman
Virendra D. Mhaiskar (Chairman and Managing Director)	Member
Jose Angel Tamariz Martel Goncer (Non-Executive Director)	Member
Sandeep J. Shah (Independent Director)	Member
Sunil H. Talati (Independent Director)	Member
Priti Savla (Independent Director)	Member

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel, senior management and other employees;
- Formulation of criteria for evaluation performance of Independent Directors and the Board of Directors;
- Devising a policy on Board diversity;

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Consideration of extending or continuing the term of appointment of the independent directors, on the basis of the report of performance evaluation of independent directors; and
- Recommending to the Board remuneration payable to senior management.

Relationship with other Directors

Two of our directors are related to each other. Mr. Virendra D. Mhaikar is the husband of Mrs. Deepali V. Mhaikar.

Borrowing Powers of the Board of Directors

Pursuant to a resolution dated July 28, 2020 passed by the shareholders of the Issuer, the Board is authorized to borrow sums of money up to a maximum of Rs.125 billion over and above the aggregate of the paid up share capital, its free reserves and securities premium of the Company as per Section 180 (1) (c) of the Companies Act, 2013 for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may think fit. Pursuant to the shareholder's resolution dated September 26, 2019, the Board is authorized to dispose of or create any mortgage, charge or security over its undertakings or present and future properties, whether immovable or movable, up to a value not exceeding Rs.400 billion.

Interest of Directors

For the years ended March 31, 2021, 2022 and 2023, and the nine months ended December 31, 2023, there were no materially significant Related Party Transactions entered into by the Company with Directors which may have a potential conflict with the interest of the Company at large.

Key Management

In addition to Mr. Virendra D. Mhaikar and Mrs. Deepali V. Mhaikar, whose profiles are given above, the following are the key managerial personnel of our Company:

Mr. Sudhir Rao Hoshing, aged 59 years, is a Joint Managing Director of the Issuer. He is a civil engineer and a management graduate with around 32 years of experience in the fields of highway and airport construction. He previously worked as CEO of Roads Business in Reliance Infrastructure. He has held key positions with major infrastructure companies including Punj Lloyd, GMR and Oriental Structural Engineers. He is a member and on the Executive Board of IRF (International Road Federation, Indian chapter), FICCI, CII and NHBF (National Highways Builders Association). He is also a life-time member of IRC (Indian Road Congress).

Dr. Satinder S Rana, aged 61 years, was appointed as CEO – Corporate with effect from January 31, 2024. Dr. Rana has an extensive experience in dealing with administrative and legal matters. He has worked for the Government of India for more than three and half decades in various capacities. A Qualified chief executive with rich experience in overseeing the functioning of organizations both at macro and micro level. Educated in science, management and law, Dr. Rana, prior to this, was involved in tax administration and execution of economic policies of the Government of India. Qualified communicator with proficiency in written and oral communication skills, including the ability to engage an audience and convey information. He possesses strong ability to solve complex problems using excellent judgment and decision-making skills. Believe in receiving ongoing education and an excellent mentor for the young professional. Excellent personnel and human resources skills, including knowledge of procedures for providing superior service and a productive and comfortable work environment for employees. Dr. Rana has a Phd. in Environmental Science and also holds the following educational credentials: Master of Business Administration (Melbourne University); LLB (University of Delhi); M. Phil. Science (University of Delhi); MSc. Science (University of Delhi); Bachelor of Science (University of Delhi).

Mr. Tushar Kawedia, aged 45 years, is our Chief Financial Officer of the Company. He holds a Bachelor's Degree in Commerce and is a qualified Chartered Accountant (ICAI). He has more than 20 years of experience in the fields of Finance, Accounts, Audit, Taxation and Business reorganisation. Earlier, he has worked as CFO for IRB InvIT Fund (Listed Infrastructure Trust in India) and Dy CFO for the Company. He is a member of the Institute of Chartered Accountants of India and holds a Bachelors' degree in commerce.

Mr. Mehul N. Patel, aged 49 years, is our President of Corporate Affairs as well as our Group Company Secretary since 2007. He is a graduate in science from Maharaja Sayajirao University of Baroda and holds a Bachelor's degree in law from Sardar Patel University, Vallabh Vidyanagar. He is also a qualified company secretary registered with the Institute of Company Secretaries of India. He has an aggregate work experience of 23 years.

Shareholding of Key Managerial Personnel

Other than in respect of Mr. Virendra D. Mhaikar, Mr. Deepali V. Mhaikar and Mr. Sandeep J. Shah whose shareholdings are listed above, no key management person holds equity shares of the Company as of December 31, 2023:

Interest of Key Managerial Personnel

The key managerial personnel of the Company do not have any other interest in the Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them and/or their dependents in the Company, if any. For the years ended March 31, 2021, 2022 and 2023, and the nine months ended December 31, 2023, there were no materially significant Related Party Transactions entered into by the Company with Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

Compensation of Directors and Executive Officers

For Financial year 2023 and the nine months ended December 31, 2023, we paid remuneration of Rs.400.04 million and Rs.347.20 million, respectively, and Director sitting fees of Rs.2.70 million and Rs.3.25 million, respectively, in cash to our Key Managerial Personnel.

PRINCIPAL SHAREHOLDERS

The following table sets forth our shareholders and their shareholding information as of December 31, 2023.

Shareholder	Shareholding (%)
Promoter and Promoter Group	34.39%
Foreign Institutional Investor/Foreign Portfolio Investor	47.16%
Domestic Institutional Investor	7.87%
Others	10.58%
Total	100.00%

RELATED PARTY TRANSACTIONS

The Company enters into transactions with related parties in the ordinary course of its business.

For details of the Company's related party transactions as at and for the years ended March 31, 2021, 2022 and 2023, as per the requirements under IND AS 24 'Related party disclosures' notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, see the Company's audited consolidated financial statements as at and for the years ended March 31, 2022 and 2023 and unaudited condensed consolidated interim financial statements as at and for the nine months ended December 31, 2023, included elsewhere in this offering memorandum.

DESCRIPTION OF OTHER INDEBTEDNESS

The following is a summary of the material terms of the financing arrangements of the Company. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual underlying loan agreements and other documentation.

Indebtedness of the Company

Facility of Rs.11,000 million from Working Capital Consortium

The Company entered into a working capital consortium agreement dated June 27, 2009 ("Facility Agreement 1") with Canara Bank, Punjab National Bank, Andhra Bank, Bank of Baroda and Bank of India (the "CBWC Consortium"). Subsequently, the Company entered into a first supplemental working capital consortium agreement dated December 2, 2010, with CBWC Consortium to enhance the non-fund based working capital facilities to Rs.7000 million. Further, for meeting the Company's additional working capital requirements, and for enhancement of the facility, the Company entered into a second supplemental working capital consortium agreement, dated January 25, 2016. Later, the company entered into a third supplemental working capital consortium agreement dated April 13, 2016, with Canara Bank, Punjab National Bank, Andhra Bank, Bank of Baroda, Bank of India, IDFC Limited and Corporation Bank (the "Consortium Lenders") in relation to facilities aggregating to Rs.11,000 million ("Loan 1") where Canara Bank is the lead bank, for the purpose of non-fund based working capital facilities and fund based clean overdraft facilities. Under Loan 1, the Company has availed non-fund based working capital facilities of Rs.2,900 million from the Canara Bank, non-fund based working capital facilities of Rs.1,050 million from Andhra Bank, non-fund based working capital facilities of Rs.1,650 million from Bank of Baroda, non-fund based working capital facilities of Rs.1,960 million from Punjab National Bank, non-fund based working capital facilities of Rs.940 million from Bank of India, non-fund based working capital facilities of Rs.500 million from Corporation Bank and non-fund based working capital facilities of Rs.2,000 million from IDFC Bank Limited. The working capital facilities availed from Corporation Bank of Rs.500 million has been closed. As of December 31, 2023, the Company has utilised the limit of Rs.3,880.00 million out of the total amount.

Certain other terms and conditions of Loan 1 include:

Security:

Non-fund based working capital facilities provided by Bank of Baroda under Loan 1 is secured by: (a) primary security that is: a first *pari passu* charge on land and building and other fixed assets standing in the name of Ideal Road Builders Private Limited; and by (b) collateral security that is : (i) a first *pari passu* charge by way of hypothecation on construction materials and receivables of the contracts (excluding charge on current assets belonging to MRMPL) of the specified projects floated by the NHAI/MoRTH/PWD/MSRDC, etc., where the guarantee has been extended by the Consortium Lenders or any member bank; and (ii) a counter guarantee to be executed by the Company or its subsidiaries, on whose behalf the guarantee is issued.

Non-fund based working capital facilities provided by Andhra Bank under Loan 1 is secured by (a) primary security that is: (i) charge on the stocks and books debts arising out of the issuance of letter of credits and bank guarantees by the Company; (ii) Cash margin at 5%; (iii) a counter guarantee to be executed by the Company or its subsidiaries on whose behalf the guarantee is issued; and by (b) collateral security that is: (i) a first *pari passu* charge on specified land and building and other fixed assets standing in the name of Ideal Road Builders Private Limited; and (ii) a first *pari passu* charge by way of hypothecation of all movable assets comprising off raw materials and receivables of the contracts (excluding charge on current assets belonging to MRMPL) of the specified projects floated by the NHAI/MoRTH/PWD/MSRDC, etc., where the guarantee has been extended by the Consortium Lenders or any member bank; and (iii) a corporate guarantee provided by Ideal Road Builders Private Limited.

Non-fund based working capital facilities provided by Canara Bank under Loan 1 is secured by (a) primary security that is: (i) a *pari passu* charge on the stocks and books debts arising out of the issuance of letter of credits and bank guarantees by the Company; (ii) an exclusive charge on the fixed deposits in the name of the Company booked with Canara Bank; and by (b) collateral security that is: a *pari passu* charge on specified land and building and other fixed assets standing in the name of Ideal Road Builders Private Limited, and a corporate guarantee provided by Ideal Road Builders Private Limited.

Non-fund based working capital facilities provided by Bank of India under Loan 1 is secured by (a) primary security that is: (i) 5% of the cash margin on the term deposit receipts; and by (b) collateral security that is: (i) a *pari passu* mortgage cum hypothecation on land and building and other fixed assets standing in the name of Ideal Road Builders Private Limited; and (ii) a counter guarantee to be executed by the Company or its subsidiaries on whose behalf guarantee is issued; and corporate guarantee provided by Ideal Road Builders Private Limited.

Non-fund based working capital facilities provided by Punjab Nation Bank under Loan 1 is secured by (a) primary security that is: (i) 5% of the cash margin on the fixed deposit receipts of bank guarantees; (ii) a counter indemnity of the company on whose behalf the bank guarantee is issued; and by (b) collateral security that is: (i) a *pari passu* charge on specified land and building standing in the name of Ideal Road Builders Private Limited; and (ii) a *pari passu* charge over plant and machinery and other fixed assets standing in the name of Ideal Road Builders Private Limited.

Non-fund based working capital facilities provided by IDFC Bank Limited under Loan 1 is secured by (a) primary security that is: (i) a *pari passu* charge on the stocks and books debts arising out of the issuance of letter of credits and bank guarantees by the Company in relation to specific projects; and by (b) collateral security that is: (i) a *pari passu* charge on fixed assets of Ideal Road Builders Private Limited; and (ii) and a corporate guarantee provided by Ideal Road Builders Private Limited.

Financial Covenants:

The Company has to maintain such security margin as stipulated by the Consortium Lenders and at all times maintain sufficient quantities of securities to provide the asset cover as may be required by the Consortium Lenders.

Other Covenants:

The Company has made customary representations and warranties to the Consortium Lenders and has agreed to deliver standard information. The Company has also agreed to negative covenants which include, *inter alia*, to: (i) not compound or release any book debts without prior approval from the Consortium Lenders; (ii) not deal with goods, movables and other assets and documents of title thereto or goods, movables and other assets covered by the documents except in accordance with the instructions of the Consortium Lenders; (iii) effect any change in capital structure; (iv) not formulate any scheme of amalgamation or reconstruction; (v) implement any scheme of expansion/diversification/modernization other than incurring routine capital expenditure; (vi) not make any corporate investments or investment by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern or make advances to employees except in normal course of business; (vii) not stand surety or guarantor for any third party liability or obligation without the prior written approval of the Consortium Lenders; (viii) not remove or dismantle any of the assets to be comprised in the security without consent of the Consortium Lenders except in case where such removal or dismantling is rendered necessary in the opinion of Company; (ix) during the currency of Loan 1, shall not without obtaining the prior consent of the lead bank declare dividends on its share capital, if it fails to meet its obligations to pay the interest and/or commission and/or other moneys payable to the Consortium Lenders, so long as it is in default; and (x) not avail any credit facility or accommodation from any other bank or financial institution or any person firm or company in any manner without the previous permission in writing of the lead bank nor shall deal with or through any other bank or financial institution without having obtained in this behalf the prior written approval of the lead bank.

Events of Default:

Events of default by the Company include, *inter alia*, the following events: (i) if the Company fails to repay the facilities or pay interest or any portion thereof in terms of the working capital consortium agreements entered into between the Company and the Consortium Lenders; (ii) commit any breach of any covenant to be observed or performed on its part therein contained and on the failure of the Company to remedy the same forthwith; (iii) if any circumstances occur which in the opinion of the Consortium Lenders or any of them is prejudicial to or imperils the security of the Consortium Lenders; (iv) if the security created in favour of the other lenders becomes enforceable; (v) if any distress or execution is levied or enforced against any property or assets whatsoever of the Company/Ideal Road Builders Private Limited; (vi) if any person, firm or company shall take any steps towards applying for or obtaining an order for the appointment of a receiver of any property or assets whatsoever of the Company/Ideal Road Builders Private Limited and compromises with its creditors; (vii) the Company ceases to carry on the business or fails to conduct its business to the satisfaction of the Consortium Lenders or any of them, then and in any such case (the decision of the Consortium Lenders that the aforesaid events or circumstances have occurred shall be final conclusive and binding on the Company).

Default/Penalty Interest:

In the event of default in the payment of amounts due under Loan 1, the Consortium Lenders shall have the right to charge penalty interest at the rate of 2% per annum on the outstanding amounts.

Facility of Rs.5,000 million from Canara Bank

The Company entered into a term loan agreement dated June 7, 2023, with Canara Bank ("Facility Agreement 2") for a loan aggregating to Rs.5,000 million ("Loan 2") for general corporate and business purposes of the Company. The interest rate on Loan 2 as of December 31, 2023, was 9.50% per annum. The Company is required to repay Loan 2 in 12 structured quarterly instalments. As of December 31, 2023, the amount outstanding in respect of Loan 2 was Rs.4,800 million. Further, the Company intends to prepay the amount outstanding under Loan 2 out of the proceeds of the Notes being issued under this offering memorandum.

Certain other terms and conditions of Loan 2 include:

Security:

Loan 2 is secured by: (i) exclusive charge by way of hypothecation over the escrow account opened by the Company where the O&M receivables by SYTL, YATL and UTL shall be deposited; (ii) subservient charge on the unencumbered current assets of the Company with a security cover of 100% of the outstanding amount of Loan 2 until the final settlement date; (iv) pledge of 31,214,911 units held by the Company representing 3.55% (as of the date of Facility Agreement 2) of the total units of the Private InvIT.

Financial Covenants:

The Company shall maintain a security cover of 100% and a pledge cover of 125% of the outstanding amount of Loan 2.

Other Covenants:

The Company has agreed to negative covenants which include, *inter alia*, to: (i) not agree to effect any change in management control or change in the capital structure, such that the aggregate shareholding of the Promoter(s) falls below 26% for any reason; (ii) not agree to undertake any merger, consolidation, amalgamation or reorganisation; or for sale or lease or transfer or assign or mortgage or otherwise dispose of any assets charged to Canara Bank except as permitted without the prior consent from Canara Bank; (iii) not declare or make any dividend during the financial year in case of non-creation of required reserve and occurrence and continuation of an event of default; (iv) not create any further charge, lien or encumbrance on the properties charged with Canara Bank; (v) not sell assign, mortgage or otherwise dispose of any of the assets charged with Canara Bank during the continuance of Loan 2; (vi)

not change the practice regarding remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees except as may be permitted under the applicable law; (vii) not affect any drastic change in the management; and (viii) not pay any commission, fee, brokerage or other charges to its promoters, directors, managers, guarantors, associates or other persons having substantial interest in the Company for furnishing guarantees, counter guarantees, indemnities or undertaking any other liability in connection with the indebtedness;

Events of Default:

Events of default by the Company include, *inter alia*, the following events: (i) non-payment of the principal amount or interest or any other dues owing under the documents relating to Loan 2; (ii) default on performance of any of the covenants, conditions, or agreements under any facility obtained by the Company; (iii) supply of misleading information; (iv) the Company/UTL/ATL/SYTL voluntarily or involuntarily become the subject of proceedings of winding up or appointment of a resolution professional under IBC for the Company/UTL/ATL/SYTL; (v) the Company UTL/ATL/SYTL is declared insolvent by a competent court; (vi) occurrence of any event which would materially affect the Company's capacity to repay the secured obligations; (vii) any security document ceases to be effective; (ix) the occurrence of any event which could reasonably be expected to have a material adverse effect; (x) security created in favour of the Canara Bank becomes invalid and the Company fails to remedy such action to the satisfaction of Canara Bank within a period of 30 days; (xi) appointment of receiver, liquidator, trustee or custodian in relation to the Company or any of its assets and such appointment is not stayed, quashed or dismissed within a period of 30 days from the date of appointment; (xii) cessation of business of the Company and is not cured within a period of 30 days; (xiii) any document relating to Loan 2 becomes invalid; (xiv) expropriation of the Company or an event of total loss or nationalisation of whole or substantially whole of the secured assets occurs; (xv) any action for re-organisation of the Company including any change in ownership such that the aggregate shareholding of the Promoter(s) falls below 26%, without prior written consent of Canara Bank; (xvi) government approval and/or clearance obtained for Loan 2 cease to be in full force, and which could lead to material adverse effect as per Canara Bank and such an event has not been cured within a period of 30 days; and (xvii) proceedings commenced by any government authority for revoking any government approval and/or clearance which could lead to material adverse effect as per Canara Bank and such an event has not been cured within a period of 30 days.

Prepayment:

The Company has the option to prepay Loan 2 with a prior notice of 15 days subject to prepayment premium rate as specified in the Facility Agreement 2.

Default/Penal Interest:

In the event of default in payment of instalments of principal, interest, or any other monies due and payable (except liquidated damages) on their respective due dates as per terms and conditions of the sanction letter or Facility Agreement 2, Canara Bank shall have the right to charge penalty interest at the rate of 2% per annum over and above the interest rate from the Company. Further, the Company shall also be liable to pay an additional interest of 2% per annum over and above the interest rate, if the Company fails to perform certain activities under Facility Agreement 2.

Facility of Rs.4,000 million from IDBI Bank Limited

The Company entered into a term loan agreement dated July 10, 2023, with IDBI Bank Limited ("IDBI Bank") ("Facility Agreement 3") for a loan aggregating to Rs.4,000 million ("Loan 3") for general corporate and business purposes of the Company. The interest rate on Loan 3 as of December 31, 2023, was 9.55% per annum. The Company is required to repay Loan 3 in 72 structured monthly instalments. As of December 31, 2023, the amount outstanding in respect of Loan 3 was Rs.3,806 million.

Certain other terms and conditions of Loan 3 include:

Security:

Loan 3 is secured by: (i) a first exclusive charge by way of hypothecation over the O&M receivables by KTL, AETL and CGTL, and the escrow account opened by the Company where the O&M receivables shall be deposited; (ii) subservient charge on the unencumbered current assets of the Company with a security cover of 1 (one) time of the outstanding amount of Loan 3 until the final settlement date; (iii) a first exclusive charge by way of a pledge of 29,865,605 units held by the Company, representing 3.40% (as of the date of Facility Agreement 3) of the units in the Private InvIT; (iv) a first *pari passu* charge on all monies, including dividend paid out to the Company by Private InvIT and over the NCD escrow account; (v) exclusive charge on the debt service reserve account.

Financial Covenants:

The Company shall maintain a security cover of 1 (one) time and a pledge cover of 1.5 (one decimal five) times of the outstanding amount of Loan 3.

Other Covenants:

The Company has agreed to negative covenants which include, *inter alia*, to: (i) not agree to effect any change in management control or change in the capital structure, such that the aggregate shareholding of the Promoter(s) falls below 26% for any reason; (ii) not take any action which may cause the major shareholders from ceasing to remain Promoter(s); (iii) not agree to undertake any merger, consolidation, amalgamation or reorganisation; or for sale or lease or transfer or assign or mortgage or otherwise dispose of any assets charged to IDBI Bank except as permitted without the prior consent from IDBI Bank; (iv) not declare or make any dividend during the financial year in case of non-creation of required reserve and occurrence and continuation of an event of default; (v) not create any further charge, lien or encumbrance on the properties charged with IDBI Bank; (vi) not sell assign, mortgage or otherwise dispose of any of the assets charged during the continuance of Loan 3; (vii) not change the practice with regard to the remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees except as may be permitted under the applicable law; (viii) not affect any drastic change in the management; (ix) not make any repayment of the monies brought in by the promoters/directors/principal shareholders and their friends and relatives by way of deposits/loans/advances. (x) not pay any commission, fee, brokerage or other charges to its promoters, directors, managers, guarantors, associates or other persons having substantial interest in the Company for furnishing guarantees, counter guarantees, indemnities or undertaking any other liability in connection with the indebtedness; (xi) not make any change or amend its memorandum of association or other constitutional document if it adversely affects the interest of IDBI Bank; (xii) not wind up, liquidate, dissolve its affairs, declare itself insolvent or take any actions towards the same; (xiii) not become a core investment company or a non-banking financial company registered with the RBI; and (xiv) not become, or take any actions that make it, subject to sanctions under applicable law.

Events of Default:

Events of default by the Company include, *inter alia*, the following events: (i) non-payment of the principal amount or interest or any other dues owing under the documents relating to Loan 3; (ii) default on performance of any of the covenants, conditions, or agreements under any facility obtained by the Company; (iii) supply of misleading information; (iv) the Company/KTL/AETL/CGTL voluntarily or involuntarily becomes the subject of proceedings of winding up or appointment of a resolution professional is made under IBC for the Company/KTL/AETL/CGTL; (v) the Company KTL/AETL/CGTL has been declared insolvent by a competent court; (vi) occurrence of any event which would materially affect the Company's capacity to repay the secured obligations; (vii) financial indebtedness of the Company is not paid when due, or as a result of such default, the lender has declared an event of default against the Company to accelerate the amount under Loan 3; (viii) any financial indebtedness of the Company is cancelled or suspended by a financial creditor, as a result of a default. (ix) any security document ceases to be effective; (x) the occurrence of any event which could reasonable be expected to have a material adverse effect and is not remedied within a period of 60 (sixty) days from its

occurrence; (xi) the Company fails to register the charge created with registrar of companies within 30 days of creation of such charges; (xii) security created in favour of the IDBI Bank has become invalid and the Company has failed to remedy such action to the satisfaction of IDBI Bank; (xiii) appointment of receiver, liquidator, trustee or custodian in relation to the Company or any of its assets and such appointment is not stayed, quashed or dismissed within a period of 30 days from the date of appointment; (xiv) cessation of business of the Company; and (xv) any document relating to Loan 3 becomes invalid; (xvi) expropriation of the Company or an event of total loss or nationalisation of whole or substantially whole of the secured assets occurs; (xvii) any action for re-organisation of the Company including any change in ownership such that the aggregate shareholding of the Promoter(s) falls below 26%, without prior written consent of IDBI Bank; (xviii) government approval and/or clearance obtained for Loan 3 cease to be in full force and effect which could lead to a material adverse effect as per IDBI Bank and such an event has not been cured within a period of 30 day; and (xiv) proceedings commenced by any government authority for revoking any government approval and/or clearance which could lead to material adverse effect as per IDBI Bank and such an event has not been cured within a period of 30 days.

Prepayment:

The Company has the option to prepay Loan 3 with a prior notice of 30 days subject to prepayment premium rate at the rate of 2% per annum on the prepaid amount.

Default/Penal Interest:

In the event of default in payment of instalments of principal, interest, or any other monies due and payable (except liquidated damages) on their respective due dates as per terms and conditions of the sanction letter or Facility Agreement 3, IDBI Bank shall have the right to charge penalty interest at the rate of 2% per annum over and above the interest rate. Further, the Company is also liable to pay an additional interest of 2% per annum over and above the interest rate, if the Company fails to perform certain activities under Facility Agreement 3.

Facility of Rs.5,000 million from Union Bank of India

The Company entered into a term loan agreement dated July 4, 2023, with Union Bank of India ("Union Bank") ("Facility Agreement 4") for a loan aggregating to Rs.5,000 million ("Loan 4") for developing infrastructure projects including, improvement and maintenance of road projects of the Company. The interest rate on Loan 4 as of December 31, 2023, was 9.50% per annum. The Company is required to repay Loan 4 in 60 structured monthly instalments. As of December 31, 2023, the amount outstanding in respect of Loan 4 was Rs.4,921.8 million. Further, the Company intends to prepay the amount outstanding under Loan 4 out of the proceeds of the Notes being issued under this offering memorandum.

Certain other terms and conditions of Loan 4 include:

Security:

Loan 4 is secured by: (a) a primary security that is – (i) an exclusive charge by way of hypothecation on the O&M receivables deposited by IRB HMTL/IRB Pathankot Amritsar Toll Road Limited ("IPATRL")/IRB Tumkur Chitradurga Tollway Limited ("ITCTL")/MVR Infrastructure & Tollways Limited ("MITL")/PDTP or VK1 Expressway Limited ("VEL"); and (ii) a first and exclusive charge by way of lien over the escrow account opened by the Company where the O&M receivables shall be deposited; and (b) collateral security that is (i) by way of a pledge of 37,400,000 units held by the Company in the Private InvIT, and (ii) a subservient charge on the unencumbered current assets of the Company.

Financial Covenants:

The Company shall maintain a security cover of 100% and a pledge cover of 150% of the outstanding amount of Loan 4.

Other Covenants:

The Company has agreed to negative covenants which include, *inter alia*, to: (i) not make any change or amend its memorandum of association or other constitutional document if it adversely affects the interest of Union Bank; (ii) not make any substantial change in the general nature of its business; (iii) not agree to undertake any merger, consolidation, amalgamation, reorganisation, corporate restructuring and compromise with the creditor or shareholders which have a material adverse impact except for sale or lease or transfer or assign or mortgage or otherwise dispose of any assets which are charged to Union Bank except as permitted by Union Bank in writing; (iv) not initiate any liquidation or winding up proceedings; (v) not declare or make any dividend during the financial year in case of non-creation of required reserve and occurrence and continuation of event of default; (vi) not sell assign, mortgage or otherwise dispose of any of the assets charged during the continuance of Loan 4; (vii) not change the practice with regard to the remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees etc except as may be permitted under the applicable law; (viii) not affect any drastic change in management; (ix) not make any repayment of the monies brought in by the promoters/directors/principal shareholders and their friends and relatives by way of deposits/loans/advances; (x) not pay any commission, fee, brokerage or other charges to its promoters, directors, managers, guarantors, associates or other persons having substantial interest in the Company for furnishing guarantees, counter guarantees, indemnities or undertaking any other liability in connection with any financial assistance.

Events of Default:

Events of default by the Company include, *inter alia*, the following events: (i) non-payment of the principal amount or interest or any other dues owing under the documents relating to Loan 4; (ii) security created in favour of Union Bank has not been registered with the registrar of companies; (iii) any security document ceases to be effective; (iv) any information given by the Company in accordance with reporting system or the representation made or warranties given to Union Bank is found to be misleading or incorrect and has not been remedied within 30 days of the Company becoming aware of such misrepresentation; (iv) default on performance of any of the covenants, conditions, or agreements under any facility obtained by the Company has occurred and has not been cured within 60 days; (v) non-compliance by the Company of the Applicable Law which leads to material adverse effect in the transaction; (vi) material adverse effect occurred; (vii) inability to pay its debts; (vii) occurrence of events which would affect the capacity of the Company to discharge its obligations under Loan 4; (viii) initiation of a bankruptcy and insolvency proceedings against the Company which has not been discharged within 60 days or not later than the time period agreed by Union Bank; (ix) cessation of business of the Company; (x) supply of misleading information; (xi) any litigation, arbitration, governmental, regulatory or other investigation is pending in relation to Loan 4 or assets charged for Loan 4; (xii) if the Company repudiates any term of Loan 4; (xiii) if the Company diverts its business or becomes a core investment company or a non-banking financial company; (xiv) expropriation of the Company or an event of total loss or nationalisation of whole or substantially whole of the secured assets occurs; (xv) The Company/IRB HMTL/IPATRL/ITCTL/MITL/PDTPL or VEL has voluntarily or involuntarily become the subject of proceedings of winding up or appointment of resolution professional has been made under IBC for the Company/IRB HMTL/IPATRL/ITCTL/MITL/PDTPL or VEL; (xvi) the Company/IRB HMTL/IPATRL/ITCTL/MITL/PDTPL or VEL has been declared insolvent by a competent court; (xvii) occurrence of any event which would materially affect the Company's capacity to repay the secured obligations; (xviii) appointment of receiver, liquidator, trustee or custodian in relation to the Company or any of its assets and such appointment is not stayed, quashed or dismissed within a period of 60 days from the date of appointment; (xix) any document relating to Loan 4 becomes invalid; (xx) government approval and/or clearance obtained for Loan 4 cease to be in full force and effect which could lead to material adverse effect as per Union Bank and such an event has not been cured within a period of 30 day; and (xxi) proceedings commenced by any government authority for revoking any government approval and/or clearance which could lead to material adverse effect as per Union Bank and such an event has not been cured within a period of 30 day; (xxii) during the tenure of Loan 4, Company becomes subject to the sanctions or is at any time controlled by a sanctioned entity.

Prepayment:

The Company has the option to prepay Loan 4 with a prior notice of 15 days subject to prepayment premium rate as specified in the Facility Agreement 4.

Default/Penal Interest:

In the event of default in payment of instalments of principal, interest, or any other monies due and payable (except liquidated damages) on their respective due dates as per terms and conditions of the sanction letter or Facility Agreement 4, Union Bank shall have the right to charge penalty interest at the rate of 2% per annum over and above the interest rate. Further, the Company is also liable to pay an additional interest of 1% per annum over and above the interest rate, if the Company fails to perform certain activities under Facility Agreement 4.

Working Capital Facilities availed by the Company

The Company has availed certain working capital facilities from Canara Bank of Rs.1,750.75 million at the interest rate of 7.90% per annum, compounded monthly, as set out in the sanction letter dated November 28, 2023 ("Sanction Letter 1"). As per the Sanction Letter 1, working capital facilities availed from Canara Bank are secured by a charge on deposit receipts/passbook of the Company booked with Canara Bank. The Company has also availed a secured overdraft facility from Union Bank of Rs.6,000 million at the interest rate of 8.27% per annum, as set out in the sanction letter dated June 6, 2023 ("Sanction Letter 2"). As per Sanction Letter 2, the secured overdraft facility is secured by a pledge of fixed deposit receipts of the Company held with Union Bank. The Company has also availed an overdraft against fixed deposit facility of Rs.5,300 million from the IDBI Bank at the interest rate of 8.32% per annum, as set out in the sanction letter dated April 1, 2023 ("Sanction Letter 3"). As per Sanction Letter 3, the overdraft against fixed deposit facility is secured by a charge on the fixed deposit of the Company worth Rs.5,300 million booked with IDBI Bank.

Non-Convertible Debentures amounting to Rs.3,500 million due 2027

On September 24, 2021, the Company entered into a debenture trust deed ("DTD 1") with IDBI pursuant to which it issued 3,500 secured, redeemable, listed, rated non-convertible debentures of an aggregate principal amount of Rs.3,500 million to be due on September 30, 2027 ("NCDs 1"). As of December 31, 2023, Rs.2,464 million of the principal amount of NCDs 1 was outstanding. The interest rate payable on NCDs 1 as of December 31, 2023, was 9.55% per annum. Further, the company intends to prepay the outstanding principal amount under NCDs 1 out of the proceeds of the Notes being issued under this offering memorandum.

The obligations under NCDs 1 are secured by (i) a first charge by way of pledge on 34,285,875 units of the Private InvIT held by the Company which gives security cover of 1.75; (ii) an exclusive charge by way of hypothecation on 15% (fifteen percent) on all the EPC receivables from VM7 Expressway Private Limited; (iii) a first exclusive charge by way of hypothecation on all the operation and maintenance receivables from IRB Jaipur Deoli Tollway Limited, IRB Ahmedabad Vadodara Super Express Tollway Private Limited and VM7 Expressway Private Limited; (iv) an exclusive charge by way of hypothecation on the dividend paid by the Private InvIT to the Company on the units of the Private InvIT held by the Company; and (iv) a first exclusive charge by way of hypothecation on the escrow account and the debt service reserve account.

The Company is required to, *inter alia*: (i) maintain *pari passu* ranking debentures; (ii) redeem debentures at the end of six years from the date of allotment; (iii) make payment without tax deduction, unless required by applicable law; (iv) make payment of interest to debenture holders, until the debentures are redeemed or fully paid off; (v) pay the monies as per the bank accounts maintained by IDBI; (vi) appoint nominee director by IDBI; (vii) allow debentures to be transferable and maintainable; (viii) not to allow debenture holders to be entitled to the same rights as shareholders; (ix) make formal, minor, or technical changes or correct a manifest error in DTD 1; (x) maintain financial covenants as envisaged under the DTD 1, and pay a penal interest of 0.25% on the outstanding amounts under the DTD 1 in case of a deviation from the financial covenants; (xi) cure any actual or anticipated breach by providing additional shareholder funding; and (xi) create the DSRA from its own funds and cash accruals and maintain the same thereafter till the final discharge date.

In case of inability to pay interest or the redemption amounts, without prejudice to the right of IDBI to call an event of default and accelerate the debentures, additional interest of 2% per annum over and above the interest will be payable by the Company on a monthly basis on the outstanding amounts of NCDs 1 for the period of the default.

Pursuant to the terms of DTD 1, NCDs 1 limit the ability of the Company to, *inter alia*: (i) effect or agree to effect any merger, demerger, reconstruction, reorganization, takeover, amalgamation, compromise or similar arrangements which is prejudicial to the interest of the debenture holders; (ii) making any changes to the Company's accounting policies or methods which is prejudicial to the interest of the debenture holders; (iii) undertake any matter or perform any action in respect of which due approval of the IDBI/debenture holders is required; (iv) change or amend its memorandum of association or other constitutional document if it may lead to an adverse effect (*as defined in DTD 1*); (v) make any substantial change to the general nature of its business until the final discharge date; (vi) wind up, liquidate, dissolve its affairs, declare itself insolvent or take any actions towards the same; and (vii) create any security interest on the assets forming part of the security in favour of any other person other than the security created/to be created in terms of DTD 1.

Events of default by the Company under DTD 1 include, *inter alia*, the following events (i) default in the payment amounts due under DTD 1 or any other debenture documents; (ii) the Company fails to register the charge created on the security with the registrar of companies within a period of 30 days from the date of creation; (iii) breach of any other covenants contained in this DTD 1 and other transaction documents; (iv) representation or warranty made or deemed to be made, by the Company under any transaction document is incorrect; (v) The Company fails to comply with the applicable law and such non-compliance leads to occurrence of an adverse effect; (vi) The Company becomes subject to sanctions or is at any time controlled by a sanctioned entity, and such other events as specified in DTD 1. If an event of default occurs, IDBI can, *inter alia*, enforce its rights and obligations under the transaction documents.

Non-Convertible Debentures amounting to Rs.2,000 million due 2025

On July 30, 2020, the Company entered into a debenture trust deed ("DTD 2") with IDBI pursuant to which it issued 2,000 rated, listed, secured, redeemable non-convertible debentures of an aggregate principal amount of Rs.2,000 million to be due on June 28, 2025 ("NCDs 2"). As of December 31, 2023, Rs.1,215 million of the principal amount of NCDs 2 was outstanding. The interest rate payable on NCDs 2 as of December 31, 2023, was 9.55% per annum.

The obligations under NCDs 2 are secured by (i) a first charge by way of pledge on the units of Private InvIT held by the Company which gives security cover of 1.25; (ii) a first exclusive charge by way of hypothecation on all the operation and maintenance receivables of IRB MP Expressway Private Limited under the O&M contract with the Issuer and (on the Escrow Account where the operation and maintenance receivables shall be deposited. The Company is required to, *inter alia*: (i) maintain *pari passu* ranking debentures; (ii) redeem debentures at the end of five years from the date of allotment; (iii) make payment without tax deduction, unless required by applicable law; (iv) make payment of interest to debenture holders until the debentures are redeemed or fully paid off; (v) pay the monies as per the bank accounts maintained by IDBI; (vi) appoint nominee director by IDBI; (vii) allow debentures to be transferable and maintainable; (viii) not allow debenture holders to be entitled to the same rights as shareholders; and (ix) make formal, minor, or technical changes or correct a manifest error in DTD 2.

In case of inability to pay interest or the redemption amounts, without prejudice to the right of IDBI to call an event of default and accelerate the debentures, additional interest of 2% per annum over and above the interest will be payable by the Company on the outstanding amounts of NCDs 2 for the period that the default continues.

Pursuant to the terms of DTD 2, NCDs 2 limit the ability of the Company to, *inter alia*: (i) effect or agree to effect any merger, demerger, reconstruction, reorganization, takeover, amalgamation, compromise or similar arrangements which is prejudicial to the interest of the debenture holders; (ii) making any changes to the Company's accounting policies or methods which is prejudicial to the interest of the debenture holders; and (iii) undertake any matter or perform any action in respect of which due approval of IDBI/debenture holders is required.

Events of default by the Company under DTD 2 include, *inter alia*, the following events: (i) default in the payment amounts due under DTD 2 or other debenture documents; (ii) breach committed in respect of any security; (iii) breach committed in respect of the terms of the information memorandum; (iv) occurrence of a default on the part of the Company in the performance or observance of any covenant, conditions or provisions contained in these presents, including any of the financial covenants and conditions under the DTD 2 and/or any transaction document; (v) cross default has occurred; (vi) information given by the Company or representatives in reports, financial statement or any other documents under the DTD 2 or any transaction document is found to be false, untrue, misleading or incorrect; (vii) any representation or warranty given or deemed to have been given is false, untrue, misleading or incorrect in any respect and other events specified in DTD 2, and such other events as specified in DTD 2. If an event of default occurs, IDBI can, *inter alia*, enforce its rights and obligations under the transaction documents.

Non-Convertible Debentures amounting to Rs.21,845.5 million due 2028

On February 17, 2021, the Company entered into a debenture trust deed (“DTD 3”) with IDBI pursuant to which it issued 218,455 unlisted, unrated, redeemable, non-convertible debentures of an aggregate principal amount of Rs.21,845.5 million to be due on February 18, 2028 (“NCDs 3”). As of December 31, 2023, Rs.21,845.5 million of the principal amount of NCDs 3 was outstanding. The interest rate payable on NCDs 3 as of December 31, 2023, was 9.927% per annum. Further, the Company intends to prepay the outstanding principal amount under NCDs 3 out of the proceeds of the Notes being issued under this offering memorandum.

The obligations under NCDs 3 are secured by (i) a first ranking charge over the escrow account both present and future, together with all cash flows, receivables and other assets and securities which represents all amounts in such account; (ii) a first ranking charge over the rights, title, interest, benefits, claims and demands whatsoever of the Company under all subordinated debt provided by the Company to IRB MP Expressway Private Limited; (iii) a first ranking charge over the rights, title, interest, benefits, claims and demands whatsoever of the Company in respect of all initial periodic maintenance amounts due and payable to the Company by IRB MP Expressway Private Limited; and (iv) a first ranking pledge over 49% of the equity shares of IRB MP Expressway Private Limited, both present and future.

The Company is required to, *inter alia*: (i) furnish an officer’s certificate at the end of each financial year to IDBI; (ii) redeem debentures at the end of seven years from the date of allotment; (iii) provide true and correct copies of financial statements and other reports to the debenture holders; and (iv) maintain an office or agency where notices and demands to or upon the Company in respect of the NCDs 3 may be served.

If the Company defaults on a payment of interest on NCDs 3, it shall pay the default interest in accordance with the terms and conditions of the DTD 3. At least 15 days before the payment of such default interest, the Company shall issue a notice to IDBI and each debenture holder.

Pursuant to the terms of DTD 3, NCDs 3 limit the ability of the Company to, *inter alia*: (i) incur any indebtedness; except the permitted indebtedness as specified in DTD 3; (ii) issue any disqualified stock; (iii) enter into any transaction or series of related transactions involving aggregate consideration in excess of US\$2 million; and (iv) engage in any business other than permitted businesses as specified in DTD 3;

Events of default by the Company under DTD 3 include, *inter alia*, the following events: (i) default in the payment amounts due under DTD 3 or other debenture documents; (ii) breach committed in respect of any security; (iii) default in relation to the trust and retention account; (iv) repudiation of the Company or any of the subsidiary guarantors in respect of their obligations under other debenture documents; (v) an involuntary case or any other proceedings has been commenced against the Company or any of its restricted subsidiaries and such other events as specified in DTD 3. If an event of default occurs, IDBI can, *inter alia*, enforce its rights and obligations under the transaction documents.

FINANCIAL INDEBTEDNESS OF GROUP COMPANIES OF THE COMPANY AND THE PRIVATE INVIT

SECTION A

The following is a summary of the indebtedness as of December 31, 2023, of:

- (i) the subsidiaries of the Company (other than Modern Road Makers Private Limited and IRB MP Expressway Private Limited, which are covered in Section B and Section C below respectively), IRB Ahmedabad Vadodara Super Express Tollway Private Limited, Chittoor Thachur Highway Private Limited, Pathankot Mandi Highway Private Limited, VM7 Expressway Private Limited, Ideal Road Builders Private Limited, Meerut Budaun Expressway Limited, Aryan Infrastructure Investments Private Limited, IRB Sindhudurg Airport Private Limited, MMK Toll Roads Private Limited, and IRB Infrastructure Private Limited; and
- (ii) the Project SPVs, namely IRB Westcoast Tollway Limited, Solapur Yedeshi Tollway Limited, Yedeshi Aurangabad Tollway Limited, Kaithal Tollway Limited, AE Tollway Limited, Udaipur Tollway Limited, CG Tollway Limited, Kishangarh Gulabpura Tollway Limited, IRB Hapur Moradabad Tollway Limited, IRB Golconda Expressway Private Limited, Palsit Dankuni Tollway Private Limited, Samakhiyali Tollway Private Limited, IRB Lalitpur Tollway Private Limited, (collectively referred to as "Group Companies" and individually as "Group Company"), together with a brief description of certain material covenants of the relevant financing agreements.

The Group Companies have primarily availed loans and issued non-convertible debentures, for financing, in part, the project costs in relation to the construction and development of their respective underlying road infrastructure asset. Certain Group Companies have availed further financing, as necessary, for refinancing existing loans or with respect to the repayment obligations under previously availed loans or for any other purpose. Interest capitalised during the moratorium permitted by the RBI under the 'COVID-19 Regulatory Package' to banks in India, vide its circular dated March 27, 2020, and its notification dated May 23, 2020 is included in the outstanding amount (*mentioned below*) of loans availed by the Group Companies.

Set forth below is a brief summary of the aggregate borrowings (excluding related party borrowings) of the Group Companies as of December 31, 2023:

Category of Borrowing	Aggregate Amount (Rs. million)	Outstanding amount (Rs. million)
IRB Ahmedabad Vadodara Super Express Tollway Private Limited		
Term Loans		
Secured	28,500.00	23,701.27
Unsecured.....	—	—
Non-Convertible Debentures		
Secured	4,500.00	3,972.73
Unsecured.....	—	—
Total	33,000.00	27,674.00
Chittoor Thachur Highway Private Limited		
Term Loans		
Secured	4,293.60	—
Unsecured.....	—	—
Total	4,293.60	—
Pathankot Mandi Highway Private Limited		
Term Loans		
Secured	3,726.00	676.00
Unsecured.....	—	—
Total	3,726.00	676.00

Category of Borrowing	Aggregate Amount (Rs. million)	Outstanding amount (Rs. million)
VM7 Expressway Private Limited		
Term Loans		
Secured	7,470.00	3,836.80
Unsecured.....	—	—
Total	7,470.00	3,836.80
IRB Infrastructure Trust (Private InvIT)		
Term Loans		
Secured	63,900.00	63,276.84
Unsecured.....	—	—
Total	63,900.00	63,276.84
IRB Westcoast Tollway Limited		
Secured	—	—
Unsecured.....	—	—
Total	—	—
Solapur Yedeshi Tollway Limited		
Term Loans		
Secured	—	—
Unsecured.....	—	—
Non-Convertible Debentures		
Secured	5,910.00	5,910.00
Unsecured.....	—	—
Total	5,910.00	5,910.00
Yedeshi Aurangabad Tollway Limited		
Term Loans		
Secured	—	—
Unsecured.....	—	—
Non-Convertible Debentures		
Secured	15,150.00	15,150.00
Unsecured.....	—	—
Total	15,150.00	15,150.00
Kaithal Tollway Limited		
Secured	—	—
Unsecured.....	—	—
Total	—	—
AE Tollway Limited		
Secured	—	—
Unsecured.....	—	—
Total	—	—
Udaipur Tollway Limited		
Term Loans		
Secured	14,609.00	8,299.99
Unsecured.....	—	—
Non-Convertible Debentures		
Secured	7,000.00	6,981.14
Unsecured.....	—	—
Total	21,609.00	15,281.13

Category of Borrowing	Aggregate Amount (Rs. million)	Outstanding amount (Rs. million)
CG Tollway Limited		
Term Loans		
Secured	14,000.00	13,903.71
Unsecured.....	—	—
Total	14,000.00	13,903.71
Kishangarh Gulabpura Tollway Limited		
Secured	—	—
Unsecured.....	—	—
Total	—	—
IRB Hapur Moradabad Tollway Limited		
Secured	—	—
Unsecured.....	—	—
Total	—	—
Meerut Budaun Expressway Limited		
Term Loans		
Secured	26,590.00	10,990.65
Unsecured.....	—	—
Total	26,590.00	10,990.65
IRB Golconda Expressway Private Limited		
Term Loans		
Secured	55,000.00	51,978.06
Unsecured.....	—	—
Total	55,000.00	51,978.06
Palsit Dankuni Tollway Private Limited		
Term Loans		
Secured	16,500.00	8,289.00
Unsecured.....	—	—
Total	16,500.00	8,289.00
Samakhiyali Tollway Private Limited		
Term Loans		
Secured	14,460.00	—
Unsecured.....	—	—
Total	14,460.00	—
Ideal Road Builders Private Limited		
Overdraft/Working capital loans	64.20	60.77
Total	64.20	60.77
Aryan Infrastructure Investments Private Limited		
Term Loans		
Secured	—	—
Unsecured.....	—	—
Total	—	—
IRB Sindhudurg Airport Private Limited		
Term Loans		
Secured	—	—
Unsecured.....	—	—
Total	—	—

Category of Borrowing	Aggregate Amount (Rs. million)	Outstanding amount (Rs. million)
MMK Toll Roads Private Limited		
Term Loans		
Secured	—	—
Unsecured.....	—	—
Total	—	—
IRB Infrastructure Private Limited		
Term Loans		
Secured	—	—
Unsecured.....	—	—
Total	—	—
IRB Lalitpur Tollway Private Limited		
Incorporated on November 10, 2023, and yet to achieve financial closure.		

Principal terms of the borrowings availed by the Group Companies:

- Interest and commissions:** In terms of the loans availed by the Group Companies, the interest rate is a marginal cost of funds-based lending rate specified by the lender plus applicable spread, if any, per annum. The applicable spread varies among different loans. The rate of interest upon non-convertible debentures is at a fixed rate per annum. Further, the penalty interest for non-payment of outstanding amount, breach of any covenant, etc. varies among different loans and non-convertible debentures.
- Maturity and Repayment:** The final maturity period of the loans availed by the Group Companies varies among different loans and non-convertible debentures. These loans and non-convertible debentures are repayable in accordance with the repayment schedule/redemption schedule specified in the relevant financing agreements, which typically prescribe monthly instalments for rupee loans and non-convertible debentures.
- Security:** In terms of borrowings where security needs to be created, the Group Companies are typically required to create:
 - A first charge by way of hypothecation of all tangible movables of the respective Group Company, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, excluding the project assets;
 - A first ranking charge over all accounts of the respective Group Company, including, *inter alia*, the escrow account, trust and retention account, debt service reserve account and the sub-accounts that may be opened in accordance with the facility agreement/debenture trust deed and the supplementary escrow agreement, or any of the other project agreements and all funds from time to time deposited therein, the receivables and authorised investments or other securities for the purpose of being applied to the extent of the waterfall of priority specified in the concession agreement;
 - A first charge on the respective Group Company's intangibles, including but not limited to goodwill and uncalled capital, present and future, excluding the project assets;
 - A first ranking *pari passu* mortgage and charge over all of the respective Group Company's immovable assets, both present and future, if any;
 - A first ranking exclusive charge over the cash collateralization account assets in favour of the debenture trustee/security trustee;
 - A substitution agreement, as may be executed between the NHAI, the Group Company and its respective lenders, whereby the NHAI may substitute the Group Company by a selectee of its respective lenders, for the purpose of securing the payment of lender dues;
 - A pledge of a certain specified percentage of the equity shares of the respective Group Company that are held by the Company (directly or indirectly);

- h. An irrevocable and unconditional corporate guarantee for few of the Project SPVs from the Company and/or certain other members of the Company group to meet shortfall between outstanding amount of obligations and termination payments received from the NHAI in case of termination of the concession agreements;
 - i. Assignment on pari passu basis by way of hypothecation of all toll receivables, cash flows and revenue and other project documents, subject to provisions of concession agreements and the transaction documents;
 - j. The right, title and interest of the Group Company by way of first charge in, to and under all the applicable permits, insurance policies and uncalled capital of the Group Company;
 - k. An undertaking by the Company for few of the Project SPVs to meet shortfall and a cost overrun undertaking by the Company; and
 - l. The right, title and interest of the Group Company by way of first charge in, to and under (a) the project documents/project agreements and (b) the guarantees, clearances, other performance warranties, indemnities, insurance contracts, liquidated damages, performance bonds and security that may be furnished in favor of the Group Company by various contractors.
4. **Covenants:** The borrowing arrangements entered into by the Group Companies contain certain restrictive conditions and covenants restricting certain corporate actions and the respective Group Company is required to take the prior approval of the lender before carrying out such activities. Some of the Group Companies are also required to adhere to certain financial covenants, which include but are not limited to, maintaining a prescribed debt to equity ratio during the currency of the loan and maintaining a minimum debt service coverage ratio during certain periods.

Some of the Group Companies are required to intimate and/or obtain prior written permission of its lenders/debenture trustees, *inter alia*, in the following instances:

- a. Effecting any change in the nature or scope of the project or any change in the financing plan;
- b. Effecting any change in capital structure (including shareholding pattern);
- c. Raising any equity or preference share capital;
- d. Having different classes of equity shares including classes of equity shares of the Group Company with differential voting and dividend rights except as permitted under the financing documents;
- e. Making any capital expenditure other than permitted investments;
- f. Replacing a material project participant irrespective of whether the material project participant has failed to perform its obligation under any project documents;
- g. Making any dividend payments or making any other restricted payments (including redemption of any shares of any class, prepayment in relation to any indebtedness, payment of interest on unsecured loans, investment in any entity) unless the restricted payment conditions are satisfied;
- h. Creation of any security interest in any of the secured property;
- i. Incurrence of any other indebtedness, including the issue of debentures other than permitted indebtedness;
- j. Entering into any partnership, profit-sharing or royalty agreement;
- k. Entering into any treasury transaction;
- l. Removal of any person exercising substantial powers of management over the affairs of the respective Group Company in case of an event of default;

- m. Amending the constitutional documents of the Group Company;
- n. Undertaking of any new project or making of any investment or taking any assets on lease other than in ordinary course of business;
- o. Providing guarantees, indemnities or similar assurances in respect of indebtedness of any other person other than in the ordinary course of business;
- p. Repay or prepay any subordinated loan or loans taken by the Group Company from the Company except as permitted under the financing agreements;
- q. Infuse any further loan to subsidiaries and associates of the respective Group Company, except as permitted under the financing agreements, in case of an event of default;
- r. Carrying on any business or activity other than in connection with the completion or operation of the project;
- s. Convey, sell, lease, let or otherwise dispose of (or agree to do any of the foregoing at any future time) all or any part of its property or assets;
- t. Implement any scheme of amalgamation or reconstruction or reorganization or consolidation or any merger/de-merger or arrangement or compromise with its creditors or shareholders;
- u. Abandon or agree to abandon the project;
- v. Enter into any transactions with any person and other than on an arm's length basis or in the ordinary course of business and shall not enter into any transaction with an affiliate which would result in a material adverse effect on the Group Company or the project;
- w. Take any action to cancel or terminate any project document to which it is a party (other than any scheduled termination thereof);
- x. Escrow its future cash flows or create any lien or charge of whatsoever nature over the same and/or the assets of the Group Company for the benefit of anyone other than the lenders (or permitted security interest) without prior approval of the lenders;
- y. The Group Company shall not prepay any indebtedness incurred by them including the loans without the prior written permission from the lenders except as permitted;
- z. The Group Company has confirmed that neither the Group Company, nor any person acting on its behalf, has been engaged in (i) corrupt practices, fraudulent practices, collusive practices or coercive practices in connection with the Group Company's business and operations; (ii) money laundering or acted in breach of any applicable laws relating to money laundering; or (iii) the financing of terrorism;
- aa. Undertake any new project, augment, modernise, expand, diversify its existing and/or change the scope of the Project (except as may be required by NHAI in which case the lenders shall have the right to re-evaluate the project and subject to the concession agreement impose such additional conditions as the lenders in their absolute discretion deem fit and the Group Company hereby undertakes to comply with such additional conditions);
- bb. Agree, authorise or otherwise consent to any proposed settlement, resolution or compromise of any litigation, arbitration or other dispute with any person where such settlement, resolution or compromise may have an adverse material impact, on the Group Company, its operations, finances or the project;
- cc. Utilisation of the funds raised through issuance of non-convertible debentures/term loans for any purpose other than for which it was sanctioned;
- dd. Undertake that none of proceeds from the debentures will be, directly or indirectly, used or made available to any subsidiary or person or entity to fund or facilitate activities or business activities related to a sanctioned person or sanctioned entity, directly or indirectly controlled by a sanctioned person or a sanctioned country;

- ee. Change its practice in relation to remuneration of directors;
- ff. Revalue its assets including the security provided at any time up to the final settlement date, unless the revaluation is required to be carried out to comply with the applicable law;
- gg. Purchase or otherwise acquire (in one or a series of related transactions) any part of the property or assets of any Person, (excluding purchases or other acquisitions of inventory or materials or capital expenditures, which are contemplated in the transaction documents or provided for in the applicable annual budget or otherwise permitted by the financing documents);
- hh. Undertake or permit any scheme of arrangement or compromise with its creditors or shareholders; and
- ii. Change in the composition of the board of directors of the Group Company.

Certain Group Companies and their respective lenders have the ability to opt for a put/call option after a minimum period of five years from the scheduled commercial operation date or a refinance option after a block of five years as per their internal guidelines.

Additionally, to prepay the terms loans, upon request from the lenders, on a pro-rata basis to all the lenders without any prepayment premium, some Group Companies can use the funds received in respect of their term loans from the following events: (a) any liquidated damages/penalties received; (b) any proceeds arising in connection with a breach of warranty or guarantee; (c) any insurance proceeds; (d) any proceeds arising in relation to the expropriation or other taking by any government entity of the project assets; € any proceeds arising from any termination payments/buy-out payments received; and (f) any proceeds resulting from an arbitral or judicial award received in few Project SPVs. The lenders of certain Group Companies have the right to accelerate the repayment of the unamortized portion of the loans at any time, in the event the cash flows of such Group Companies are adequate for such acceleration in case of few Project SPVs.

In relation to outstanding non-convertible debentures, the Group Companies are required to undertake mandatory redemption on a *pro-rata* basis for all the debenture holders, and they can use the proceeds of any amount received by and on behalf of the Group Company from any of the following: (a) insurance proceeds; or (b) proceeds from a breach of warranty or guarantee; or (c) payments received on account of buy-out events; or (d) liquidated damages or penalties paid under project agreement; or (e) proceeds from expropriation or takeover event.

5. **Events of Default:** Borrowing arrangements entered into by the Group Companies contain standard events of default, including:
 - a. Non-payment of principal amount by the Group Company;
 - b. Non-payment of interest, additional interest, liquidated damages, fee or any other amount by the Group Company;
 - c. Default by the Group Company in creation of security interest to the satisfaction of the lenders within the period stipulated;
 - d. Default or breach in the performance of any covenants and/or covenants under the agreement by the Group Company;
 - e. The Group Company is declared as a wilful defaulter by any bank, financial institution or any other entity regulated by the RBI and can be classified as a non-cooperative borrower as per the guidelines issued by the RBI from time to time;
 - f. Any of the directors of the Group Company are directors/promoters of any other company/entity that has been declared as a wilful defaulter by any bank, financial institution or any other entity regulated by the RBI, as per the guidelines issued by the RBI from time to time;
 - g. Misrepresentation made by the Group Company under the agreement or any financing document provided in connection with the loan;

- h. Sale, disposal or creation of any charge or encumbrance on any of the land, building, structures or plant and machinery of the Group Company in breach of any of the provisions of the relevant project agreements, without prior written approval of the relevant lenders;
- i. Default in performance or observance of any covenant, condition, warranty or provision contained in any other financing agreement entered into by the Group Company;
- j. Failure on the part of the Group Company to maintain adequate insurances in accordance with the terms of the transaction documents;
- k. The Group Company ceasing or threatening to cease to carry on its business or giving notice of its intention to do so;
- l. The Group Company abandoning its project;
- m. If the Group Company has become the subject of voluntary winding up proceedings or has become the subject of involuntarily proceedings under any law relating to winding up or bankruptcy or insolvency law and is unable to or admits in writing its inability to pay any Indebtedness as they mature or proceedings for taking it into liquidation have been commenced;
- n. Any disposal of assets other than permitted disposal;
- o. Any clearance obtained in compliance with the loan agreement or any other transaction document has been revoked, terminated, modified or withheld or shall cease to be in full force and effect which has a material adverse effect on the project and the same has not been renewed/revalidated within a period of 30 (thirty) days from the date of such revocation, termination, modification;
- p. The Group Company has admitted in writing of its inability to pay any of its indebtedness as they mature or when due or any indebtedness of the Group Company becomes due prior to its stated maturity by reason of default of the terms thereof by the Group Company or any such indebtedness is not paid at its stated maturity;
- q. A receiver or liquidator of all or any part of the undertaking of the Group Company has been appointed in any proceeding;
- r. If, in the opinion of the lenders, the security interest of the lenders is in jeopardy including any security document executed or furnished by or on behalf of the Group Company becomes illegal, invalid, unenforceable or otherwise fails or ceases to be in effect;
- s. Any financing document or any provision therein becomes invalid, illegal or unenforceable or the Group Company repudiates or terminates such financing document or has taken any action to challenge the validity or enforceability of such financing document;
- t. Issuance of a moratorium on the main business activity undertaken by the Group Company under the applicable laws;
- u. The Group Company has failed to make payment when due in respect of any other indebtedness, whether prematurely or otherwise, and the Group Company or any of its subsidiaries, fails to make alternative arrangements to the satisfaction of the lenders;
- v. Any person other than the lender accelerating repayment (i.e., demanding repayment ahead of the previously agreed repayment schedule) due from the Group Company to such other person under the Group Company's credit, borrowing or any other arrangement with that person;
- w. If an attachment or distraint has been levied on the assets mortgaged/to be mortgaged or hypothecated or any part thereof or certificate proceedings or execution proceedings have been taken or commenced for recovery of any dues from the Group Company and in any above cases, is not discharged within thirty (30) days from the date of enforcement or levy;

- x. Any litigation, arbitration or administrative proceeding or claim before any court, tribunal, arbitrator or other relevant authority, which, by itself or together with any other such proceeding or claim, has a material adverse effect is commenced against the Group Company and is not discharged, withdrawn or discontinued within 30 days;
- y. Notwithstanding the occurrence of a force majeure event the Group Company shall not be excused of its obligations under the financing documents;
- z. Any government entity shall have condemned, acquired, nationalised, appropriated, confiscated, seized, assumed custody or control of or otherwise expropriated all or any part of the property or other assets of the Group Company or shall have taken any action for the dissolution;
- aa. Failure to maintain the required balance in the escrow account in accordance with the terms of the escrow agreement;
- bb. The sponsor has failed to perform any of its obligations under the sponsor support agreement and/or change in the management control of the Group Company;
- cc. Any external credit rating agency (as acceptable to the lenders) downgrades the credit rating of the sponsor below the investment grade;
- dd. Violation or breach of any environmental, health and safety standards requirement; and
- ee. The Group Company ceasing or threatening to cease to carry on its business or giving notice of its intention to do so or it becoming unlawful for the Group Company to carry on its business.

The descriptions above are indicative, and there may be additional terms and conditions with respect to security, financial or other covenants and events of default under the various borrowing arrangements entered into by the Group Companies. The Group Companies are required to ensure that the aforementioned events of default and other events of default, as specified under the various documents and agreements entered into by such Group Companies for the purpose of availing of loans, are not triggered.

SECTION B

The following is a summary of the indebtedness of MRMPL, a subsidiary of the Company, together with a brief description of certain material covenants of the relevant financing agreements.

MRMPL has availed loans, for financing, in part, the cost of the 20 MW wind power project at Jaisalmer, Rajasthan and transaction related expenses in relation to the project. MRMPL has availed further financing, as necessary, for meeting the working capital requirements.

Set forth below is a brief summary of the aggregate borrowings (excluding related party borrowings) of MRMPL as of December 31, 2023:

Category of Borrowing	Aggregate Amount	Outstanding amount
	(Rs. million)	(Rs. million)
Modern Road Makers Pvt Ltd		
Term Loans		
Secured	1,474.10	560.44
Unsecured.....	—	—
Working Capital Loan		
Secured	6,269.80	6,121.24
Unsecured.....	—	—
Total	7,743.90	6,681.68

Principal terms of the borrowings availed by MRMPL

1. **Interest and commissions:** In terms of the loans availed by MRMPL, the interest rate is a base rate specified by the lender plus applicable spread, if any, per annum. The applicable spread varies among different loans. Further, the penalty interest for non-payment of outstanding amount, breach of any covenant, etc. varies among different loans.
2. **Maturity and Repayment:** The final maturity period of the loans availed by MRMPL varies among different loans. These loans are repayable in accordance with the repayment schedule specified in the relevant financing agreements, which typically prescribe quarterly instalments for rupee loans.
3. **Security for working capital loan:** In terms of borrowings where security needs to be created, MRMPL is typically required to create:
 - a. A first ranking *pari passu* charge by way of hypothecation of current assets namely stocks, raw materials, semi-finished and finished goods, stores and spares not relating to the plant and machinery and debtors including book debts of the concerned group companies of MRMPL;
 - b. A first ranking *pari passu* charge by way of hypothecation on the machinery/equipment and other fixed assets excluding the assets on which charge have already been created in favour of the existing equipment finance lenders and excluding the windmill assets of MRMPL which do not form part of the core activities of MRMPL;
 - c. An irrevocable and unconditional board backed corporate guarantee of the Company;
 - d. Omnibus counter guarantee issued by MRMPL to secure bank guarantee facility;
 - e. A first ranking charge on the documents of title of goods covered under the letter of credit to secure the letter of credit facility in favour of the lenders issuing such facility; and
 - f. Demand promissory note issued by MRMPL to secure the credit facility.
4. **Security for other loans:** In terms of borrowings where security needs to be created, MRMPL is typically required to create:
 - a. A first charge by way of hypothecation all movables of MRMPL, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future;
 - b. A first charge on intangibles of MRMPL, including but not limited to goodwill and uncalled capital, present and future, excluding the project assets;
 - c. A first charge by way of mortgage over all of MRMPL's immovable assets of the project, if any;
 - d. A first charge on the entire cashflows, receivables, book debts, and revenue of the project of whatsoever nature and whenever arising;
 - e. An irrevocable and unconditional board backed corporate guarantee of MRMPL for debt-servicing of the project;
 - f. A first charge on the trust and retention account and any other reserves and other bank accounts of the project; and
 - g. The right, title and interest of MRMPL by way of first charge/assignment in, to and under (a) the project documents/project agreements; (b) clearances; (c) letter of credit, bank guarantee, performance bond, corporate guarantee provided by any party to the project documents; and (d) insurance contracts.
5. **Covenants:** The borrowing arrangements entered into by MRMPL contain certain restrictive conditions and covenants restricting certain corporate actions and MRMPL is required to take the prior approval of the lender before carrying out such activities. MRMPL is also required to adhere to certain financial covenants, which include but are not limited to, maintaining a prescribed debt to equity ratio during the currency of the loan and maintaining a minimum debt service coverage ratio during certain periods.

MRM is required to intimate and/or obtain prior written permission of its lenders, *inter alia*, in the following instances:

- a. Effecting any change in the nature or scope of the project or any change in the financing plan;
- b. Effecting any change in capital structure (including shareholding pattern);
- c. Making any capital expenditure other than permitted investments;
- d. Making any dividend payments or making any other restricted payments (including redemption of any shares of any class, prepayment in relation to any indebtedness, payment of interest on unsecured loans, investment in any entity) except as permitted under the financing agreements;
- e. Creation of any security interest in any of the secured property;
- f. Incurrence of any other indebtedness, including the issue of debentures other than permitted indebtedness;
- g. Amending the constitutional documents of MRMPL;
- h. Abandon or agree to abandon the project;
- i. Infuse any further loans or advances to subsidiaries and associates, except as otherwise provided, in case of event of default;
- j. MRM shall not create any lien on its cash flows or sell, assign, mortgage, or otherwise dispose of any of its charged undertakings;
- k. Shall not induct on its board a person who appears in wilful defaulters' list of RBI/CIBIL (other than as nominee/professional/honorary director);
- l. Pay any commission to the directors, managers, or promoter for providing any guarantee/counter guarantee or undertaking for any financial or other obligation of the project;
- m. Providing guarantees, indemnities or similar assurances in respect of indebtedness of any other person, company except for subsidiaries where MRMPL is a sponsor/co-sponsor (other than in the ordinary course of business); and
- n. Undertake or permit any scheme of arrangement or compromise with its creditors or shareholders.

Additionally, if MRMPL receives funds in respect of the following then the monies received to be utilized to prepay the loans, upon request from the lenders, to all the lenders without any prepayment premium: (a) any liquidated damages/penalties received; (b) any proceeds arising in connection with a breach of warranty or guarantee; (c) any insurance proceeds; (d) any proceeds arising in relation to the expropriation or other taking by any government entity of the project assets; and (e) any proceeds arising from any termination payments/buy-out payments received.

6. **Events of Default:** Borrowing arrangements entered into by MRMPL contain standard events of default, including:
 - a. Non-payment of principal amount by MRMPL;
 - b. Non-payment of interest, additional interest, liquidated damages, fee or other amount by MRMPL;
 - c. Default by MRMPL in creation of security interest to the satisfaction of the lenders within the period stipulated;
 - d. Default or breach in the performance of any covenants and/or covenants under the agreement by MRMPL;
 - e. Misrepresentation made by MRMPL under the agreement or any financing document provided in connection with the loan;
 - f. Sale, disposal or creation of any charge or encumbrance on any of the land, building, structures or plant and machinery of MRMPL in breach of any of the provisions of the relevant project agreements, without prior written approval of the relevant lenders;
 - g. Default in performance or observance of any covenant, condition, warranty or provision contained in any other financing agreement entered into by MRMPL;

- h. MRMPL ceasing or threatening to cease to carry on its business or giving notice of its intention to do so;
- i. MRM abandoning its project;
- j. Expropriation or event of loss or nationalization of the project;
- k. Termination of the project documents;
- l. Occurrence of a material adverse effect under any project document;
- m. Any litigation, arbitration or other proceeding that is expected to have a material adverse effect against MRM or its assets;
- n. Appointment of a receiver, trustee, custodian, liquidator or other similar officer in relation to MRM or any of its secured properties;
- o. If MRM has become the subject of voluntary or involuntary insolvency or bankruptcy proceedings;
- p. Violation or breach of any environmental, health and safety standards requirement; and
- q. MRM ceasing or threatening to cease to carry on its business or giving notice of its intention to do so or it is becoming unlawful for MRM to carry on its business.

The descriptions above are indicative, and there may be additional terms and conditions with respect to security, financial or other covenants and events of default under the various borrowing arrangements entered into by MRM. MRM is required to ensure that the aforementioned events of default and other events of default, as specified under the various documents and agreements entered into by MRM for the purpose of availing of loans, are not triggered.

SECTION C

The following is a summary of the indebtedness of IRB MP Expressway Private Limited (hereinafter referred to as "IRB MP"), a subsidiary of the Company, together with a brief description of certain material covenants of the financing agreements.

IRB MP has availed a loan, for part-financing, the estimated costs towards achieving financial close of the tolling, operation, maintenance and transfer of a portion of the Mumbai – Pune Expressway.

Set forth below is a brief summary of the borrowing availed by IRB MP as of December 31, 2023:

Category of Borrowing	Aggregate Amount (Rs. million)	Outstanding amount (Rs. million)
IRB MP Expressway Private Limited		
Term Loans		
Secured	66,100.00	55,402.94
Unsecured.....	—	—
Subordinated Debt	11,824.74	11,824.74
Total	77,924.74	67,227.68

Principal terms of the term loan availed by IRB MP

- Interest and commissions:** In terms of the loan availed by IRB MP, the interest rate is a marginal cost of funds-based lending rate specified by the lender plus applicable spread, if any, per annum.
- Maturity and Repayment:** The loan is repayable in accordance with the repayment schedule specified in the financing agreement dated June 12, 2020 entered into by IRB MP, Union Bank of India and State Bank of India, in 104 structured monthly instalments between June 19, 2020 and February 28, 2029 ("**IRB-MP Facility Agreement**"). Through an assignment noticed dated June 15, 2022, State Bank of India and Union Bank of India assigned their rights and obligations in relation Rs.15,700.00 million of the total loan amounts under the term loan to Bank of Baroda.

3. **Security:** In terms of borrowing availed, IRB MP is required to create:
- a. A first ranking exclusive mortgage and charge over all of IRB MP's immovable assets, both present and future, except the project assets of IRB MP;
 - b. A first ranking exclusive charge on all tangible movables of IRB MP, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, except the project assets of IRB MP;
 - c. A first ranking exclusive charge on IRB MP's intangible assets, including but not limited to goodwill, rights, undertaking and uncalled capital, present and future, excluding the project assets;
 - d. A first ranking charge over all accounts of IRB MP, including, *inter alia*, the escrow account, trust and retention account, debt service reserve account and the sub-accounts that may be opened in accordance with the IRB-MP Facility Agreement, escrow agreement and the supplementary escrow agreement, or any of the other project agreements and all funds from time to time deposited therein, the receivables and authorised investments or other securities for the purpose of being applied to the extent of the waterfall of priority of payment specified in the concession agreement;
 - e. A pledge on 51% of the fully paid-up and voting equity shares of IRB MP that are held by the Company, together with all the rights, title, interest, benefits, claims and demands whatsoever in respect of these shares; and
 - f. Assignment, the right, title and interest of IRB MP by way of first charge in, to and under (a) the project documents/project agreements; (b) the clearances, including all applicable government approvals, both present and future; (c) letter of credit, guarantees, liquidated damages and performance bonds provided by any party to the project documents, both present and future; and (d) insurance contracts, both present and future.
4. **Covenants:** The borrowing arrangements entered into by IRB MP contain certain restrictive conditions and covenants restricting certain corporate actions and IRB MP is required to take the prior approval of the lender before carrying out such activities. IRB MP is also required to adhere to certain financial covenants, which include but are not limited to, maintaining a prescribed debt to equity ratio during the currency of the loan and maintaining a minimum debt service coverage ratio during certain periods. The Lenders permit the Company (i.e., IRBIDL) to infuse equity investment into the IRB MP, in the form of sponsor contribution, to cure any breach of the financial covenants.

IRB MP is required to intimate and/or obtain prior written permission of its lenders, *inter alia*, in the following instances:

- a. Effecting any change in the nature or scope of the project or any change in the financing plan;
- b. Making any dividend payments or making any other restricted payments (including redemption of any shares of any class, prepayment in relation to any indebtedness, payment of interest on unsecured loans, investment in any entity) except as permitted under the financing agreements;
- c. Creation of any security interest in any of the secured property;
- d. Incurrence of any other indebtedness, including the issue of debentures other than permitted indebtedness;
- e. Amending the constitutional documents of IRB MP;
- f. Undertaking any action for reorganization of IRB MP without the approval of the lender;
- g. Sale, disposal or creation of any charge or encumbrance on any of the land, building, structures or plant and machinery of IRB MP in breach of any of the provisions of the relevant project agreements, without prior written approval of the relevant lenders;
- h. Abandon or agree to abandon the project;
- i. Escrow its future cash flows in whatsoever nature except in accordance with escrow agreement;
- j. Change the practise with regards to remuneration of directors, other than as required by regulations;

- k. Providing guarantees, indemnities or similar assurances in respect of indebtedness of any other person, including IRB MP; and
 - l. Undertake or permit any scheme of arrangement or compromise with its creditors or shareholders.
5. **Events of Default:** Borrowing arrangements entered into by IRB MP contain standard events of default, including:
- a. Non-payment of principal amount by IRB MP;
 - b. Non-payment of interest, additional interest, liquidated damages, fee or any other amount by IRB MP;
 - c. Default by IRB MP in creation and perfection of security interest to the satisfaction of the lenders within the period stipulated which is not cured within 60 days;
 - d. Default or breach in the performance of any covenants and/or covenants under the agreement entered into by IRB MP not cured within 60 days, except financial covenants where additional interest is applicable;
 - e. Misrepresentation made by IRB MP under the agreement or any financing document provided in connection with the loan which is not cured within 60 days;
 - f. Any change in control of IRB MP, which, if capable of being cured, is not cured within 60 days of its occurrence;
 - g. Default in performance or observance of any covenant, condition, warranty or provision contained in any other financing agreement entered into by IRB MP;
 - h. The facility agent or the rupee lender(s) determine that a material adverse effect (including force majeure) exists or has occurred or could be expected to occur, which, if capable of being cured, is not cured within 60 (sixty) days of its occurrence;
 - i. IRB MP fails to comply with or pay any sum due from it under any final judgment or any final order made or given by a court or tribunal of competent jurisdiction, or any expropriation, attachment, restraint, sequestration, distress, execution, condemnation, nationalization or seizure of the Project or any part or whole of the assets of IRB MP which, if capable of being cured, is not cured within 60 (sixty) days of its occurrence;
 - j. The Government of India or any relevant competent authority declares a general moratorium or “standstill” (or makes or passes any order or regulation having a similar effect) in respect of the payment or repayment of any financial indebtedness (whether in the nature of principal, interest or otherwise) (or any indebtedness which includes financial indebtedness) of the IRB MP, which, if capable of being cured, is not cured within 60 (sixty) days of its occurrence;
 - k. It is or becomes unlawful for an obligor or any other project participants to perform any of its obligations under any transaction document to which it is a party;
 - l. Any obligor or a project participant repudiates a transaction document to which it is a party or evidences an intention to repudiate such transaction document to which it is a party, which, if capable of being cured, is not cured within 60 (sixty) days of its occurrence;
 - m. Any contract entered into by any obligor in relation to the project being ineffective, unenforceable, terminated or invalid, or, in the sole judgement of the rupee lenders, amended, such that the ability of such obligor to fulfil its obligations under the debt documents or the project documents is, in the opinion of the rupee lenders, adversely affected, which, if capable of being cured, is not cured within 60 (sixty) days of its occurrence;
 - n. If the sub-concession agreement is terminated or any termination notice is issued under the sub-concession agreement or if IRB MP becomes entitled to issue a termination notice, and such termination is not reversed or such termination notice is not withdrawn or such event is not cured within 60 (sixty) days of its occurrence;
 - o. In the event that IRB MP defaults in any of the financial covenants (other than the financial covenants for the breach of which, the applicable interest rate may be reset (revision of applicable interest rate) or additional interest may be imposed (additional interest), in accordance with the standards mentioned in financial covenants which, if capable of being cured, is not cured within 60 (sixty) days of its occurrence;

- p. Failure on the part of IRB MP to maintain adequate insurances in accordance with the terms of the transaction documents;
- q. IRB MP ceasing or threatening to cease to carry on its business or giving notice of its intention to do so;
- r. IRB MP abandoning its project; and
- s. IRB MP ceasing to carry on its business or becoming unlawful for IRB MP to carry on its business.

The descriptions above are indicative, and there may be additional terms and conditions with respect to security, financial or other covenants and events of default under the various borrowing arrangements entered into by IRB MP. IRB MP is required to ensure that the aforementioned events of default and other events of default, as specified under the various documents and agreements entered into by IRB MP for the purpose of availing of loans, are not triggered.

Principal terms of the Subordinated Debt by IRB MP from the Company

Under the Memorandum of Understanding, dated June 30, 2021, the Company provided certain Sponsor Subordinated Debt (as defined below) to IRB MP. As of December 31, 2023, the amount outstanding in respect of the Sponsor Subordinated Debt provided by the Company to IRB MP was Rs.11,824.74 million.

“Sponsor Subordinated Debt” are funds or unsecured, subordinated loans advanced by the Company or any of its affiliates or associates to IRB MP, which shall be unsecured and subordinated to the facility under the financing agreement, and which shall have no recourse, to the project assets or to the assets of IRB MP until the final settlement date.

DESCRIPTION OF THE NOTES

For purposes of this “Description of the Notes,” the term “**Company**” refers only to IRB Infrastructure Developers Limited and any successor obligor in respect of the Notes, and not to any of its subsidiaries.

The Notes are to be issued under an indenture (the “**Indenture**”), to be dated as of the Original Issue Date, among the Company, DB Trustees (Hong Kong) Limited, as trustee (the “**Trustee**” which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Indenture), and Catalyst Trusteeship Limited, as security trustee (the “**Security Trustee**”, including any successor security trustee) and Deutsche Bank AG, Hong Kong Branch (Incorporated in Federal Republic of Germany & members’ liability is limited) as principal paying agent (the “**Principal Paying Agent**”, including any successor principal paying agent), transfer agent (the “**Transfer Agent**”, including any successor transfer agent) and registrar (the “**Registrar**”, including any successor registrar and together with the Principal Paying Agent, the Transfer Agent, the “**Agents**”).

The following is a summary of certain provisions of the Indenture, the Notes, the Subsidiary Guarantees, the Collateral Documents (as defined below) and the Security Trustee Appointment Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes, the Subsidiary Guarantees, the Collateral Documents and the Security Trustee Appointment Agreement (the “**Transaction Documents**”). It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. Copies of the Indenture, the Collateral Documents and the Security Trustee Appointment Agreement will be available for inspection upon prior written request during regular business hours (being between 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) and proof of holding and identity to the satisfaction of the Trustee on or after the Original Issue Date at the corporate trust office of the Trustee at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

*Any early redemption, repurchase or early repayment of Notes or any amendments to certain terms and conditions of the Notes by the Company as described hereunder may require the prior approval of the Reserve Bank of India (the “**RBI**”) or an Authorized Dealer Bank, as the case may be, in accordance with the Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended, replaced or modified from time to time issued by the RBI, before effecting such early redemption, repurchase, early repayment or amendment, as the case may be, and such approval may not be forthcoming. See “Risk Factors – Redemption of the Notes prior to maturity may be subject to compliance with applicable regulatory requirements, including the prior approval of the RBI or the Authorized Dealer Bank, as the case may be.”*

Brief Description of the Notes

The Notes will be:

- general obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- at least pari passu in right of payment with all other unsecured and unsubordinated obligations of the Company (subject to any priority rights of such Indebtedness pursuant to applicable law);
- guaranteed by any future Subsidiary Guarantors on a senior basis, subject to the limitations described below under “– The Subsidiary Guarantees” and in “Risk Factors – Risks Related to the Notes and the Collateral.”
- secured by first ranking Liens on the Collateral (as defined below under the Caption “– Security”) provided by the Company (subject to Permitted Liens and the Security Trustee Appointment Agreement);
- effectively senior in right of payment to unsecured obligations of the Company with respect to the value of the Collateral over which the Company has created security for the Notes (subject to any priority rights of such obligations pursuant to applicable law); and
- effectively subordinated to all existing and future obligations of the Company to the extent that is it secured by assets other than the Collateral, to the extent of the value of such assets and effectively subordinated to liabilities of any Subsidiaries of the Company other than the Subsidiary Guarantors.

The Notes will mature on March 11, 2032, unless earlier redeemed pursuant to the terms thereof and the Indenture. The Indenture allows additional Notes to be issued from time to time (the “**Additional Notes**”), subject to certain limitations described under “– Further Issues.” Unless the context requires otherwise, references to the “Notes” for all purposes of the Indenture and this “Description of the Notes” include any Additional Notes that are actually issued. The Notes will bear interest at 7.11% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually in arrears on March 11 and September 11 of each year (each an “**Interest Payment Date**”), commencing September 11, 2024.

Interest on the Notes will be paid to Holders of record at the close of business on February 24 or August 27 immediately preceding an Interest Payment Date (each, a “**Record Date**”), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. In any case in which the date of the payment of principal of, premium on or interest on the Notes is not a Business Day in the relevant place of payment, then payment of principal, premium or interest need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes shall accrue for the period after such date. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

All payments on the Notes will be made by the Company at the office or agency of the Company maintained for that purpose (which initially will be the office of the Principal Paying Agent, currently located at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong), and the Notes may be presented for registration of transfer or exchange at such office or agency; *provided that*, if the Notes are in certificated form and the Company is acting as its own paying agent, at the option of the Company, payment of interest may be made by check mailed to the address of the Holders as such address appears in the Note register maintained by the Note Registrar or by wire transfer. Interest payable on the Notes held through Euroclear or Clearstream will be available to Euroclear or Clearstream participants on the Business Day following payment thereof.

The Notes will be issued only in fully registered form, without coupons, in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of the Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

Each Holder by accepting the Notes is deemed to have reviewed the terms of the Transaction Documents and instructed, directed and empowered the Trustee and the Security Trustee to enter into, execute, perform their duties and execute their rights and powers under such Transaction Documents. Each Holder by accepting the Notes is deemed to have directed, instructed, authorized and agreed that the Trustee and the Security Trustee are entitled to rely conclusively (without further investigation) and without liability on any direction, instruction, confirmation and/or certification provided to it by the Company (including, but not limited to, compliance with the terms of the Transaction Documents and whether any action is permitted and authorized under the Transaction Documents) in relation to the Notes. In addition, where the terms of the Transaction Documents require the Trustee and the Security Trustee to provide instructions or take actions it shall incur no liability for any loss or damage incurred by Holders of the Notes or any party and the Trustee and the Security Trustee will not be required to determine, consider or evaluate the impact on any Holder either as an individual or class in providing instructions or taking actions.

Amortization of Principal

Installments of principal on the Notes are payable on each of the dates set forth in the table below (each, an “**Amortization Payment Date**”), *pro rata* to the Holders thereof in accordance with “– *Selection and Notice*”, in an amount (the “**Amortization Amount**”) equal to the product of (x) the applicable Amortization Ratio (as outlined in the table below) on the applicable Amortization Payment Date times (y) the principal amount of Notes outstanding immediately prior to the applicable Amortization Payment Date:

Amortization Payment Date	Amortization Ratio
September 11, 2028.....	2.0/100.0
March 11, 2029.....	2.5/98.0
September 11, 2029.....	2.5/95.5
March 11, 2030.....	10.5/93.0
September 11, 2030.....	10.5/82.5
March 11, 2031.....	12.0/72.0
September 11, 2031.....	12.0/60.0
March 11, 2032.....	48.0/48.0

The Trustee and the Agents shall not be under any duty to determine, calculate or verify the Amortization Amounts payable hereunder and will not be responsible to the Holders or any other person for any loss or liability arising from any failure by it to do so.

The Subsidiary Guarantees

On the Original Issue Date, the Notes will not be guaranteed. Each Subsidiary of the Company that after the Original Issue Date guarantees the Notes is referred to as a “**Subsidiary Guarantor**,” and each such guarantee is referred to as a “**Subsidiary Guarantee**.” In certain circumstances, the Company will cause a Restricted Subsidiary to execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such Restricted Subsidiary will guarantee the payment of the Notes. As of the Original Issue Date, none of the Company’s Subsidiaries will be Subsidiary Guarantors (such Subsidiaries, “**Non-Guarantor Subsidiaries**”) and, in the event of a bankruptcy, liquidation or reorganization of any of the Non-Guarantor Subsidiaries, such Non-Guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company. See “– *Issuances of Guarantees by Restricted Subsidiaries*”.

Under the Indenture, the Subsidiary Guarantors will guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes. The obligations of the Subsidiary Guarantors under the Subsidiary Guarantees will be limited as necessary under applicable law.

See “*Risk Factors – Risks Relating to the Notes*.”

Each Subsidiary Guarantee provided by a Subsidiary Guarantor will:

- (1) be a general obligation of such Subsidiary Guarantor;
- (2) rank senior in right of payment to any obligations of such Subsidiary Guarantor that are subordinated in right of payment to its Subsidiary Guarantee;
- (3) rank equally in right of payment with any obligations of such Subsidiary Guarantor that are not subordinated in right of payment to its Subsidiary Guarantee; and
- (4) be effectively subordinated to any secured Indebtedness of such Subsidiary Guarantor to the extent of the value of the assets of such Subsidiary Guarantor securing such Indebtedness.

The Subsidiary Guarantees of the Subsidiary Guarantors will automatically be released upon:

- (1) Legal Defeasance, Covenant Defeasance or satisfaction and discharge of the Indenture as provided under the captions “– *Legal Defeasance and Covenant Defeasance*” and “– *Satisfaction and Discharge*”;
- (2) repayment in full of the Notes;
- (3) the designation by the Company of such Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the terms of the Indenture, so long as such Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Company’s other Indebtedness or any Indebtedness of any other Restricted Subsidiary;
- (4) the release or discharge of the guarantee that resulted in the creation of such Subsidiary Guarantee pursuant to the “– *Issuances of Guarantees by Restricted Subsidiaries*” covenant, except a discharge or release by or as a result of payment under such guarantee; or
- (5) any issuance or sale in accordance with the “– *Sales and Issuances of Capital Stock in Restricted Subsidiaries*” and “– *Asset Sales*” covenants where the Subsidiary Guarantor does not remain a Restricted Subsidiary after such issuance or sale.

Under the circumstances described below under “– *Certain Covenants – Designation of Restricted Subsidiaries and Unrestricted Subsidiaries*,” the Company will be permitted to designate certain of its Subsidiaries as “Unrestricted Subsidiaries.” The Company’s Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture and will not Guarantee the Notes.

Security

For all purposes of this section “*Description of the Notes – Security*”, references to the “Notes” include any Additional Notes that are actually issued and references to “Holders” include holders of such Additional Notes.

Exclusive Collateral

Original Collateral

The obligations of the Company under the Notes will be secured by first-priority Liens on certain collateral, which shall initially consist of the following (the “**Original Collateral**”):

- (i) a first ranking pledge over 49.0% of the fully paid-up and voting equity shares in Mumbai Pune (excluding six shares held by nominee shareholders), together with all of the rights, title, interests, benefits, claims and demands whatsoever in respect of these shares, both present and future;
- (ii) a first ranking charge over the Escrow Account, together with all cash flows, receivables and other assets and securities which represent all amounts in such account and all of the moneys, securities, instruments, investments and other properties deposited in, credited to or required to be deposited in or credited to or lying to the credit of such account, both present and future; and
- (iii) a first ranking charge over the rights, title, interests, benefits, claims and demands whatsoever of the Company under all subordinated debt provided by the Company to Mumbai Pune, both present and future.

The Lien over the Original Collateral shall be created within 60 days of the Original Issue Date.

Each Holder by accepting the Notes is deemed to have instructed, directed and empowered the Trustee and the Security Trustee to enter into and execute documents creating a security interest over the Original Collateral without any further consent of or notice to Holders.

The Lien over the Original Collateral shall be created in favour of the Security Trustee on a first ranking *pari passu* basis and held for the benefit of (i) the Trustee (ii) the Holders and (iii) the counterparties of the hedging arrangements executed by the Company to hedge currency exposure in relation to the Notes (such hedge counterparties, the “**Notes Hedge Counterparties**” and such hedging arrangements, the “**Notes Hedging Arrangements**”). Any amounts recovered from enforcement of the Lien over the Collateral shall be distributed in the priority set forth under the caption “– Security Trustee Appointment Agreement”.

Additional IRB MP Collateral

The Company shall ensure that within 60 days of the IRB MP Lien Release Date, first-priority Liens to secure the obligations of the Company under the Notes and Notes Hedging Arrangements are created over the following collateral (over which Lien had been previously created for the benefit of the creditors of IRB MP Loan) (the “**Additional IRB MP Collateral**”):

- (i) a pledge on remaining 51% of the fully paid-up and voting equity shares of Mumbai Pune that are held by the Company, together with all the rights, titles, interests, benefits, claims and demands whatsoever in respect of such shares; and
- (ii) a first ranking charge over all accounts of Mumbai Pune, including, *inter alia*, any escrow account, trust and retention account, debt service reserve account and sub-accounts that may have been opened in accordance with any facility agreement, escrow agreement and/or any supplementary escrow agreement, or any of the other project agreements, and all funds from time to time deposited therein, the receivables and authorised investments or other securities for the purpose of being applied to the extent of the waterfall of priority of payment specified in the applicable concession agreement. Mumbai Pune will have the right to operate such accounts in its ordinary course of business, provided that no Event of Default has occurred.

The Lien on the Additional IRB MP Collateral shall be created in favour of the Security Trustee on a first ranking *pari passu* basis and held for the benefit of (i) the Trustee (ii) the Holders and (iii) the Notes Hedge Counterparties.

No other Lien shall be created on the Exclusive Collateral other than the Lien for the benefit of the Trustee, the Holders and Hedge Counterparties subject to Permitted Liens described under paragraphs (4), (5) and (7) of the definition of Permitted Liens.

“IRB MP Loan” means the credit facilities aggregating up to INR 66,100 million availed by Mumbai Pune pursuant to the financing agreement dated June 12, 2020 entered into by Mumbai Pune, Union Bank of India and State Bank of India, or other credit facilities availed by IRB MP for refinancing the project loan(s) availed by Mumbai Pune or for financing any capital expenditure in relation to the Mumbai Pune Project.

“IRB MP Lien Release Date” means the date on which all the Liens created to secure IRB MP Loan are released.

“Exclusive Collateral” means the Original Collateral and the Additional IRB MP Collateral.

“Collateral” means the Exclusive Collateral and the Common Collateral.

Security Coverage Ratio

As described below, the Company shall maintain a Security Coverage Ratio at least equivalent to the Required Security Coverage Ratio.

The Company shall provide to the Trustee and the Security Trustee (i) on the Security Creation Date, and (ii) thereafter, within 60 days after the end of each financial half-year of the Company commencing September 30, 2024, (a) a certificate from its chief financial officer (the **“CFO SCR Certificate”**), setting out the Security Coverage Ratio as of the relevant SCR Testing Date; and (b) a certificate from an independent chartered accountant certifying the calculation of the Security Coverage Ratio as provided in the CFO SCR Certificate, as of the applicable SCR Testing Date.

If, as of an SCR Testing Date, the Security Coverage Ratio is less than the Required Security Coverage Ratio, the Company shall, no later than 60 days from the delivery of the applicable CFO SCR Certificate, create and perfect or cause to be created and perfected a Lien in favour of the Security Trustee, on a first ranking pari passu basis (subject to Permitted Liens) for the benefit of (i) the Trustee, (ii) the Holders, and (iii) the Notes Hedge Counterparties, over the Common Collateral such that after giving pro forma effect to such Lien, the Security Coverage Ratio shall not be less than the Required Security Coverage Ratio as of such SCR Testing Date.

“CC Coverage Ratio” means, as of a particular date of determination, the ratio of: (i) the aggregate of the Security FMV of the Common Collateral; to (ii) the aggregate of (A) the aggregate principal amount outstanding under the Notes as per the latest audited or reviewed balance sheet after adjusting for any foreign exchange gains/losses; and (B) the aggregate Permitted Pari Passu Secured Indebtedness less if a Lien over any other assets which do not constitute the Collateral has been created to secure any Permitted Pari Passu Secured Indebtedness, the lower of: (a) the fair market value of such assets, and (b) the principal amount of such Permitted Pari Passu Secured Indebtedness.

“EC Coverage Ratio” means, as of a particular date of determination, the ratio of: (i) the aggregate of the Security FMV of the Exclusive Collateral (excluding the amounts attributed to the Required DSRA Amount); to (ii) the aggregate principal amount outstanding under the Notes as per the latest audited or reviewed balance sheet after adjusting for any foreign exchange gains/losses.

“Frequently Traded” means in relation to listed equity shares of an Indian company, the definition given to ‘frequently traded shares’ under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Required Security Coverage Ratio” means:

- (a) a Security Coverage Ratio of 1.1; and
- (b) (1) upon occurrence of a Qualified Concession Agreement Termination Event, or (2) the Company ceasing to own, directly or indirectly, at least 26% of the economic interest of the Private InvIT, a Security Coverage Ratio of 1.2.

“Security Creation Date” means the date falling 60 days after the Original Issue Date.

“Security FMV” means the fair market value of the Collateral determined in the following manner:

- (i) in relation to a bank account, the cash amount lying to the credit of the bank account;
- (ii) in relation to listed equity shares of an Indian company which are Frequently Traded, the volume weighted average share price calculated on the National Stock Exchange of India Limited or the BSE Limited (or the principal stock exchange on which listed equity shares of such Indian company are traded) for the last fiscal quarter of the Company;
- (iii) in relation to the equity shares of an Indian company which are unlisted or not Frequently Traded or units of Private InvIT or Public InvIT, the value provided in the valuation report of an independent chartered accountant which is not more than six months old from date of determination of such Security FMV; and
- (iv) in case of any other assets, the value as provided in the latest audited or reviewed balance sheet of the security provider.

“SCR Testing Date” means (i) the Security Creation Date and (ii) thereafter, March 31 and September 30 of each year, beginning on September 30, 2024.

“Security Coverage Ratio” means, as of a particular date of determination, the aggregate of EC Coverage Ratio and CC Coverage Ratio.

Common Collateral

If, as of an SCR Testing Date, the Security Coverage Ratio is less than the Required Security Coverage Ratio, the Company shall, no later than 60 days from the delivery of the applicable CFO SCR Certificate, create and perfect or cause to be created and perfected a Lien in favour of the Security Trustee, on a first ranking pari passu basis (subject to Permitted Liens) for the benefit of (i) the Trustee, (ii) the Holders, and (iii) the Notes Hedge Counterparties, over the following assets, in the order of priority set out below (with the assets set forth in each of the clauses (i), (ii) and (iii) sharing the same priority) (such assets, the **“Common Collateral”**):

- (i) pledge over one or more of the following: (a) listed equity shares in any Indian company in the Restricted Group or any Qualified Investee, which are Frequently Traded; (b) units of an infrastructure investment trust duly registered with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014; or (c) equity shares of any Indian company in the Restricted Group or any Qualified Investee that are unlisted or not Frequently Traded;
- (ii) pledge over any unencumbered assets of the Company (not covered under paragraphs (i) above and (iii) below) which is (x) not related to an airport business, (y) not a real estate asset, or (z) not an asset under litigation or dispute; and
- (iii) charge over the rights, title, interests, benefits, claims and demands whatsoever of the Company under any subordinated debt provided by the Company to one or more of its Subsidiaries, both present and future.

On creation of the Lien over any Common Collateral, the Company shall provide to the Trustee and the Security Trustee (x) a certificate from its chief financial officer confirming that, after giving pro forma effect to such Lien over the Common Collateral, the Security Coverage Ratio would not be less than the Required Security Coverage Ratio as of such SCR Testing Date; and (y) a certificate from an independent chartered accountant certifying the calculation of the Security Coverage Ratio as provided in the CFO SCR Certificate, as of the SCR Testing Date.

The assets, properties or investments constituting Common Collateral over which a Lien is created in compliance with the conditions as set forth in this section “– Security” shall not, as on the date of creation of such Lien, be subject to any other Lien (other than Permitted Liens).

The Trustee and the Security Trustee will not be required to monitor compliance by the Company of any ratios to be maintained by the Company hereunder and in the absence of express written notice to the contrary shall be entitled to assume (without liability) that the Company is in compliance with its obligations.

So long as no Event of Default has occurred and is continuing, and subject to the terms of the Collateral Documents and the Indenture, the Company will be entitled to receive dividends, interest and other payments made upon or with respect to the Collateral in the form of securities and to exercise any voting and other consensual rights pertaining to such Collateral.

Release of Common Collateral

If the Security Coverage Ratio exceeds the Required Security Coverage Ratio as of a particular SCR Testing Date, the Company shall have the right to require the Security Trustee to release the Lien (in whole or in part) created for the benefit of the Trustee, the Holders and the Notes Hedge Counterparties over the Common Collateral in the reverse order of priority of the assets (as provided under paragraph '*Common Collateral*' above), provided that: (i) the Company indicates in the applicable CFO SCR Certificate its intention to undertake such a release and/or withdrawal along with a description of the assets proposed to be released; (ii) certifying that after giving pro forma effect to such release and/or withdrawal, the Security Coverage Ratio would not be less than the Required Security Coverage Ratio as of that particular SCR Testing Date; and (iii) no Event of Default has occurred. For the avoidance of doubt, no consent from the Trustee or the Holders will be required with respect to a release pursuant to the foregoing. Notice of such release will be provided by the Company to the Trustee and the Holders.

Release of Collateral

The Liens over the Collateral may be released under any one or more of the following circumstances without the consent of any Holder:

- (1) upon repayment in full of the Notes;
- (2) in a transaction that complies with the provisions described in "*Certain Covenants – Merger, Consolidation and Sale of Assets*", the release of the Liens over the applicable Collateral required to effect such transaction;
- (3) upon the Legal Defeasance, Covenant Defeasance, satisfaction or discharge of the Notes as provided under the caption "*Legal Defeasance and Covenant Defeasance*" or "*Satisfaction and Discharge*," in each case, in accordance with the Indenture; and
- (4) as described under the caption "*Amendments and Waiver*."

Permitted Pari Passu Secured Indebtedness

On or after the Original Issue Date, the Company may create Liens on the Common Collateral *pari passu* with the Lien for the benefit of the Trustee and the Holders to secure Indebtedness of the Company (such Indebtedness, "**Permitted Pari Passu Secured Indebtedness**"); *provided* that (1) the Company was permitted to Incur such Indebtedness, and such Indebtedness was Incurred, under the covenant under the caption "*Incurrence of Indebtedness and Issuance of Preferred Stock*" and, in each case, any Permitted Refinancing Indebtedness of any such Indebtedness; (2) the holders of such Indebtedness (or their representative) become (or are) party to the Security Trustee Appointment Agreement; and (3) the Company delivers to the Trustee and the Security Trustee an Opinion of Counsel and Officer's Certificate with respect to corporate and collateral matters in connection with the Collateral Documents and in form and substance acceptable to the Trustee. The Trustee will be permitted and authorized (but not obliged) without the consent of any Holder to enter into any amendments, supplements or modifications to the Collateral Documents, the Security Trustee Appointment Agreement and/or the Indenture and take any other action necessary to permit the creation and registration of Liens on any Common Collateral to secure Permitted Pari Passu Secured Indebtedness in accordance with this paragraph (including, without limitation, the appointment of any successor Security Trustee as collateral agent under the Security Trustee Appointment Agreement to hold the Common Collateral on behalf of the Holders and the holders of the Permitted Pari Passu Secured Indebtedness) and to take any actions required or permitted under the Indenture (including, without limitation, the release of Common Collateral permitted by the Indenture).

Except for Permitted Liens and the Liens securing Permitted Pari Passu Secured Indebtedness, the Company and the Restricted Subsidiaries will not be permitted to Incur any other Indebtedness secured by all or any portion of the Collateral without the consent of the Holders of at least 90.0% in principal amount of the Notes.

Enforcement of Security

The Lien over the Exclusive Collateral shall be created on an exclusive *pari passu* basis for the benefit of the Trustee, the Holders and the Notes Hedge Counterparties. The Lien over the Common Collateral shall be created on a *pari passu* basis (subject to Permitted Liens) for the benefit of the Trustee, the Holders, the Notes Hedge Counterparties, and lenders of Permitted Pari Passu Secured Indebtedness (if any).

The Security Trustee shall, subject to the Collateral Documents and the Indenture, hold such Lien and security interest in the Collateral granted pursuant to the Collateral Documents with sole authority as directed by the written instruction of the Trustee (acting at the direction of the Holders of not less than 25.0% in the aggregate principal amount of the Notes then outstanding or otherwise pursuant to the Indenture) and/or the Notes Hedge Counterparties (acting pursuant to the terms of the Notes Hedging Arrangements).

The Security Trustee may decline to foreclose on the Collateral or exercise remedies available to it if it does not receive indemnification and/or security and/or pre-funding to its satisfaction. In addition, the Security Trustee's ability to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties and practical problems associated with the realization of the Security Trustee's Liens on the Collateral. Neither the Security Trustee nor any of its officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value, adequacy or protection of the Collateral, for the legality, enforceability, effectiveness or sufficiency of the Collateral Documents, for the creation, perfection, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or the Collaterals, or any delay in doing so.

The Exclusive Collateral Documents provide that the Company will indemnify the Security Trustee for all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind imposed against the Security Trustee arising out of the Exclusive Collateral Documents except to the extent that any of the foregoing are finally judicially determined to have resulted from the gross negligence or willful misconduct of the Security Trustee.

Escrow Account Agreement

The Escrow Account Agreement will provide for the opening of the Escrow Account and will provide the terms and conditions on which all deposits and withdrawals from the Escrow Account may be made. The account will be denominated in Indian rupees and all amounts will be deposited in Indian rupees in such account.

- **Deposits:** For deposit of:
 - (i) all surplus proceeds generated by Mumbai Pune after the satisfaction of all sub-concession fees, O&M expenses, statutory payments, debt servicing of senior lenders and all other prescribed payments in accordance with Mumbai Pune Loan and related financing documents;
 - (ii) all proceeds received by the Company under the subordinated debt provided by it to Mumbai Pune;
 - (iii) all Mumbai Pune Surplus CA Authority Termination Payment Amounts;
 - (iv) all Non-Mumbai Pune Surplus CA Authority Termination Payment Amounts; and
 - (v) all distributions received in relation to the units of the Private InvIT which are a part of the Collateral.
- **Withdrawals:**
 - (i) All amounts received pursuant to (i) to (v) above under '– Deposits' may be withdrawn and utilised solely as follows:
 - (a) for payments of coupon in relation to the Notes, the principal amounts in relation to the Notes, including the Amortization Amounts, and scheduled payments in relation to the Notes Hedging Arrangements, and

- (b) subject to there being no Event of Default, any such amounts standing to the credit of such accounts in excess of (1) the amounts received in (iii) and (iv) above under ‘– *Deposits*’; and (2) the Required DSRA Amount in the Escrow Account at such date, will be permitted to be withdrawn.
- (ii) The Required DSRA Amounts may be withdrawn in the last month of the six-month period over which the Required DSRA Amount has been calculated (i) to pay interest and Amortization Amounts due on the Interest Payment Date and the Amortization Payment Date, respectively, at the end of such six month period; and (ii) to pay upcoming semi-annual scheduled payment in relation to the Notes Hedging Arrangements.
- (iii) Amounts received under (iv) above under ‘– *Deposits*’ may be withdrawn and utilised for repayment of any Indebtedness of the Company and its Restricted Subsidiaries; provided that no Event of Default has occurred and is continuing.

Security Trustee Appointment Agreement

The Company shall execute a Security Trustee Appointment Agreement to appoint Catalyst Trusteeship Limited as the security trustee for the benefit of the Holders (acting through the Trustee) and the Notes Hedge Counterparties, and lenders of Permitted Pari Passu Secured Indebtedness (if any).

The Security Trustee Agreement will allow the Notes Hedge Counterparties and lenders of Permitted Pari Passu Secured Indebtedness (if any), either by themselves or their authorised representatives, to accede to the agreement, and also permit transferees or novatees of such parties to accede to the agreement.

Enforcement process

- (a) If any notice of acceleration (howsoever described) has been issued and the Collateral has become enforceable under the terms of the Indenture and the relevant Collateral Documents, any creditor or its representative (the “**Initial Enforcing Representative**”) may by notice in writing (the “**Initial Enforcement Notice**”) inform the Security Trustee of its intention to enforce the Liens over the relevant Collateral. For the avoidance of doubt, in connection with the Notes, Holders shall be required to instruct the Trustee in accordance with the terms of the Indenture for taking any enforcement action.
- (b) The Security Trustee shall deliver (a) to the Trustee and the Notes Hedge Counterparties a copy of the Initial Enforcement Notice, if the Initial Enforcement Notice has been issued in relation to the Exclusive Collateral; and (b) to the Trustee, the Notes Hedge Counterparties and the lenders of Permitted Pari Passu Secured Indebtedness, a copy of the Initial Enforcement Notice, if the Initial Enforcement Notice has been issued in relation to the Common Collateral.
- (c) Within 5 Business Days from the date of delivery of the Initial Enforcement Notice by the Security Trustee (the “**Consultation Period**”), the relevant creditors (being the Trustee and the Notes Hedge Counterparties in case of enforcement of Liens over the Exclusive Collateral, and the Trustee, the Notes Hedge Counterparties and the lenders of Permitted Pari Passu Secured Indebtedness in case of enforcement of Liens over the Common Collateral) shall negotiate and discuss in good faith, the enforcement action(s) which shall be undertaken by the Security Trustee.
- (d) If, at the end of the Consultation Period, any other creditor agrees to join the Initial Enforcing Representative and notifies the Security Trustee (the Initial Enforcing Representative and such joining Representatives, together be referred as the “**Enforcing Representatives**”), the Security Trustee shall act on the joint instructions of the Enforcing Representatives. If no other creditor joins, the Security Trustee shall act on the instructions of the Initial Enforcing Representatives.
- (e) Any other creditor may upon the expiry of the Consultation Period, subsequently join the relevant Enforcing Representatives in instructing the Security Trustee in respect of Enforcement Actions.

Priority of payments – Exclusive Collateral

Subject to the rights of creditors mandatorily preferred by law applying to companies generally, the proceeds on enforcement of the Lien over the Exclusive Collateral shall be distributed in the following order of priority and ranking by the Security Trustee:

- (a) **first**, in or towards payment pro rata of the amount of all fees, costs and expenses (including indemnity payments, legal fees and expenses) incurred by the Security Trustee (including any receiver and any delegate), the Agents, the Trustee or any security trustee or security agent in relation to the administration and acceptance of its respective duties, rights, powers, obligations and discretions under the Indenture, the Notes and the Collateral Documents, Security Trustee Appointment Agreement and by the Security Trustee or any security trustee or security agent in relation to the Notes Hedging Arrangements, in relation to the collection or distribution of amounts held or realized or in connection with expenses incurred in enforcing all available remedies under the Indenture, the Notes, the Collateral Documents, Security Trustee Appointment Agreement and the Notes Hedging Arrangements and preserving the Collateral and all amounts for which each such party is entitled to indemnification under Indenture, the Notes and the Collateral Documents and the Notes Hedging Arrangements and in connection with any realisation and enforcement of the security interest over the Exclusive Collateral or preservation of its rights;
- (b) **second**, in or towards payment pro rata of any contractual or scheduled payments (including any interest on the hedge termination value but excluding the hedge termination value), due and payable to the Notes Hedge Counterparties, in relation the Notes Hedging Arrangements;
- (c) **third**, in or towards payment pro rata of any hedge termination value due and payable to the Notes Hedge Counterparties, under the applicable Notes Hedging Arrangement;
- (d) **fourth**, in or towards payment of any accrued interest (including default interest), fee or commission due but unpaid to the Holders (under the Indenture and the Notes);
- (e) **fifth**, in or towards payment pro rata of any principal due but unpaid to the Holders (under the Indenture and the Notes);
- (f) **sixth**, in or towards payment pro rata of any other sum due but unpaid in relation to the Notes and the Notes Hedging Arrangements (to the extent such amounts are not already paid under paragraphs (b), (c), (d) and (e) above); and
- (g) **finally**, after all the amounts outstanding in relation to the Notes and amounts due to the Notes Hedge Counterparties have been paid in full, in or towards payment of the surplus (if any) to the Company or other person entitled to it.

Priority of payments – Common Collateral

Subject to the rights of creditors mandatorily preferred by law applying to companies generally, the proceeds on enforcement of the Lien over the Common Collateral shall be distributed in the following order of priority and ranking by the Security Trustee:

- (a) **first**, in or towards payment pro rata of the amount of all costs and expenses (including legal fees) incurred by the Security Trustee (including any receiver and delegate), the Agents or the Trustee or any security trustee or security agent appointed by the lenders of Permitted Pari Passu Secured Indebtedness or any security trustee or security agent appointed by the Notes Hedge Counterparties, in relation to the administration and acceptance of its respective duties, rights, powers, obligations and discretions under the Indenture, the Notes and the Collateral Documents, in relation to the collection or distribution of amounts held or realized or in connection with expenses incurred in enforcing all available remedies under the Indenture, the Notes and the Collateral Documents, and the Notes Hedging Arrangements and financing documents in relation to Permitted Pari Passu Secured Indebtedness and preserving the Collateral and all amounts for which each such party is entitled to indemnification under Indenture, the Notes and the Collateral Documents and the Notes Hedging Arrangements and financing documents in relation to Permitted Pari Passu Secured Indebtedness and in connection with any realisation and enforcement of the security interest over the Common Collateral or preservation of its rights;
- (b) **second**, in or towards payment pro rata of any contractual or scheduled payments (including any interest on the hedge termination value but excluding the hedge termination value), due and payable to the Notes Hedge Counterparties, in relation the Notes Hedging Arrangements;
- (c) **third**, in or towards payment pro rata of any hedge termination value due and payable to the Notes Hedge Counterparties, under the applicable Notes Hedging Arrangement;
- (d) **fourth**, in or towards payment pro rata of any accrued interest (including default interest), fee or commission due but unpaid to the Holders (under the Indenture and the Notes) and the lenders of Permitted Pari Passu Secured Indebtedness;

- (e) **fifth**, in or towards payment pro rata of any principal due but unpaid to the Holders (under the Indenture and the Notes) and the lenders of Permitted Pari Passu Secured Indebtedness;
- (f) **sixth**, in or towards payment pro rata of any other sum due but unpaid in relation to the Notes, the Permitted Pari Passu Secured Indebtedness and the Notes Hedging Arrangements (to the extent such amounts are not already paid under paragraphs (b), (c), (d) and (e) above); and
- (g) **finally**, after all the amounts outstanding in relation to the Notes, the Permitted Pari Passu Secured Indebtedness and amounts due to the Notes Hedge Counterparties have been paid in full, in or towards payment of the surplus (if any) to the Company or other person entitled to it,

and in each case mentioned in paragraphs (a) to (g) above, in a manner such that the Distribution Proportion is maintained.

“Distribution Proportion” means the proportion in which proceeds from enforcement of the Common Collateral are available for application by the Holders on one hand and the lenders of Permitted Pari Passu Secured Indebtedness on the other hand, such that a lender of Permitted Pari Passu Secured Indebtedness receives the amount of proceeds which is pro rata to the amount of the Permitted Pari Passu Secured Indebtedness of such lender that was taken into account for calculating the CC Coverage Ratio.

Required DSRA Amount

The Company shall ensure that the applicable Required DSRA Amount is maintained in the Escrow Account, in the manner described under the “– Collateral – Escrow Account Agreement”.

Further Issues

Subject to the covenants described below and in accordance with the terms of the Indenture, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of any Subsidiary Guarantees and the Collateral) in all respects (or in all respects except for the issue date, issue price, the date and/or amount of the first payment of interest on them, the first payment date of an Amortization Amount on them, the first date on which interest will accrue and Amortization Amounts which will be owing, and, to the extent necessary, certain temporary securities law transfer restrictions) (a **“Further Issue”**) so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that the issuance of any such Additional Notes and the provision of the Collateral to secure the Additional Notes will then be permitted under the “Limitation on Indebtedness” covenant described below and the other provisions of the Indenture; provided further that unless such Additional Notes are issued under a separate CUSIP number, such Additional Notes must be fungible with the original Notes for U.S. federal income tax purposes.

Repurchase of Notes Upon a Change of Control Triggering Event

Not later than 30 days following a Change of Control Triggering Event, the Company will make an Offer to Purchase all outstanding Notes (a **“Change of Control Offer”**) at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest (including Additional Amounts), if any, to the Offer to Purchase Payment Date (as defined in clause (2) of the definition of **“Offer to Purchase”**).

The Company will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third-party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditional upon such Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control Triggering Event at the time of making of the Change of Control Offer.

The definition of Change of Control includes a phrase relating to the sale of “all or substantially all” the assets of the Company. Although there is a limited body of case law interpreting the phrase

“substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder of Notes to require the Company to repurchase such Holder’s Notes as a result of a sale of less than all the assets of the Company to another person or group may be uncertain and will depend upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of “all or substantially all” the assets of the Company has occurred.

Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders to require that the Company purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Trustee shall not be required to take any steps to ascertain whether a Change of Control Triggering Event has occurred or may occur, and shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Company. The Trustee shall not be required to take any steps to ascertain whether the condition for the exercise of the rights herein has occurred. The Trustee and the Agents shall not be responsible for determining or verifying whether a Note is to be accepted for repurchase and will not be responsible to the Holders or any other person for any loss or liability arising from any failure by it to do so. The Trustee and the Agents shall not be under any duty to determine, calculate or verify the repurchase amount payable hereunder and will not be responsible to the Holders or any other person for any loss or liability arising from any failure by it to do so.

No Mandatory Redemption or Sinking Fund; Open Market Purchases

Other than as described under “– *Amortization of Principal*,” there will be no mandatory redemption or sinking fund payments for the Notes. The Company and its Affiliates may, at their discretion, at any time from time to time purchase the Notes in the open market or otherwise.

Additional Amounts

All payments of principal of, and premium (if any) and interest on the Notes or under the Subsidiary Guarantees made by or on behalf of the Company or the Subsidiary Guarantors will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, a Surviving Person or an applicable Subsidiary Guarantor is organized or resident for tax purposes or any political subdivision or taxing authority thereof or therein or any jurisdiction through which payment is made or any political subdivision or taxing authority thereof or therein (each, as applicable, a “**Relevant Taxing Jurisdiction**”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. If any such withholding or deduction is so required, the Company or the Subsidiary Guarantors will pay additional amounts (the “**Additional Amounts**”) as will result in receipt by the Holder of the Notes of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts will be payable:

- (1) for or on account of:
 - (i) any tax, duty, assessment or governmental charge that would not have been imposed but for:
 - (a) the existence of any present or former connection between the Holder or beneficial owner of the Notes and the Relevant Taxing Jurisdiction other than merely holding the Notes or the receipt of payments thereunder or under the Subsidiary Guarantees or the enforcement of the Notes or any of the Subsidiary Guarantees, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Taxing Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;
 - (b) the presentation of the Notes (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, the Notes became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented the Notes for payment on any date within such 30-day period;

- (c) the presentation of the Notes (in cases in which presentation is required) for payment in the Relevant Taxing Jurisdiction, unless the Notes could not have been presented for payment elsewhere; or
 - (d) the failure of the Holder or beneficial owner to comply with a timely request of the Company or the Subsidiary Guarantors, as the case may be, addressed to the Holder, to provide information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Taxing Jurisdiction, if and to the extent that due and timely compliance with such request is required under the statutes, regulations or official administrative guidance having a force of law of the Relevant Taxing Jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder,
- (ii) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
 - (iii) any tax, duty, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of or interest or any premium under or with respect to the Notes or the Subsidiary Guarantees;
 - (iv) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (including any successor provisions) ("**FATCA**"), any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, any current or future Treasury regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or any intergovernmental agreement, or any agreement with the U.S. Internal Revenue Service under FATCA; or
 - (v) any combination of taxes, duties, assessments or governmental charges referred to in clauses (i) through (iv) above; or
- (2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that the beneficiary or settlor with respect to the fiduciary, or a member of the partnership or other beneficial owner would not have been entitled to such Additional Amounts had that beneficial owner been the Holder of the Note.

The Company or the Subsidiary Guarantors, as the case may be, will (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Company or the Subsidiary Guarantors, as the case may be, will make reasonable efforts to obtain original tax receipts or certified copies thereof evidencing the payment of any taxes, duties, assessments or governmental charges so deducted or withheld and paid to the Relevant Taxing Jurisdiction. The Company or the Subsidiary Guarantors, as the case may be, will furnish to the Trustee and the Principal Paying Agent within 60 days after the date the payment of any taxes, duties, assessments or governmental charges so deducted or withheld is due pursuant to applicable law, either original tax receipts or certified copies thereof evidencing such payment or, if such receipts are not obtainable, other evidence of such payments.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable (unless the obligation to pay Additional Amounts arises after the 45th day prior to that payment date, in which case promptly thereafter), if the Company or the Subsidiary Guarantors, as the case may be, will be obligated to pay Additional Amounts with respect to such payment, the Company or the Subsidiary Guarantors, as the case may be, will deliver to the Trustee and the Principal Paying Agent an Officer's Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable.

In addition, the Company or the Subsidiary Guarantors, as the case may be, will pay any stamp, issue, registration, documentary, value added or other similar taxes and other duties (including interest and penalties) payable in any Relevant Taxing Jurisdiction in respect of the creation, issue, offering, execution or enforcement of the Notes, the Subsidiary Guarantees or any documentation with respect thereto (other than on or in connection with a transfer of the Notes that occurs after the initial sale by the initial purchaser thereof). Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, the Notes or under the Subsidiary Guarantees, such mention will be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Optional Redemptions

At any time prior to March 11, 2027, upon not less than 10 nor more than 60 days' prior notice to the Holders, the Trustee and the Principal Paying Agent, the Company may, on any one or more occasions, redeem up to 40% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 107.11% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date, with the net cash proceeds of one or more Equity Offerings; *provided that*:

- (1) at least 60% of the aggregate principal amount of Notes issued on the Original Issue Date (excluding Notes held by the Company or its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and
- (2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

At any time prior to March 11, 2027, upon not less than 10 nor more than 60 days' prior notice to the Holders, the Trustee and the Principal Paying Agent, the Company may, on any one or more occasions, redeem all or any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date. Neither the Trustee nor any of the Agents shall be responsible for verifying or calculating the Applicable Premium.

At any time on or after March 11, 2027, upon not less than 10 nor more than 60 days' prior notice to the Holders, the Trustee and the Principal Paying Agent, the Company may, on any one or more occasions, redeem all or any portion of the Notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed, to (but not including) the applicable redemption date, if redeemed during the periods indicated below, subject to the rights of Holders on the relevant Record Date to receive interest on the relevant Interest Payment Date:

Period	Redemption price
March 11, 2027 to March 10, 2028	105.333%
March 11, 2028 to March 10, 2029	103.555%
March 11, 2029 to March 10, 2031	101.778%
March 11, 2031 and thereafter	100.00%

Any redemption conducted pursuant to the provisions of the Indenture described under this "Optional Redemptions" and any related notice of redemption may, at the Company's discretion, be subject to one or more conditions precedent. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Company or a Surviving Person with respect to the Company, as a whole but not in part, upon giving not less than 10 days' nor more than 60 days' notice to the Holders (which notice shall be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or the Surviving Person, as the case may be, for redemption if, as a result of:

- (1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction, affecting taxation; or
- (2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective or, in the case of an official position, is announced (i) except as described in (ii) on or after the Original Issue Date, or (ii) with respect to any Subsidiary Guarantor or Surviving Person whose Relevant Taxing Jurisdiction has not been a Relevant Taxing Jurisdiction immediately before the date such Subsidiary Guarantor or Surviving Person became a Subsidiary Guarantor or Surviving Person, on or after the date such Subsidiary Guarantor or Surviving Person becomes a Subsidiary Guarantor or Surviving Person, with respect to any payment due or to become due under the Notes or the Indenture, the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be; *provided* that changing the jurisdiction of the Company, a Surviving Person or a Subsidiary Guarantor is not a reasonable measure for the purpose of this section (*provided* that changing the jurisdiction of the paying agent is a reasonable measure); provided further no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due, provided further that where any such requirement to pay Additional Amounts is due to taxes imposed by India or any political subdivision or taxing authority thereof or therein, the Company, Surviving Person or the Subsidiary Guarantor shall be permitted to redeem the Notes in accordance with the provisions hereof only if the rate of withholding or deduction in respect of which Additional Amounts are required is in excess of 9% (plus applicable surcharge and cess).

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, will deliver to the Trustee at least 10 days but not more than 60 days before a redemption date:

- (1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, by taking reasonable measures; and
- (2) an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Taxing Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee shall be entitled to conclusively rely on and accept such certificate and opinion (without investigation) as sufficient evidence of the satisfaction of the conditions precedent described above (and will not be responsible for any loss or liability occasioned by acting in reliance on such certificate or opinion), in which event it shall be conclusive and binding on the Holders.

Any Notes that are redeemed will be cancelled.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Notes for redemption will be selected on a *pro rata* basis to the extent practicable or pursuant to another method in accordance with the procedures of Euroclear and Clearstream (or any other applicable clearing system), unless otherwise required by law or applicable stock exchange requirements.

No Notes of US\$200,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or the satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder of Notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture:

Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as “**Restricted Payments**”):

- (1) declare or pay any dividend or make any distribution on or with respect to the Company’s or any Restricted Subsidiaries’ Capital Stock (other than dividends or distributions payable solely in shares of the Company’s or any of the Restricted Subsidiaries’ Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Restricted Subsidiary;
- (2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock (including options, warrants or other rights to acquire such shares of Capital Stock) of the Company, any Restricted Subsidiary or any direct or indirect parent of the Company, held by Persons other than the Company or any Restricted Subsidiary;
- (3) make any voluntary or optional principal payment (prior to the Stated Maturity thereof) or any voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or the Subsidiary Guarantees (“**Subordinated Indebtedness**”) or of Subordinated Shareholder Debt, including any accrued interest on Subordinated Shareholder Debt, in each case, excluding any intercompany Indebtedness between or among the Company and any Restricted Subsidiary or among Restricted Subsidiaries; or
- (4) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

- (i) a Default or Event of Default has occurred and is continuing or would occur as a result of such Restricted Payment;
- (ii) the Company could not Incur at least US\$1.00 of Indebtedness under paragraph (1) of the covenant described under the caption “– *Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (iii) the Required DSRA Amount is not maintained in the Escrow Account; or
- (iv) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and the Restricted Subsidiaries after 22 February 2021 (the “**NCD Original Issue Date**”), shall exceed the sum (without duplication) of:
 - (a) 50.0% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100.0% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on January 1, 2021 and ending on the last day of the Company’s most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner and which may be internal financial statements) are available and have been provided to the Trustee at the time of such Restricted Payment; *plus*
 - (b) 100.0% of the aggregate net cash proceeds received by the Company after the NCD Original Issue Date (x) as a capital contribution to its common equity or from the issuance and sale of the Company’s Capital Stock (other than Disqualified Stock), including the sale of options and warrants to purchase Capital Stock (other than Disqualified Stock), to a Person who is not a Subsidiary of the Company, including any such net cash proceeds received upon the exercise by a Person who is not a Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock), and (y) from the Incurrence of Subordinated Shareholder Debt; *plus*

- (c) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the NCD Original Issue Date in any Person resulting from (A) payments of interest on Indebtedness, dividends (other than those received by the Company or any Restricted Subsidiary from the Public InvIT) or repayments of loans or advances by such Person, in each case, to any member of the Restricted Group (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income of the Company), (B) the unconditional release of a guarantee provided by any member of the Restricted Group after the NCD Original Issue Date of an obligation of another Person (excluding any guarantee provided by any member of the Restricted Group to another member of the Restricted Group), (C) to the extent that an Investment made after the NCD Original Issue Date is sold or otherwise liquidated or repaid for cash, the Net Cash Proceeds from the sale of any such Investment (except to the extent such proceeds are included in the calculation of Consolidated Net Income of the Company), or (D) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments made by the applicable member of the Restricted Group after the NCD Original Issue Date in any such Person and treated as a Restricted Payment; *plus*
- (d) the amount by which Indebtedness (other than Subordinated Indebtedness) of a member of the Restricted Group is reduced on the Company's consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the NCD Original Issue Date of any Indebtedness of any member of the Restricted Group into Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the applicable member of the Restricted Group upon such conversion or exchange); *plus*
- (e) except to the extent such proceeds are included in the calculation of Consolidated Net Income of the Company, an amount equal to the cash received by the Company on or after the Original Issue Date:
 - (i) from any Qualified Investee as reimbursement to the Company for any cost overrun claims which are funded by the Company for the benefit of any such Qualified Investee on or after the Original Issue Date; and
 - (ii) from any Restricted Subsidiary or any Qualified Investee as reimbursement to the Company for any cost overrun claims which were funded by the Company prior to February 1, 2021.

The foregoing provision will not be violated by reason of:

- (1) the payment of any dividend or the redemption of any Capital Stock within 90 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;
- (2) the making of any Restricted Payment in an aggregate amount not to exceed the amount of net cash proceeds received by the Company since the NCD Original Issue Date from (i) any capital contribution or sale of shares of Capital Stock (other than Disqualified Stock) of the Company (or options, warrants or other rights to acquire such Capital Stock) or (ii) any sale of Subordinated Shareholder Debt or Subordinated Indebtedness (other than if Incurred from any member of the Restricted Group);
- (3) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor with the net cash proceeds of, or in exchange for, a substantially concurrent Incurrence of Indebtedness issued in exchange for, or the net proceeds of which are used to, refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend, such Subordinated Indebtedness; *provided* that such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or the Subsidiary Guarantee, as applicable, at least to the extent that the Subordinated Indebtedness to be refinanced is subordinated to the Notes or the Subsidiary Guarantee, as applicable;

- (4) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Restricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the net cash proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or any Restricted Subsidiary (or options, warrants or other rights to acquire such Capital Stock);
- (5) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor in exchange for, or out of the net cash proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company (or options, warrants or other rights to acquire such Capital Stock);
- (6) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable on a *pro rata* basis or on a basis more favorable to the Company or another Restricted Subsidiary to all holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held, directly or indirectly, through Restricted Subsidiaries, by the Company;
- (7) payments of cash, dividends, distributions, advances or other Restricted Payments to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants, (ii) the conversion or exchange of Capital Stock of any such Person, or (iii) stock dividends, splits or business combinations;
- (8) the redemption, repurchase or other acquisition of Capital Stock of the Company from employees, former employees, directors or former directors of the Company or any of its Subsidiaries (or permitted transferees of such persons), or their authorized representatives upon the death, disability or termination of employment of such employees or directors, in an aggregate amount not to exceed US\$2.0 million (or the Dollar Equivalent thereof) over any twelve-month period;
- (9) subject to clause (9) above, the making of any other Restricted Payment in an aggregate amount, together with all other Restricted Payments made under this clause (9), not to exceed US\$50.0 million (or the Dollar Equivalent thereof);

provided that, in the case of clauses (2), (8) and (9) above, (x) no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein and (y) the Required DSRA Amount is maintained in the Escrow Account at such time; *provided further that*, (i) each Restricted Payment made pursuant to clauses (2), (3) (but only to the extent that the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness is undertaken with the net cash proceeds of, or in exchange for, a substantially concurrent Incurrence of Subordinated Shareholder Debt), (4), (5), (6) and (8) of this paragraph (but, in the case of each Restricted Payment made pursuant to clause (6), only to the extent that dividends are paid to Persons other than the Company or a Restricted Subsidiary) shall be included in calculating whether the conditions of clause (iv) of the first paragraph of this “– *Restricted Payments*” covenant have been met with respect to any subsequent Restricted Payments and (ii) each Restricted Payment made pursuant to clauses (1), (3) (but only to the extent that the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness is undertaken with the net cash proceeds of, or in exchange for, a substantially concurrent Incurrence of Subordinated Indebtedness that is not otherwise Subordinated Shareholder Debt), (6) (but only to the extent that dividends are paid to the Company or a Restricted Subsidiary), (7) and (9) of this paragraph will be excluded in calculating whether the conditions of clause (iv) of the first paragraph of this “– *Restricted Payments*” covenant have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The executive officer's or Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by a chartered accountant, or a recognized accounting, appraisal or investment banking firm if the Fair Market Value exceeds US\$15.0 million (or the Dollar Equivalent thereof).

Incurrence of Indebtedness and Issuance of Preferred Stock

- (1) The Company will not, and will not permit any Restricted Subsidiary (other than a Restricted Subsidiary which is a Concession Project Entity) to, Incur any Indebtedness (including Acquired Indebtedness), and the Company will not issue any Disqualified Stock and will not permit any Restricted Subsidiary to issue any Preferred Stock; *provided* that the Company and any Restricted Subsidiary may Incur Indebtedness if (i) as of the applicable Transaction Date, none of the Concession Project Reports used in calculating the Proportionate Project Leverage Coverage Ratio are dated more than 12 months prior to such date and (ii), after giving *pro forma* effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing; (y) the Proportionate Project Leverage Coverage Ratio would be not less than 1.8 to 1.0 and (z) the Gross Leverage Ratio would be no more than 4.0 to 1.0.
- (2) Notwithstanding the foregoing, to the extent provided below, the Company and any Restricted Subsidiary may Incur each and all of the following (“**Permitted Indebtedness**”):
 - (a) Indebtedness of the Company under the Notes Incurred on the Original Issue Date;
 - (b) Indebtedness outstanding on the Original Issue Date (excluding Indebtedness permitted under clause (d) below);
 - (c) Additional Notes in an aggregate principal amount not to exceed an amount equal to the difference between (i) US\$500.0 million (or the Dollar Equivalent thereof) and (ii) the amount of Indebtedness Incurred under clause (a) above (including any refinancings thereof);
 - (d) Indebtedness of the Company or any Restricted Subsidiary owed to the Company or any Restricted Subsidiary, provided that any event which results in (x) any Restricted Subsidiary to which such Indebtedness is owed ceasing to be a Restricted Subsidiary or (y) any subsequent transfer of such Indebtedness (other than to the Company or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (d) and if the Company or any Subsidiary Guarantor is the obligor under such Indebtedness, such Indebtedness must be unsecured and be expressly subordinated in right of payment to the Notes, in the case of the Company, or the applicable Subsidiary Guarantee, in the case of a Subsidiary Guarantor;
 - (e) Indebtedness (“**Permitted Refinancing Indebtedness**”) issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend (collectively, “**refinance**” and “**refinances**” and “**refinanced**” shall have a correlative meaning), then outstanding Indebtedness (or Indebtedness that is no longer outstanding but that is refinanced substantially concurrently with but in any case before the incurrence of such Permitted Refinancing Indebtedness) Incurred under paragraph (1) or clause (a), (b) or (c) above, this clause (e) or clause (m) or (n) below and any refinancings thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses); *provided* that:
 - (i) Indebtedness the proceeds of which are used to refinance Notes, or to refinance Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes, will only be permitted under this clause (e) if (x) in case the Notes are refinanced in part, or the Indebtedness to be refinanced is *pari passu* with the Notes, such new Indebtedness, by its terms or the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, ranks *pari passu* with, or subordinate in right of payment to, the remaining Notes, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes, such new Indebtedness, by its terms or the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes; and

- (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the earlier of the Stated Maturity of the Indebtedness to be refinanced and the final Stated Maturity of the Notes, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or the remaining Average Life of the Notes;
- (f) Indebtedness Incurred pursuant to Hedging Obligations entered into for the purpose of protecting the Company or any Restricted Subsidiary from fluctuations in interest rates, currencies or commodity prices and not for speculation;
- (g) Indebtedness constituting reimbursement obligations with respect to workers' compensation claims or self-insurance obligations or bid, performance, surety or appeal bonds or payment obligations in connection with insurance premiums or similar obligations, security deposits and bank overdrafts (and letters of credit in connection with or in lieu of each of the foregoing) in the ordinary course of business (in each case other than for an obligation for borrowed money);
- (h) Indebtedness constituting letters of credits, performance or surety bonds, trade or completion guarantees or reimbursement obligations with respect to letters of credit or trade or completion guarantees issued in the ordinary course of business to the extent that such letters of credit or trade guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 60 days following receipt by the Company or the applicable Restricted Subsidiary of a demand for reimbursement;
- (i) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price, earn-outs or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company or the applicable Restricted Subsidiary Incurred in connection with the acquisition or disposition of any business or assets (other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business or assets for the purpose of financing such acquisition); *provided* that the maximum aggregate liability of the Company or the applicable Restricted Subsidiary in respect of all such Indebtedness Incurred in connection with a disposition shall at no time exceed the gross proceeds actually received by the Company or the applicable Restricted Subsidiary from the disposition of such business or assets;
- (j) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds; provided that such Indebtedness is extinguished within five (5) Business Days of Incurrence;
- (k) guarantees by the Company or any Restricted Subsidiary of (i) Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant; provided that if the Indebtedness being guaranteed is subordinated to or pari passu with the Notes or a Subsidiary Guarantee, as the case may be, then the guarantee of such Indebtedness shall be subordinated or pari passu, as applicable, to the same extent as the Indebtedness guaranteed and (ii) of Indebtedness of any Qualified Investee;
- (l) Indebtedness to the extent the net cash proceeds thereof are promptly and irrevocably deposited with the Trustee (or another Person designated by the Trustee for such purpose) to defease or to satisfy and discharge the Notes as described under the captions "– Legal Defeasance and Covenant Defeasance" and "– Satisfaction and Discharge";
- (m) Acquired Indebtedness; provided that after giving pro forma effect to the Incurrence of such Acquired Indebtedness and the relevant merger, consolidation, acquisition or designation:
 - (i) either (x) the Gross Leverage Ratio does not exceed 4.0 to 1.0 or (y) the Gross Leverage Ratio is no higher than it was immediately prior to the Incurrence of such Acquired Indebtedness; and
 - (ii) either (x) the Proportionate Project Leverage Coverage Ratio would be not less than 1.8 to 1.0 or (y) the Proportionate Project Leverage Coverage Ratio is no lower than it was immediately prior to the Incurrence of such Acquired Indebtedness; and
- (n) Indebtedness Incurred by the Company or any Restricted Subsidiary; provided that the aggregate principal amount of Indebtedness Incurred under this clause (2)(n) at any time outstanding does not exceed U.S.\$30.0 million (or the Dollar Equivalent thereof).

For purposes of determining compliance with this covenant, if an item of Indebtedness meets the criteria of more than one type of Permitted Indebtedness, or of Indebtedness described in paragraph (1) of this covenant and one or more types of Permitted Indebtedness, the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness or any portion thereof.

The accrual of interest, the accrual of any redemption premium, the accretion or amortization of original issue discount and the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be incurred pursuant to this covenant will not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the Dollar Equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred (or first committed, in the case of revolving credit debt); *provided that* if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency than the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any of the Restricted Subsidiaries to, directly or indirectly, guarantee any Indebtedness of the Company unless such Restricted Subsidiary: (a) simultaneously executes and delivers a supplemental indenture to the Indenture and provides for an unsubordinated guarantee of the payment of the Notes that is senior to or *pari passu* with such Restricted Subsidiary's guarantee of such other Indebtedness; and (b) waives, and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation as a result of any payment by such Restricted Subsidiary under its guarantee of the Notes until the Notes have been paid in full.

Transactions with Shareholders and Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, enter into any transaction or series of related transactions involving aggregate consideration in excess of US\$2.0 million (or the Dollar Equivalent thereof) with (a) any holder of 10.0% or more of any class of Capital Stock of the Company or (b) any Affiliate of the Company (each, an "**Affiliate Transaction**"), unless:

- (1) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary, as the case may be, than those that would have been obtained in a comparable arm's-length transaction by the Company or such Restricted Subsidiary, as the case may be, with a Person that is not such a holder or Affiliate of the Company; and
- (2) the Company delivers to the Trustee:
 - (i) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$5.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant; and
 - (ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$15.0 million (or the Dollar Equivalent thereof), an opinion issued by an accounting, appraisal or investment banking firm of internationally recognized standing (or a local affiliate thereof) or by a registered valuer or chartered accountant (in accordance with SEBI guidelines) stating that either (a) such Affiliate Transaction is, or series of related Affiliate Transactions, is fair to the Company or such Restricted Subsidiary from a financial point of view or (b) the terms of such Affiliate Transaction is, or series of related Affiliate Transactions are, not materially less favorable to the Company or such Restricted Subsidiary than those that would have been obtained in a comparable arm's length transaction by the Company or such Restricted Subsidiary with a Person that is not such a holder or Affiliate of the Company.

The foregoing limitation does not limit, and will not apply to:

- (1) directors' fees, indemnification, expense reimbursement and similar arrangements (including the payment of directors and officers insurance premiums), employee salaries, bonuses, employment agreements and arrangements, compensation or employee benefit arrangements, including stock options or legal fees and fees and compensation paid to consultants and agents;
- (2) transactions between or among any members of the Restricted Group or any Qualified Investee;
- (3) any Restricted Payments permitted or not prohibited by the "*– Certain Covenants-Restricted Payments*" covenant and any Permitted Investments;
- (4) transactions pursuant to agreements in effect on the Original Issue Date, or any amendment, modification, extension, renewal or replacement thereof, so long as such amendment, modification, extension, renewal or replacement is on terms that are substantially similar to or not more disadvantageous to the Company or the Restricted Subsidiaries than the original agreement in effect on the Original Issue Date;
- (5) transactions with a Person that is an Affiliate solely because the Company, directly or indirectly, owns Capital Stock in, or controls, such Person; *provided* that no Affiliate of the Company owns Capital Stock in such Person;
- (6) any payments or other transactions pursuant to tax sharing arrangements between the Company or any Restricted Subsidiary and any other Person with which the Company or any Restricted Subsidiary files a consolidated tax return or with which the Company or any Restricted Subsidiary is part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation;
- (7) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged into the Company or any of the Restricted Subsidiaries; *provided* that such agreement was not entered into in contemplation of such acquisition or merger;
- (8) any Incurrence of, or amendment to, any Subordinated Shareholder Debt (so long as in the case of any amendment, such Subordinated Shareholder Debt continues to satisfy the requirements set forth under the definition "Subordinated Shareholder Debt" after giving effect thereto);
- (9) transactions with customers, clients, contractors, purchasers or suppliers of goods or services (including administrative, cash management, legal and regulatory, engineering, technical, financial, accounting, procurement, marketing, insurance, labor, management, operation and maintenance, power supply and other services) or insurance or lessors or lessees or providers of employees or other labor or property, in each case in the ordinary course of business and that are fair or on terms at least as favorable as arm's length as determined in good faith by the Board of Directors of the Company;
- (10) the sale of (i) the Chandivali Property and (ii) any shares in AIPL;
- (11) any issuance of Equity Interests (other than Disqualified Stock) of the Company; and
- (12) loans or advances to, or guarantees of obligations of, directors, Promoters, officers or employees of the Company not to exceed US\$1.0 million (or the Dollar Equivalent thereof) in the aggregate at any one time outstanding.

Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien on the Collateral (other than Permitted Liens).

Sale and Leaseback Transactions

The Company will not, and will not permit any of the Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; *provided* that the Company or any Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

- (1) the Company or the relevant Restricted Subsidiary could have Incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under the covenant described under the caption “– *Incurrence of Indebtedness and Issuance of Preferred Stock*”, in which case the corresponding Indebtedness will be deemed Incurred pursuant to those provisions;
- (2) the gross cash proceeds of such Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and
- (3) the transfer of assets in such Sale and Leaseback Transaction is not prohibited by, and the Company or the relevant Restricted Subsidiary applies the proceeds of such Sale and Leaseback Transaction in compliance with, the covenant described under the caption “– *Asset Sales*” if and to the extent required thereby.

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of:

- (1) any Restricted Subsidiary to pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;
- (2) any Restricted Subsidiary to pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;
- (3) any Restricted Subsidiary to make loans or advances to the Company or any other Restricted Subsidiary; or
- (4) any Restricted Subsidiary to sell, lease or transfer any of its property or assets to the Company or any Restricted Subsidiary;

provided that it being understood that (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to any Restricted Subsidiary to other Indebtedness Incurred by any Restricted Subsidiary; and (iii) provisions requiring transactions to be on fair and reasonable terms or on an arm's length basis, in each case, shall not be deemed to constitute such an encumbrance or restriction.

The foregoing restrictions will not apply to encumbrances or restrictions:

- (1) existing in agreements as in effect on the Original Issue Date and any extensions, refinancings, renewals, supplements, amendments or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal, supplement, amendment or replacement are not materially more restrictive, taken as a whole, than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced, as determined in good faith by the Board of Directors of the Company;
- (2) existing under or by reason of applicable law, rule, regulation or order;

- (3) with respect to any Person or the property or assets of such Person that is designated a Restricted Subsidiary or is acquired by the Company or any Restricted Subsidiary, existing at the time of such designation or acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so designated or acquired, and any extensions, refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement are not materially more restrictive, taken as a whole, than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced, as determined in good faith by the Board of Directors of the Company;
- (4) if they arise, or are agreed to in the ordinary course of business, and that (x) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (y) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or that limit the right of the debtor to dispose of assets subject to a Lien not otherwise prohibited by the Indenture or (z) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;
- (5) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the “– *Sales and Issuances of Capital Stock in Restricted Subsidiaries*,” “– *Incurrence of Indebtedness and Issuance of Preferred Stock*” and “– *Asset Sales*” covenants;
- (6) arising from provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business if the encumbrances or restrictions (i) are customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially adversely affect the ability of the Company to make required payments on the Notes, as determined in good faith by the Board of Directors of the Company; or
- (7) with respect to any Indebtedness or any indebtedness that is permitted by the “– *Incurrence of Indebtedness and Issuance of Preferred Stock*” covenant; *provided* that the encumbrances or restrictions (i) are customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially adversely affect the ability of the Company or any Subsidiary Guarantor to make required payments on the Notes or any of the Subsidiary Guarantees, as determined in good faith by the Board of Directors of the Company.

Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, issue, directly or indirectly, or sell any shares of Capital Stock of, a Restricted Subsidiary, except:

- (1) to the Company or a Wholly Owned Restricted Subsidiary;
- (2) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale) to the extent such Capital Stock represents director’s qualifying shares or is required by applicable law, rule, regulation or order to be held by a Person other than the Company or a Restricted Subsidiary;
- (3) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); *provided* that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with the “– *Asset Sales*” covenant, if and to the extent required thereby; or
- (4) the issuance or sale of Capital Stock of a Restricted Subsidiary (which does not remain a Restricted Subsidiary after any such issuance or sale); *provided* that the Net Cash Proceeds of such issuance or sale are applied in accordance with the “– *Asset Sales*” covenant, if and to the extent required thereby, and any remaining Investment in such Person would have been permitted to be made under the “– *Restricted Payments*” covenant if made on the date of such issuance or sale.

Asset Sales

The Company will not, and the Company will not permit any Restricted Subsidiary to, consummate any Asset Sale unless:

- (1) the consideration received by the Company or such Restricted Subsidiary is at least equal to the Fair Market Value of the assets sold or disposed of; and
- (2) at least 75.0% of the consideration received from the Asset Sale consists of cash, Temporary Cash Equivalents, Replacement Assets (as defined below) or any combination thereof, provided that in connection with a Pre-Funded Qualified Asset Sale, any Pre-Funded Qualified Asset Sale Investments shall be deemed to be Replacement Assets received as consideration in connection with such sale.

For purposes of this provision, each of the following will be deemed to be cash:

- (1) any liabilities, as shown on the most recent consolidated statement of financial position of the Company (other than contingent liabilities and liabilities that are by their terms subordinated to Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that irrevocably and unconditionally releases the Company or the applicable Restricted Subsidiary from further liability; and
- (2) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Company or any Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

Within 18 months after the receipt of any Net Cash Proceeds from any Asset Sale, such Net Cash Proceeds may be applied (a) to repay Senior Indebtedness (and if such Indebtedness is revolving credit Indebtedness, to permanently reduce such commitments) of the Company or any Restricted Subsidiary, (b) to make capital expenditures and/or to fund any Major Maintenance Expenses, in each case, for a Permitted Business, (c) to acquire properties and assets (including units or other Capital Stock in any Qualified Investee) (other than current assets) that are used or will be used in a Permitted Business, (d) to acquire all, or substantially all of the assets of a Person, or a line of business, which undertakes or is involved in a Permitted Business, or (e) any combination of the foregoing ((b), (c) and (d), collectively, the “**Replacement Assets**”); *provided* that any such reinvestment in Replacement Assets made pursuant to a definitive binding agreement or a commitment approved by the Board of Directors of the Company that is executed or approved within such time will satisfy this requirement, so long as such reinvestment is consummated within 6 months after such 18 months period.

Any Net Cash Proceeds from Asset Sales that are not applied or invested under clauses (a) through (e) above, will, in each case, constitute “**Excess Proceeds**”. When the aggregate amount of Excess Proceeds exceeds US\$5.0 million (or the Dollar Equivalent thereof), within ten (10) Business Days thereof, subject to applicable RBI guidelines, the Company must make an offer (an “**Excess Proceeds Repurchase Offer**”) to purchase the Notes at 100.0% of the principal amount of the Notes and any *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the applicable Asset Sale, plus accrued and unpaid interest, if any, to (but not including) the applicable date of purchase. If the aggregate principal amount of Notes and *pari passu* Indebtedness tendered into such Excess Proceeds Repurchase Offer exceeds the amount of Excess Proceeds, the Notes and such *pari passu* Indebtedness will be purchased on a *pro rata* basis. Any remaining proceeds after such Excess Proceeds Repurchase Offer may be used for any purpose not otherwise prohibited under the Indenture. Upon completion of each Excess Proceeds Repurchase Offer, the amount of Excess Proceeds will be reset at zero.

The Company will comply with the requirements of any securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the redemption of Notes as a result of an Asset Sale. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the Indenture by virtue of such compliance.

Merger, Consolidation and Sale of Assets

The Company will not consolidate with or merge with or into another Person, permit any Person to consolidate or merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of the Company and the Restricted Subsidiaries (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) unless the following conditions are satisfied:

- (1) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger, or with or into which the Company consolidated or merged, or that acquired or leased such property and assets (the “**Surviving Person**”) shall (x) be a corporation organized and validly existing under the laws of India, Australia, Canada, Singapore, Switzerland, the United Kingdom, any member state of the European Union, the United States, any state of the United States or the District of Columbia, Bermuda, the British Virgin Islands, the Cayman Islands or Mauritius and (y) expressly assume, by way of a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture, the Notes and the Collateral Documents, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes or through which it makes payments, and the Indenture, the Notes and the Collateral Documents shall remain in full force and effect;
- (2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (3) immediately after giving effect to such transaction on a *pro forma* basis, (A) either (x) the Gross Leverage Ratio does not exceed 4.0 to 1.0 or (y) the Gross Leverage Ratio is no higher than it was immediately prior to such transaction and (B) either (x) the Proportionate Project Leverage Coverage Ratio would be not less than 1.8 to 1.0 or (y) the Proportionate Project Leverage Coverage Ratio is no lower than it was immediately prior to such transaction;
- (4) the Company delivers an Officer’s Certificate and an Opinion of Counsel to the Trustee as to compliance with this covenant; and
- (5) each Subsidiary Guarantor (if any) shall execute and deliver a supplemental indenture to the Indenture confirming that its Subsidiary Guarantee shall apply to the obligations of the Company or the Surviving Person, as the case may be, in accordance with the Notes and the Indenture.

No Subsidiary Guarantor will consolidate with, merge with or into another Person, permit any Person to consolidate or merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of the properties and assets of the Subsidiary Guarantor and its Restricted Subsidiaries (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than the Company or another Subsidiary Guarantor), unless each of the following conditions is met:

- (1) such Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger, or with or into which the Subsidiary Guarantor consolidated or merged, or that acquired or leased such property and assets shall be the Company, another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction in accordance with the Indenture;
- (2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (3) immediately after giving effect to such transaction on a *pro forma* basis, (A) either (x) the Gross Leverage Ratio does not exceed 4.0 to 1.0 or (y) the Gross Leverage Ratio is no higher than it was immediately prior to such transaction and (B) either (x) the Proportionate Project Leverage Coverage Ratio would be not less than 1.8 to 1.0 or (y) the Proportionate Project Leverage Coverage Ratio is no lower than it was immediately prior to such transaction; and
- (4) the Company delivers an Officer’s Certificate and an Opinion of Counsel to the Trustee as to compliance with this covenant;

provided that this paragraph shall not apply to any sale or other disposition that complies with the “– Asset Sales” covenant or any Subsidiary Guarantor whose Subsidiary Guarantee is unconditionally released in accordance with the provisions described under “– Brief Description of the Notes and the Subsidiary Guarantees – The Subsidiary Guarantees.”

Upon any transaction that is subject to, and that complies with, the provisions of this “– *Merger, Consolidation and Sale of Assets*” covenant, the successor Person (if applicable) formed by such consolidation, or into or with which the Company or any Subsidiary Guarantor is merged, or to which such sale is made, shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger or sale, the provisions of the Indenture referring to the “Company” and the “Subsidiary Guarantor” shall refer instead to the successor Person and not to the Company or the applicable Subsidiary Guarantor, as the case may be), and may exercise every right and power of the Company or the applicable Subsidiary Guarantor, as the case may be, under the Indenture, with the same effect as if such successor Person had been named as the Company or the applicable Subsidiary Guarantor, as the case may be, in the Indenture, and the Company or the applicable Subsidiary Guarantor, as the case may be, shall be released from all obligations under the Indenture and the Notes.

IRB Undertaking In Relation to Road Project Subordinated Debt

The Company will not permit any Wholly Owned Road Project Restricted Subsidiary to demand repayment under any Road Project Subordinated Debt.

IRB Undertaking In Relation to Mumbai Pune Remaining a Wholly Owned Restricted Subsidiary

The Company shall ensure that Mumbai Pune will remain a Wholly Owned Restricted Subsidiary at all times.

Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses; *provided* that the Company or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any Investment therein was not prohibited when made by the covenant under the caption “– *Restricted Payments*.”

Use of Proceeds

The Company will not use the net proceeds from the sale of the Notes issued on the Original Issue Date for any purpose other than (1) in the approximate amounts and for the purposes specified under the section entitled “Use of Proceeds” in the Offering Memorandum, and (2) pending the application of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in Temporary Cash Equivalents.

No Payments for Consent

The Company will not, and the Company shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any term or provision of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any term or provision of the Indenture or the Notes, the Company may exclude (a) in connection with an exchange offer, holders or beneficial owners of the Notes that are not “qualified institutional buyers” as defined in Rule 144A under the Securities Act, and (b) in connection with any consent, waiver or amendment, holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such holders or beneficial owners would require the Company to (i) file a registration statement, prospectus or similar document or subject the Company to ongoing periodic reporting or similar requirements under any securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), (ii) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (iii) generally consent to service of process in any such jurisdiction, or (iv) subject the Company to taxation in any such jurisdiction if it is not otherwise so subject, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Designation of Restricted Subsidiaries and Unrestricted Subsidiaries

The Board of Directors of the Company may designate any Restricted Subsidiary (other than Mumbai Pune) to be an Unrestricted Subsidiary if that designation would not cause a Default or an Event of Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and the Restricted Subsidiaries in the Restricted Subsidiary being designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption “– *Restricted Payments*” or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. Any designation of a Restricted Subsidiary as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a Board Resolution giving effect to such designation and an Officer’s Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant described above under the caption “– *Restricted Payments*.”

The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that such designation will be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted to be Incurred under the covenant described under the caption “– *Incurrence of Indebtedness and Issuance of Preferred Stock*” and (2) no Default or Event of Default would be in existence immediately following such designation.

Government Approvals and Licenses; Compliance with Law

The Company will, and the Company shall cause each Restricted Subsidiary to, (1) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses; (2) preserve and maintain good and valid title to its properties and assets (including land-use rights); and (3) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (a) the business, results of operations or prospects of the Restricted Group, taken as a whole, or (b) the ability of the Company or any Subsidiary Guarantor to perform their respective obligations under the Notes, the Subsidiary Guarantees, the Indenture or the Collateral Documents.

Surplus Proceeds from Mumbai Pune and Payments on Subordinated Debt

The Company shall ensure that Mumbai Pune deposits all surplus proceeds generated by the Mumbai Pune Project after the satisfaction of all sub-concession fees, O&M expenses, statutory payments and debt servicing of senior lenders and payments of all other amounts as prescribed under its financing agreements into the Escrow Account in accordance with the Escrow Account Agreement.

The Company shall also ensure that Mumbai Pune deposits all payments to the Company in respect of all subordinated debt provided by the Company to Mumbai Pune, both present and future, into the Escrow Account in accordance with the Escrow Account Agreement.

Anti-Layering

The Company will not Incur, and the Company will not permit any Subsidiary Guarantor to Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the applicable Subsidiary Guarantee, on substantially identical terms. This covenant does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or guarantee securing or in favor of some but not all of such Indebtedness or by virtue of some Indebtedness being secured on a junior priority basis.

Provision of Financial Statements and Reports

The Company will provide to the Trustee upon request, as soon as they are available but in any event not more than 10 calendar days after they are filed with the principal internationally recognised stock exchange on which the Company's Common Stock is at any time listed for trading, true and correct copies of any financial or other report in the English language (and a certified English translation of any financial or other report in any other language) filed with such exchange; *provided* that if at any time the Common Stock of the Company is not listed for trading on an internationally recognized stock exchange, the Company will file with the Trustee, in the English language (or accompanied by an English translation thereof):

- (1) within 90 days after the end of the Company's fiscal year, beginning with the fiscal year ending March 31, 2024, audited standalone and consolidated balance sheets of the Company as of the end of the two most recent fiscal years and audited standalone and consolidated statements of income and cash flow of the Company for the two most recent fiscal years, including footnotes to the financial statements and an audit report of one or more member firms of one or more recognized accounting firms on the financial statements (to be prepared as per the SEBI LODR format); and
- (2) within 90 days after the end of each of the first three quarters in each fiscal year of the Company, beginning with the quarter ending June 30, 2024, the following information (to be prepared as per the SEBI LODR format): (x) in respect of quarters ending September 30, a reviewed standalone and consolidated balance sheet of the Company as of the end of such quarter, together with reviewed standalone and consolidated statements of income and cash flow of the Company for the most recent quarter ending on the unaudited standalone/consolidated balance sheet date, and the comparable period in the prior year, and (y) in respect of quarters ending June 30 and December 31, reviewed standalone and consolidated statements of income of the Company for the most recent quarter ending June 30 or December 31, as the case may be, and the comparable period in the prior year.

The Company will provide to the Trustee, in the English language (or accompanied by a certified English translation thereof):

- (1) within 90 days after the end of the Company's fiscal year, beginning with the fiscal year ending March 31, 2024, audited standalone balance sheets of MRM as of the end of the two most recent fiscal years and audited standalone statements of income and cash flow of MRM for the two most recent fiscal years, including footnotes to the financial statements and an audit report of one or more member firms of one or more recognized accounting firms on the financial statements;
- (2) within 90 days after the end of the Company's fiscal year, beginning with the fiscal year ending March 31, 2024, (to be prepared as per the SEBI InvIT format) audited standalone balance sheets of the Private InvIT as of the end of the two most recent fiscal years and audited standalone statements of income and cash flow of the Private InvIT for the two most recent fiscal years, including footnotes to the financial statements and an audit report of one or more member firms of one or more recognized accounting firms on the financial statements; and
- (3) within 90 days after the end of each of the first three quarters in each fiscal year of the Company, beginning with the quarter ending June 30, 2024 (to be prepared as per the SEBI InvIT format):
 - (a) in respect of the quarter ending September 30, a reviewed standalone balance sheet of the Private InvIT as of the end of such quarter, together with reviewed standalone statements of income and cash flow of the Private InvIT for the most recent quarter ending on the unaudited standalone balance sheet date, and the comparable period in the prior year, and
 - (b) in respect of the quarters ending June 30 and December 31, reviewed standalone statements of income of the Private InvIT for the most recent quarter ending June 30 or December 31, as the case may be, and the comparable period in the prior year.

The Company will provide to the Trustee (a) within 90 days after the close of each fiscal quarter and fiscal year end, an Officer's Certificate stating the Proportionate Project Leverage Coverage Ratio and Gross Leverage Ratio as at the end of such fiscal quarters/fiscal year end, showing in reasonable detail the calculation of such ratios, and, within 90 days after the close of each fiscal year end, the Company shall use commercially reasonable efforts to obtain a certificate from a chartered accountant or from a recognized bank or appraiser verifying the accuracy and correctness of such calculations; and (b) as soon as possible and in any event within 10 Business Days after the Company becomes aware or should reasonably become aware of the occurrence of a Default or an Event of Default, an Officer's Certificate setting forth the details of the Default or Event of Default, and the action which the Company proposes to take with respect thereto.

All financial statements of the Company will be prepared in accordance with Ind-AS as in effect on the date of such report or financial statement and on a consistent basis for the periods presented; *provided* that the financial statements and reports set forth in this covenant may, if applicable financial reporting standards change, present earlier periods on a basis that applied to such periods.

Events of Default

Each of the following is an "**Event of Default**":

- (1) default in the payment of principal on, or premium, if any, on, the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest on the Notes when the same becomes due and payable and the continuance of any such failure for 30 days;
- (3) (i) any default or breach under any of the covenants described under the captions "*– IRB Undertaking In Relation to Road Project Subordinated Debt*", "*– Certain Covenants – Merger, Consolidation and Sale of Assets*" or "*– Repurchase of Notes Upon a Change of Control Triggering Event*" or (ii) failure to maintain a Security Coverage Ratio at least equivalent to the Required Security Coverage Ratio which is not remedied within 60 days from a SCR Testing Date in accordance with "*– Security – Security Coverage Ratio*";
- (4) any other default under the Indenture (other than a default specified in (1), (2) or (3) above) and the continuance of any such default for a period of 60 consecutive days after written notice by the Trustee or the Holders of 25.0% or more in aggregate principal amount of the Notes is given to the Company;
- (5) with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$25.0 million (or the Dollar Equivalent thereof) or more, (a) an event of default causing the holder thereof to declare such Indebtedness to be due prior to its Stated Maturity and/or (b) the failure to make a principal payment when due (after giving effect to any grace period);
- (6) the passage of 60 consecutive days following entry of a final judgment or order against the Company or any Restricted Subsidiary that causes the aggregate amount for all such final judgments or orders outstanding and not paid, discharged or stayed (once such amounts are due) to exceed US\$25.0 million (or the Dollar Equivalent thereof) (exclusive of any amounts for which a solvent (to the Company's best knowledge) insurance company has acknowledged liability for);
- (7) an involuntary case or other proceeding commenced against the Company or any Restricted Subsidiary seeking the appointment of a receiver or trustee and which remains undismissed and unstayed for 60 consecutive days; or an order for relief is entered under any bankruptcy or other similar law with respect to any such entity which remains undismissed and unstayed for 60 consecutive days;

- (8) the Company or any Restricted Subsidiary:
- (i) commences a voluntary case under any bankruptcy or other similar law, or consents to the entry of an order for relief in an involuntary case,
 - (ii) consents to the appointment of a receiver or trustee, or
 - (iii) effects any general assignment for the benefit of creditors;
- (9) any of the Subsidiary Guarantors denies its obligations under its Subsidiary Guarantee or any such Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect (except where such Subsidiary Guarantee has been released in accordance with the terms of the Indenture);
- (10) any default by the Company in the performance of any of its obligations under the Collateral Documents which adversely affects the enforceability, validity, perfection or priority of the Lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect;
- (11) the repudiation by the Company of any of its obligations under the Collateral Documents or any of the Collateral Documents, once executed, ceases to be or, is not, in full force or effect, or the Security Trustee ceases to have the prescribed priority of security interest in any of the Collateral;
- (12) the failure by the Company or any other security provider, as the case may be, to create and perfect a security interest over the Collateral in the form and manner and within the time prescribed herein;
- (13) any default under the Escrow Account Agreement and the continuance of any such default for three Business Days; or
- (14) with respect to the NCDs, (a) an event of default causing the holder thereof to declare such NCDs to be due prior to its Stated Maturity and/or (b) the failure to make a principal payment when due under the NCDs.

If an Event of Default (other than an Event of Default specified in clause (7), (8) or (14) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25.0% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written direction of Holders of at least 25.0% in aggregate principal amount of the Notes then outstanding (subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction) will, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest will be immediately due and payable. If an Event of Default specified in clause (7), (8) or (14) above occurs, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding will automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee, may on behalf of all the Holders, waive all past defaults (except a default in the payment of the principal of, premium, if any, and Additional Amounts or interest on any Note in which case the consent of the Holders of at least 90% of the then outstanding Notes shall be required) and rescind and annul a declaration of acceleration and its consequences if:

- (1) all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and
- (2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured in relation to the Notes, but no such waiver will extend to any subsequent or other Default or impair any right or consequence thereon.

If an Event of Default occurs and is continuing, the Trustee may, but will not be obliged to, and shall, upon written request of Holders of at least 25.0% in aggregate principal amount of the Notes then outstanding (subject to it being indemnified and/or pre-funded and/or secured to its satisfaction), pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes (including by giving appropriate instructions to the Security Trustee) or to enforce the performance of any provision of the Notes or the Indenture, including, but not limited to, directing the Security Trustee to foreclose on the Collateral in accordance with the Collateral Documents and take such further action on behalf of the Holders with respect to the Collateral as the Security Trustee deems appropriate or in accordance with such Holders' instruction and the relevant Collateral Documents. A Trustee and/or Security Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee and the Security Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee or the Security Trustee in personal liability, or that the Trustee determines may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. In addition, the Trustee or the Security Trustee will not be required to expend its own funds in following such direction if it does not believe that reimbursement or satisfactory indemnification and/or security and/or pre-funding is assured to it.

A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or the Trustee, or give any instruction to the Security Trustee for enforcement of Collateral or for any other remedy under the Indenture or the Notes, unless:

- (1) the Holder has previously given the Trustee written notice of a continuing Event of Default;
- (2) the Holders of at least 25.0% in aggregate principal amount of the Notes then outstanding make a written request to the Trustee to pursue the remedy;
- (3) such Holder or Holders offer the Trustee and the Security Trustee indemnity and/or security and/or pre-funding satisfactory to the Trustee and the Security Trustee against any fees, costs, liability or expenses to be incurred in compliance with such request;
- (4) the Trustee does not comply with the request within sixty (60) days after the receipt of the offer of indemnity and/or security and/or pre-funded pursuant to clause (2) above; and
- (5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a written direction that is inconsistent with the request.

However, such limitations do not apply to the contractual right of any Holder to receive payment of the principal of, premium, if any, or interest on, the Notes, or to bring suit for the enforcement of any such contractual right to payment, on or after the due date expressed in the Notes, which right will not be impaired or affected without the consent of Holders holding at least 90.0% in outstanding principal amount of the Notes in accordance with the provision described under "*Amendments and Waiver*".

No one or more of such holders of the Notes shall have any right in any manner whatsoever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other of such holders, or to obtain or to seek to obtain priority or preference over any other of such holders or to enforce any right under the Indenture, except in the manner therein provided and for the equal and ratable benefit of all of such holders.

An officer of the Company must certify to the Trustee in writing, on or before a date not more than 90 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and the Restricted Subsidiaries and of the performance by the Company under the Indenture, the Notes and the Collateral Documents, and that the Company has fulfilled all of its obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee and the Security Trustee in writing of any Event of Default, Default or defaults in the performance of any covenants or agreements under the Indenture.

The Trustee, the Security Trustee and the Agents need not do anything to ascertain whether any Default or Event of Default has occurred and is continuing and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so, and, the Trustee, the Security Trustee or the Agents may assume that no Default or Event of Default has occurred unless the Trustee, the Security Trustee and the Agents have received written notice of the occurrence of such event.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes, and the provisions of the Indenture will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things:

- (1) the Company (a) has deposited with the Trustee (or its agent), in trust, cash in U.S. dollars, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes and (b) delivers to the Trustee an Opinion of Counsel or a certificate of an internationally recognized firm of independent accountants to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity of such payment in accordance with the terms of the Indenture;
- (2) the Company has delivered to the Trustee an Opinion of Counsel from a law firm of recognized international standing to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law;
- (3) the Company shall have delivered to the Trustee an Officer's Certificate stating that the deposit was not made by it with the intent of preferring the Holders over any other of its creditors or with the intent of defeating, hindering, delaying or defrauding any other of its creditors or others;
- (4) immediately after giving effect to such deposit on a *pro forma* basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any of the Restricted Subsidiaries is a party or by which the Company or any of the Restricted Subsidiaries is bound; and
- (5) the Company shall have delivered to the Trustee an Opinion of Counsel from a law firm of recognized international standing with respect to U.S. tax matters to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred, and, such Opinion of Counsel must be based on a ruling of the U.S. Internal Revenue Service or a change in applicable U.S. federal income tax law.

In the case of either discharge or defeasance of the Notes, each of the Subsidiary Guarantees will terminate.

Defeasance of Certain Covenants

The Indenture will further provide that the provisions of the Indenture will no longer be in effect with respect to clause (3) under the first and second paragraphs under “– *Merger, Consolidation and Sale of Assets*” and all the covenants described herein under “– *Certain Covenants*” and clause (3) under “*Events of Default*” with respect to such clauses (3) under the first and second paragraphs under “– *Merger, Consolidation and Sale of Assets*” and with respect to the other events set forth in such clause, clause (4) under “– *Events of Default*” with respect to such other covenants and clauses (5), (6), (7) and (8) under “– *Events of Default*” shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee (or its agent), in trust, of cash in U.S. dollars, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, and the satisfaction of the provisions described in clause (2) and (5) of the preceding paragraph; *provided* that the Opinion of Counsel with respect to U.S. tax matters need not be based on a ruling of the U.S. Internal Revenue Service or a change in applicable U.S. federal income tax law.

Defeasance and Certain Other Events of Default

In the event the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture with respect to the Notes as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of cash in U.S. dollars and/or U.S. Government Obligations on deposit with the Trustee will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Company and the Subsidiary Guarantors will remain liable for such payments.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

- (1) either
 - (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for those payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Registrar for cancellation; or
 - (b) all Notes that have not been delivered to the Registrar for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Company or any Subsidiary Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or such other entity designated or appointed (as agent) by it for such purpose) as trust funds in trust solely for the benefit of the holders, cash in U.S. dollars, U.S. Government Obligations, or a combination of thereof, in amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancellation for principal of, premium on, if any, and interest, if any, on, the Notes to the date of maturity or redemption;

- (2) in respect of clause 1(b), no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and any similar deposit relating to other Indebtedness and, in each case, the granting of Liens to secure such borrowings) and the deposit will not result in a breach or violation of, or constitute a default under, other instrument to which the Company or any Subsidiary Guarantor is a party or by which the Company or any Subsidiary Guarantor is bound (other than with respect to the borrowing of funds to be applied concurrently to make the deposit required to effect such satisfaction and discharge and any similar concurrent deposit relating to other Indebtedness, and in each case the granting of Liens to secure such borrowings);
- (3) the Company or any Subsidiary Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and
- (4) the Company has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at Stated Maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating all conditions precedent to satisfaction and discharge have been satisfied.

Amendments and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, the Notes, any Subsidiary Guarantee, the Collateral Documents, the Security Trustee Appointment Agreement and the Escrow Account Agreement may be amended or supplemented with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, any Subsidiary Guarantee, the Collateral Documents, the Security Trustee Appointment Agreement or the Escrow Account Agreement may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes).

Without the consent of Holders holding at least 90.0% in principal amount of the Notes then outstanding, an amendment, supplement or waiver may not:

- (1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of, or change the Stated Maturity of, the Notes;
- (3) change the place, currency or time of payment of principal of, or premium, if any, or interest on, the Notes;
- (4) reduce the rate of, or change the currency or change the times for payment of, interest, including default interest, on the Notes;
- (5) change the redemption date or the redemption price of the Notes from that stated under "*Optional Redemptions*" or "*Redemption for Tax Reasons*";
- (6) waive a Default or an Event of Default in the payment of principal of, or interest or premium, if any, on the Notes (except a rescission of acceleration of Notes by the Holders of a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);
- (7) reduce the amount payable upon a Change of Control Offer or an Excess Proceeds Repurchase Offer or change the time or manner a Change of Control Offer or an Excess Proceeds Repurchase Offer may be made or by which the Notes must be redeemed pursuant to a Change of Control Offer or an Excess Proceeds Repurchase Offer, in each case after the obligation to make such Change of Control Offer or Excess Proceeds Repurchase Offer has arisen;

- (8) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders to receive payments of principal of, or interest or premium, if any, on, the Notes;
- (9) waive a redemption payment with respect to any Notes;
- (10) release any Subsidiary Guarantor from any of its obligations under its Subsidiary Guarantee or the Indenture, except as provided in the Indenture, for which no consent of any Holders would be required;
- (11) release any Collateral from the applicable Lien of the Indenture and the applicable Collateral Document, except as provided in the Indenture, for which no consent of any Holders would be required;
- (12) amend, supplement or grant any waiver under any Escrow Account Agreement (i) that would adversely impact the priority of payments with respect to the Notes and/or the right to receive payments with respect to the Notes (other than in relation to any Indebtedness, payments in respect of which are proposed to be made on a pari passu basis with payments in respect to the Notes); or (ii) relating to any action or change not permitted by the Indenture; or
- (13) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder of the Notes, the Company, the Subsidiary Guarantors, the Trustee and the Security Trustee may amend or supplement the Indenture, the Notes, any Subsidiary Guarantee, the Security Trustee Appointment Agreement, the Collateral Documents or the Escrow Account Agreement:

- (1) to cure any ambiguity, defect, omission or inconsistency;
- (2) to supplement any provision in the Indenture which may be defective or inconsistent with any other provision in the Indenture, or to make any other provisions with respect to matters or questions arising under the Indenture, provided that such action shall not adversely affect the interests of the holders of the Notes in any material respect;
- (3) to provide for certificated Notes in addition to, or in place of, uncertificated Notes;
- (4) to comply with the provisions described under “– *Certain Covenants – Merger, Consolidation and Sale of Assets*”;
- (5) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights and interests under the Indenture of any such Holder;
- (6) to conform the text of the Indenture, the Notes, the Subsidiary Guarantees, the Security Trustee Appointment Agreement, the Collateral Documents or the Escrow Account Agreement to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of a provision thereof;
- (7) to effect any changes to the Indenture in a manner necessary to comply with the procedures of Euroclear or Clearstream or relevant clearing system;
- (8) to add a Subsidiary Guarantor or any Subsidiary Guarantee or release any Subsidiary Guarantor from any Subsidiary Guarantee as provided or permitted by the terms of the Indenture;
- (9) to release any Liens on the Collateral as provided or permitted by the terms of the Indenture, the Collateral Documents and the Security Trustee Appointment Agreement;
- (10) to add additional collateral to secure the Notes or any Subsidiary Guarantee or any other Indebtedness permitted to be secured by such additional collateral;
- (11) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;
- (12) to evidence and provide for the acceptance of appointment by a successor Trustee or Security Trustee or the account bank under the Escrow Account Agreement;

- (13) to enter into any amendments or modifications to the Collateral Documents or the Security Trustee Appointment Agreement, and take any other action, in any such case necessary to permit or for the purposes of permitting the creation, registration, perfection and maintenance of Liens on any Collateral, or any other assets of the Company or its Subsidiaries in accordance with the Indenture; or
- (14) to enter into any amendment or supplement to, or grant any waiver under, the Escrow Account Agreement for any other action which is permitted under or not restricted by the Indenture.

In connection with the matters indicated above, the Trustee shall be entitled to conclusively rely on an Opinion of Counsel and Officer's Certificate to the effect that the entry into such amendment, supplement or waiver is authorized or permitted under the Indenture, the Notes, any Subsidiary Guarantee, the Security Trustee Appointment Agreement, the Collateral Documents or the Escrow Account Agreement and that such amendment, supplement or waiver constitutes legal, valid, binding and enforceable obligations of the party or parties executing such amendment or supplement or granting such waiver.

Unclaimed Money

Claims against the Company for the payment of principal of, premium, if any, or interest, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any Subsidiary Guarantor in the Indenture, or in any of the Notes or the Subsidiary Guarantees or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company or any Subsidiary Guarantor or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Subsidiary Guarantees. Such waiver may not be effective to waive liabilities under relevant laws.

Concerning the Trustee, the Security Trustee and the Agents

DB Trustees (Hong Kong) Limited is to be appointed as Trustee and Catalyst Trusteeship Limited has been appointed as the Security Trustee under the Indenture and the Security Trustee Appointment Agreement, respectively, and Deutsche Bank AG, Hong Kong Branch is to be appointed as the Registrar, the Transfer Agent and the Principal Paying Agent under the Indenture with regard to the Notes. Except during the continuance of a Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture and the Notes (as the case may be), and no implied covenant or obligation shall be read into the Indenture or the Notes (as the case may be) against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will be required to use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture or the Notes or the Subsidiary Guarantees (as the case may be) as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

Pursuant to the terms of the Indenture, the Notes or the Subsidiary Guarantees (as the case may be), the Company and the Subsidiary Guarantors will jointly and severally reimburse the Trustee for all fees and incurred costs and expenses (including, indemnity payments).

The Trustee is entitled, prior to exercising any discretion or power, taking any action, making any decision, or giving any direction under the Transaction Documents, to seek written directions from the Holders, and to seek clarification of any instruction previously given. The Trustee is entitled to refrain from acting in the absence of any, or any clear instructions, directions or clarifications and shall not be liable for not acting in such circumstances.

Each Holder shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Company and assessing the terms and provisions of the Transaction Documents, and the Trustee shall not at any time have any responsibility for the same and each Holder shall not rely on the Trustee in respect thereof.

The Trustee and the Security Trustee shall be entitled to forward a copy of any document, communication and/or information provided to it under the Transaction Documents to a Holder that requests the same.

Each Holder of the Notes by accepting the Notes is deemed to have acknowledged and agreed that delivery of information or documents to the Notes Trustee and/or the Security Trustee under the Transaction Documents will not constitute active or constructive notice or knowledge of the information contained therein or determinable from information contained therein (including, but not limited to, the Company's compliance with its covenants under the Transaction Documents) as to which the Notes Trustee and the Security Trustee will be entitled to conclusively rely on Officers' Certificates.

Notwithstanding anything to the contrary herein and in the Indenture, in considering the interests of Holders while the Global Notes (as defined herein) are held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any certificate, report or any other information provided to it by the clearing systems or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Notes and may consider such interests as if such accountholders were the Holders of the Notes represented by the Global Notes. The Trustee may call for any certificate or other document to be issued by the clearing systems as to the principal amount of Notes evidenced by the Global Notes standing to the account of any accountholders. Any such certificate or other document issued by the clearing systems shall be conclusive and binding for all purposes. The Trustee shall not be liable to any Holder, the Company or any other person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by the relevant clearing system and subsequently found to be forged or not authentic or not to be correct.

Book-Entry; Delivery and Form

The Notes will be evidenced on issue by a Regulation S Global Note and a Rule 144A Global Note. The Regulation S Global Notes and the Rule 144A Global Notes are referred to herein as the "Global Notes". The Notes will be represented by the Global Notes in registered form without interest coupons attached. On the Original Issue Date, the Global Notes will be deposited with a common depository and registered in the name of the common depository or its nominee for the accounts of Euroclear and Clearstream. The Notes will be issued only in fully registered form, without coupons, in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.

Global Notes

Ownership of beneficial interests in the Global Notes (the "**book-entry interests**") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants.

Except as set forth below under "*Individual Definitive Notes*," the book-entry interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge book-entry interests.

So long as the Notes are held in global form, the common depository for Euroclear and/or Clearstream (or its nominee) will be considered the sole holder of the Global Notes for all purposes under the Indenture and "holders" of book-entry interests will not be considered the owners or "Holders" of Notes for any purpose. As such, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own book-entry interests in order to transfer their interests in the Notes or to exercise any rights of Holders under the Indenture.

None of the Company, the Subsidiary Guarantors, the Trustee, the Agents or any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the book-entry interests. The Notes are not issuable in bearer form.

Payments on the Global Notes

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and Additional Amounts) will be made to the Paying Agent. The Paying Agent will, in turn, make such payments to the common depositary for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their procedures. The Company or the Subsidiary Guarantors will make payments of all such amounts without deduction or withholding for, or on account of, any Taxes, except as may be required by law and as described under “– *Additional Amounts*.”

Under the terms of the Indenture, the Company and the Trustee will treat the registered holder of the Global Notes (i.e., the common depositary or its nominee) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Company, the Trustee, the Agents or any of their respective agents has or will have any responsibility or liability for:

- (1) any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a book-entry interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participants, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a book-entry interest; or
- (2) any action or failure to take any action by Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of book-entry interests held through participants are the responsibility of such participants.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised that they will take any action permitted to be taken by a Holder only at the direction of one or more participants to whose account the book-entry interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with the rules of Euroclear and Clearstream and will be settled in immediately available funds. If a Holder requires physical delivery of individual definitive notes for any reason, including to sell the Notes to persons in jurisdictions which require physical delivery of such securities or to pledge such securities, such Holder must transfer its interest in the Global Notes in accordance with the applicable procedures of Euroclear and Clearstream and in accordance with the provisions of the Indenture.

Global Clearance and Settlement Under the Book-Entry System

Book-entry interests owned through Euroclear or Clearstream accounts will follow the applicable settlement procedures. Book-entry interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

The book-entry interests will trade through participants of Euroclear or Clearstream, and will settle in immediately available funds. Since the purchaser determines the place of delivery, it is important to establish at the time of trading of any book-entry interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Information Concerning Euroclear and Clearstream

We understand as follows with respect to Euroclear and Clearstream:

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks and trust companies, and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Subsidiary Guarantors, the Trustee or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

Individual Definitive Notes

If (1) the common depositary or any successor to the common depositary is at any time unwilling or unable to continue as a depositary for the reasons described in the Indenture and a successor depositary is not appointed within 90 days, (2) either Euroclear or Clearstream, or a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so, or (3) any of the Notes has become immediately due and payable in accordance with “– *Events of Default*” and the Company has received a written request from a Holder, the Company will issue individual definitive notes in registered form in exchange for interests in the Global Notes. Upon receipt of such notice from the common depositary, a Holder or the Trustee, as the case may be, the Company will use its best efforts to make arrangements with the common depositary for the exchange of interests in the Global Notes for individual definitive notes and cause the requested individual definitive notes to be executed and delivered to the Registrar in sufficient quantities and authenticated by the Registrar for delivery to Holders. Persons exchanging interests in the Global Notes for individual definitive notes will be required to provide the Registrar, through the relevant clearing system, with written instruction and other information required by the Company and the Registrar to complete, execute and deliver such individual definitive notes. In all cases, individual definitive notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by the relevant clearing system.

Individual definitive notes will not be eligible for clearing and settlement through Euroclear or Clearstream.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier or by being deposited, first-class postage prepaid (if intended for the Company, any Subsidiary Guarantor or the Trustee) addressed to the Company, such Subsidiary Guarantor or the Trustee, as the case may be, at the corporate trust office of the Trustee and, if intended for any Holder, addressed to such Holder at such Holder's last address as it appears in the Note register (or otherwise delivered to such Holders in accordance with applicable Euroclear or Clearstream procedures).

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of the relevant clearing system. Any such notice shall be deemed to have been delivered on the day such notice is delivered to the relevant clearing system or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

The Company and each Subsidiary Guarantor will irrevocably (1) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, The City of New York explicitly and exclusively in connection with any suit, action or proceeding arising out of, or relating to, the Notes, any Subsidiary Guarantee, the Indenture or any transaction contemplated thereby; and (2) designate and appoint Cogency Global Inc. for receipt of service of process in any such suit, action or proceeding. By executing the Indenture and the Notes, the Company and each Subsidiary Guarantor will not be submitting to the jurisdiction of any court with respect to any legal proceeding of any kind whatsoever, regardless of nature, substance or form, other than suits, actions or proceedings arising out of or relating to the Notes, any Subsidiary Guarantee or the Indenture. The Indenture will include a provision whereby each party thereto waives right to trial by jury.

Governing Law

Each of the Notes and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby. The Collateral Documents relating to the Collateral will be governed by the laws of the Republic of India.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this “Description of the Notes” for which no definition is provided.

“**Acquired Indebtedness**” means Indebtedness of a Person existing at the time such Person merges or consolidates with or into the Company or a Restricted Subsidiary or otherwise becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into a Restricted Subsidiary or becoming a Restricted Subsidiary.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “**control**,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “**controlling**,” “**controlled by**” and “**under common control with**” have correlative meanings.

“**AIPL**” means Aryan Infrastructure Investments Private Limited.

“**Applicable Premium**” means, with respect to a Note at any redemption date, the greater of (1) 1.00% of the principal amount of the Note and (2) the excess of (a) the present value at such redemption date of the redemption price of the Notes at March 11, 2027 (such redemption price being described under the caption “– *Optional Redemptions*”), plus all required remaining scheduled principal and interest payments due on such Note (assuming the due payment of all amortization amounts in accordance with the amortization profile set out in “– *Amortization of Principal*” and no other subsequent redemptions) through March 11, 2027 (but excluding accrued and unpaid interest, if any, to (but not including) the applicable redemption date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (b) the principal amount of such Note on such redemption date.

“**Asset Acquisition**” means (1) an investment by the Company or any of its Restricted Subsidiaries in any other Person pursuant to which such Person will become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any of its Restricted Subsidiaries; or (2) an acquisition by the Company or any of its Restricted Subsidiaries of the property and assets of any Person other than the Company or any of its Restricted Subsidiaries that constitute substantially all of a division or line of business of such Person.

“**Asset Sale**” means the sale, lease, conveyance or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any assets or rights (including any sale of Capital

Stock of a Subsidiary or issuance of Capital Stock of a Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any of the Restricted Subsidiaries to any Person; provided that “Asset Sale” shall not include:

- (1) the sale, lease, transfer or other disposition of inventory, products, services, accounts receivable or other current assets in the ordinary course of business;
- (2) Restricted Payments permitted to be made under the covenant described under “– *Certain Covenants – Restricted Payments*” or any Permitted Investment (other than any Permitted Investment which is in the form of a disposition of any assets or rights to a Qualified Investee);
- (3) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of 3.0% of Total Assets (or the Dollar Equivalent thereof);
- (4) any sale or other disposition of damaged, worn-out or obsolete or permanently retired assets (including the abandonment or other disposition of property that is no longer economically practicable to maintain or useful in the conduct of the business of the Company or any Restricted Subsidiaries);
- (5) a transaction covered by the “– *Certain Covenants – Merger, Consolidation and Sale of Assets*” covenant;
- (6) any sale, transfer or other disposition deemed to occur in connection with creating or granting any Lien;
- (7) any sale, transfer or other disposition to the Company or a Restricted Subsidiary, including the sale or issuance by the Company or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary to the Company or any Restricted Subsidiary;
- (8) any sale, transfer or other disposition of any national, state or foreign production tax credit, tax grant, renewable energy credit, carbon emission reductions, certified emission reductions or similar credits based on the generation of electricity from renewable resources or investment in renewable generation and related equipment and related costs, or the sale or issuance of Capital Stock entitling the holder thereof to benefit from any such items;
- (9) any sale, transfer or other disposition of licenses and sublicenses of software or intellectual property in the ordinary course of business;
- (10) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (11) the sale or other disposition of cash or Temporary Cash Equivalents;
- (12) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (13) transfers resulting from any casualty or condemnation of property;
- (14) dispositions of investments in joint ventures to the extent required by or made pursuant to buy/sell arrangements between the joint parties;
- (15) the sale of (i) the Chandivali Property and (ii) any shares in AIPL;
- (16) the unwinding of any Hedging Obligation; and
- (17) the sale, transfer or other disposition of contract rights, development rights or resource data obtained in connection with the initial development of a project prior to the commencement of commercial operations of such project.

“**Attributable Indebtedness**” means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

“**Average Life**” means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors of the corporation;
- (2) with respect to a partnership, the Board of Directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function,

including, in each case, any committee thereof or person duly authorized to act on its behalf.

“Board Resolution” means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by the applicable members of the Board of Directors or any circular resolution passed in accordance with the relevant applicable law.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in each of New York, Hong Kong, London, Mauritius, Mumbai, Delhi and Singapore.

“Capitalized Lease Obligations” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with Ind-AS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“Capital Stock” means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“Chandivali Property” means the land at Village Chandivali, Near Raheja Nest, Chandivali Farm Road, Mumbai 400072 which is owned by Ideal Road Builders Private Limited, a Subsidiary of the Company.

“Change of Control” means the occurrence of any of the following events:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any “person” (within the meaning of section 13(d) of the Exchange Act), other than to one or more Permitted Holders (for the avoidance of doubt, any sale, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Company and the Restricted Subsidiaries, taken as a whole, required by applicable law, rule, regulation or order (other than to one or more Permitted Holders) will constitute a Change of Control under this definition);
- (2) the Promoters are the “beneficial owners” (as such term is used in Rule 13d-3 of the Exchange Act) of less than 26.0% of the total voting power of the Voting Stock of the Company;
- (3) the Company consolidates with, or merges with or into, any Person (other than with or into one or more Permitted Holders), or any Person (other than one or more Permitted Holders) consolidates with, or merges with or into, the Company, in any such event pursuant to a

transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance);

- (4) the Company ceasing to own, directly or indirectly, at least 26% of the economic interest in the Private InvIT; or
- (5) the adoption of a plan relating to the liquidation or dissolution of the Company.

“Change of Control Offer” has the meaning assigned to that term under “– *Repurchase of Notes Upon a Change of Control Triggering Event*”.

“Change of Control Triggering Event” means the occurrence of a Change of Control and, if the Notes are rated, a Rating Decline.

“Common Collateral Documents” means the security documents (including any deeds of accession) executed from time to time in relation to the creation of Liens over the Common Collateral in favour of the Security Trustee.

“Collateral Documents” means (a) the Security Trustee Appointment Agreement, including any deeds of accession thereto; (b) the Exclusive Collateral Documents; and (c) the Common Collateral Documents.

“Commodity Hedging Agreement” means any spot, forward, commodity swap, commodity cap, commodity floor or option commodity price protection agreements or other similar agreement or arrangement.

“Common Stock” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock or ordinary shares, whether or not outstanding on the Original Issue Date, and includes all series and classes of such common stock or ordinary shares.

“Concession Project Entity” means (i) any Restricted Subsidiary (other than the Existing Airport Project Entity) or (ii) any Qualified Investee, in each case which holds (or who has one or more Subsidiary(ies) who hold(s)) the rights to a particular concession agreement.

“Concession Project Report” means, in relation to any Concession Project Entity, a report prepared by one of the Qualified Accounting Firms or by an independent bank or appraiser, which shall (i) include the projected EBITDA (which may be set forth in a valuation report), (ii) include the Proportionate Percentage of such entity as of the date of such report, (iii) include the weighted average cost of debt of such entity as of the date of such report to the extent that such entity has outstanding Indebtedness as of the date of such report, and (iv) be dated not more than 12 months prior to the date of determination; *provided* that references to “Concession Project Reports” shall instead be to management reports/accounts in relation to any Concession Project Entity whose appointed concession date is, as of the applicable date of determination, less than 6 months old.

“Consolidated Net Income” means, with respect to any Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with Ind-AS; *provided* that:

- (1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be excluded in computing Consolidated Net Income (without duplication) except that the Company’s equity in the net income of any such Person of such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (other than to the extent any such dividend and/or other distribution was funded from the sale by any Qualified Investee of any assets) (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (2) below);

- (2) the net income (but not loss) of any Restricted Subsidiary shall be excluded in computing Consolidated Net Income (without duplication) to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;
- (3) the cumulative effect of a change in accounting principles shall be excluded in computing Consolidated Net Income (without duplication); and
- (4) any translation gains or losses due solely to fluctuations in currency values and related tax effects shall be excluded in computing Consolidated Net Income (without duplication).

“Conversion Rate” means the rate at which amounts in USD shall be converted in INR for the purposes of calculating Required DSRA Amount. Such Conversion Rate shall be the spot rate at which the proceeds of the Notes were converted to INR and credited to the account of the Company on or around the Original Issue Date by its relevant authorised dealer.

“Currency Hedging Agreement” means any currency swap agreement, currency cap agreement, currency floor agreement, currency futures agreement, currency option agreement or any other similar agreement or arrangement.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“Discounted Projected EBITDA” means, in relation to a Concession Project Entity as of the applicable Transaction Date, the net present value of the projected EBITDA of such Concession Project Entity (such projected EBITDA as stated in the applicable Concession Project Report), computed using a discount rate equal to the weighted average cost of debt on all outstanding indebtedness of such Concession Project Entity (or, to the extent that such Concession Project Entity has no outstanding Indebtedness as of the applicable Transaction Date, computed using a discount rate equal to the weighted average cost of debt on all outstanding Indebtedness of the direct or indirect parent of such Concession Project Entity or, to the extent that such parent has no outstanding Indebtedness as of the applicable Transaction Date, then computed using a discount rate equal to the weighted average cost of debt on all outstanding Indebtedness of all Persons directly or indirectly controlled by such Concession Project Entity); *provided that*, in relation to the projected EBITDA of such Concession Project Entity for the year within which the applicable Transaction Date falls, only the proportionate amount of such annual projected EBITDA (30/360) shall be considered as of the applicable Transaction Date when computing the Discounted Projected EBITDA of such Concession Project Entity.

“Disqualified Stock” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Disqualified Stock; or
- (3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the final Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided that* (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable, or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock, and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is not prohibited by the covenant described under “– *Certain Covenants – Restricted Payments.*”

“Dollar Equivalent” means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the noon buying rate for U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on the date of determination.

“EBITDA” for purposes of the definition of:

- (i) Gross Leverage Ratio means, in relation to a Person as of the applicable date of determination, the earnings before interest, tax, depreciation and amortization of such Person for the relevant period, being the aggregate of such Person’s profit/(loss) before tax, depreciation and amortization expense and finance costs, each on a standalone basis; and
- (ii) Qualified Concession Agreement Termination Event means, with respect to the Company or any Qualified Investee, as applicable, the earnings before interest, tax, depreciation and amortization of the Company or such Qualified Investee, as applicable, for the relevant period, being the aggregate of profit/(loss) before tax, depreciation and amortization expense and finance costs, each on a consolidated basis.

“Equity Interests” means Capital Stock, all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock) and Subordinated Indebtedness.

“Equity Offering” means a public or private sale of either (1) Equity Interests of the Company by the Company (other than Disqualified Stock and other than to a Subsidiary of the Company) or (2) Equity Interests of a direct or indirect parent entity of the Company (other than to the Company or a Subsidiary of the Company), in each case to the extent that the net proceeds therefrom are contributed in the form of Equity Interests in the Company.

“Escrow Account” means the escrow account in the name of the Company opened with the Escrow Bank pursuant to the Escrow Account Agreement.

“Escrow Bank” means RBL Bank Limited.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Excluded Indebtedness” means, in relation to any Person, any Indebtedness except (i) to the extent that such Indebtedness appears as a liability upon the balance sheet (excluding footnotes thereto) of such person in accordance with Ind-As, (ii) any indebtedness which is interest bearing and (iii) any guarantee of indebtedness of any Person (without double counting).

“Exclusive Collateral Documents” means the security documents (including any deeds of accession) executed from time to time in relation to the creation of Liens over the Exclusive Collateral in favour of the Security Trustee including the deed of hypothecation to be entered into between the Company and the Security Trustee for the creation of a charge over the Escrow Account and other specified assets of the Company, the pledge agreement to be entered into between the Company and the Security Trustee for the creation of a pledge over 49% equity shares of Mumbai Pune (excluding six shares held by nominee shareholders); and such other agreements as may be executed from time to time in relation to the creation of Liens over IRB MP Additional Collateral.

“Existing Airport Project Entity” means IRB Sindhudurg Airport Private Limited.

“Fair Market Value” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors or an executive officer of the Company (unless otherwise provided in the Indenture), whose determination shall be conclusive if evidenced by a Board Resolution or an Officer’s Certificate.

“Fitch” means Fitch Ratings Inc. and its successors.

“Four Quarter Period” means, as of any Transaction Date, the then most recent four fiscal quarters prior to such Transaction Date for which relevant financial statements (which may be internal financial statements) are available.

“Gross Leverage Ratio” means, as of a particular Transaction Date, the ratio of:

- (1) the aggregate of (without double counting):
 - (a) the outstanding amount of Indebtedness (other than the NCDs) of the Company (on a standalone basis) as of such date (after giving *pro forma* effect to (x) the Incurrence of any Indebtedness and the receipt and application of the proceeds therefrom as on such date and (y) any redemption or repayment of any indebtedness on such date); *plus*
 - (b) the outstanding amount of Indebtedness of MRM (on a standalone basis) as of such date (after giving *pro forma* effect to (x) the Incurrence of any Indebtedness and the receipt and application of the proceeds therefrom as on such date and (y) any redemption or repayment of any indebtedness on such date); *plus*
 - (c) the outstanding amount of Indebtedness of each Restricted Subsidiary (other than a Concession Project Entity) (on a standalone basis) as of such date (after giving *pro forma* effect to (x) the Incurrence of any Indebtedness and the receipt and application of the proceeds therefrom as on such date and (y) any redemption or repayment of any indebtedness on such date); *plus*
 - (d) the outstanding amount of Indebtedness of the Existing Airport Project Entity (on a standalone basis) as of such date (after giving *pro forma* effect to (x) the Incurrence of any Indebtedness and the receipt and application of the proceeds therefrom as on such date and (y) any redemption or repayment of any indebtedness on such date); *plus*
 - (e) the product of (x) the Proportionate Percentage of each Qualified Investee (which is not a Concession Project Entity) (on a standalone basis) *multiplied by* (y) the outstanding amount of Indebtedness of such entity (on a standalone basis) as of such date (after giving *pro forma* effect to (A) the Incurrence of any Indebtedness and the receipt and application of the proceeds therefrom as on such date and (B) any redemption or repayment of any indebtedness on such date);

provided that, for the purposes of calculating Gross Leverage Ratio, Indebtedness shall not include:

- (i) any Excluded Indebtedness;
- (ii) guarantees by the Company of any Aggregate PLCR Indebtedness;
- (iii) any Indebtedness which is owed to the Company, MRM, any Restricted Subsidiary (other than a Concession Project Entity), the Existing Airport Project Entity or any Qualified Investee (which is not a Concession Project Entity);
- (iv) any Qualified Indebtedness; and
- (v) any Qualified Subordinated Indebtedness;

to:

- (2) the aggregate of (without double counting):
 - (a) the standalone EBITDA of the Company for the Four Quarter Period with respect to such Transaction Date; *plus*
 - (b) the standalone EBITDA of MRM for the Four Quarter Period with respect to such Transaction Date; *plus*
 - (c) the standalone EBITDA of any Restricted Subsidiary (other than any Concession Project Entity) for the Four Quarter Period with respect to such Transaction Date; *provided that*, as of such Transaction Date, such Restricted Subsidiary has Indebtedness which is outstanding; *plus*
 - (d) the standalone EBITDA of the Existing Airport Project Entity for the Four Quarter Period with respect to such Transaction Date; *provided that*, as of such Transaction Date, the Existing Airport Project Entity has Indebtedness which is outstanding; *plus*
 - (e) the product of (x) the Proportionate Percentage of each Qualified Investee (which is not a Concession Project Entity) *multiplied by* (y) the standalone EBITDA of such Qualified Investee (which is not a Concession Project Entity) for the Four Quarter Period with respect to such Transaction Date; *provided that*, as of such Transaction Date, such Qualified Investee has Indebtedness which is outstanding; *plus*

- (f) any distributions received in cash by the Company from any Restricted Subsidiary or Qualified Investee in the form of (i) a dividend or distribution, (ii) the payment on any indebtedness (other than with respect to indebtedness of a Qualified Investee, the payment on any Qualified Permitted Investments unless, at the time of payment on any such Qualified Permitted Investment, a concurrent payment by the applicable Qualified Investee is being made on indebtedness to any other equity holder of such Qualified Investee) or (iii) the provision of any Qualified Subordinated Indebtedness, during the Four Quarter Period with respect to such Transaction Date;

provided that, for the purposes of calculating Gross Leverage Ratio, EBITDA shall not include any distributions received by the Company from any Restricted Subsidiary or any Qualified Investee during such Four Quarter Period which were funded from the sale of any assets held by the applicable Restricted Subsidiary or Qualified Investee, as the case may be.

“guarantee” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

“Hedging Obligations” means, with respect to any specified Person, the obligations of such Person pursuant to Commodity Hedging Agreements, Currency Hedging Agreement or Interest Rate Hedging Agreements.

“Holder” means the Person in whose name a Note is registered in the register.

“Incur” means, with respect to any Indebtedness, indebtedness or Disqualified Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness, indebtedness or Disqualified Stock; *provided that* the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Disqualified Stock in the form of additional shares of Disqualified Stock (to the extent provided for when the Indebtedness or Disqualified Stock on which such interest or dividend is paid was originally issued) will not be considered an Incurrence of Indebtedness or indebtedness. The terms **“Incurrence,” “Incurred”** and **“Incurring”** have meanings correlative with the foregoing.

“Ind-AS” means Indian Accounting Standards as in effect as of the Original Issue Date; *provided that* the Company may at any time designate, by written notice to the Trustee, Ind-AS to mean Indian Accounting Standards as in effect from time to time; *provided further that* for purposes of compliance with the covenant described under the caption *“– Provision of Financial Statements and Reports”*, Ind-AS shall mean Indian Accounting Standards as in effect from time to time.

“Indebtedness” means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments;
- (4) all Capitalized Lease Obligations (other than leases which, as of the Original Issue Date, were not Capitalized Lease Obligations (regardless of any amendments to such leases)) and Attributable Indebtedness;
- (5) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided that* the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;

- (6) all Indebtedness of other Persons guaranteed by such Person to the extent that such Indebtedness is guaranteed by such Person;
- (7) to the extent not otherwise included in this definition, Hedging Obligations; and
- (8) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase or redemption price plus accrued dividends,

if and to the extent any of the preceding items (other than items described in clauses (3), (6) and (8) above) would appear as a liability on the Person's consolidated balance sheet (excluding the footnotes thereto) prepared in accordance with Ind-AS.

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided that*:

- (1) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with Ind-AS;
- (2) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness will not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and
- (3) the amount of Indebtedness with respect to any Hedging Obligation will be equal to the net amount payable or receivable if the Commodity Hedging Agreement, Currency Hedging Agreement or Interest Rate Hedging Agreement giving rise to such Hedging Obligation were terminated at that time due to default by such Person.

The following will not constitute Indebtedness:

- (1) Subordinated Shareholder Debt;
- (2) any overdraft facility amount with respect to which the obligor of such indebtedness has deposited an amount equal to or greater than the principal amount of such indebtedness in fixed deposits in order to hold such cash in custody for the benefit of the holder of such indebtedness;
- (3) unsecured loans Incurred by the Company from any of the Restricted Subsidiaries;
- (4) indebtedness Incurred by the Company or any Restricted Subsidiary in the form of performance guarantees; and
- (5) Indebtedness Incurred by the Company or any Restricted Subsidiary in the form of bid security guarantees.

"Interest Rate Hedging Agreement" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement.

"Investments" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations), advances (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), capital contributions, purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with Ind-AS. The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenant described above under "*— Certain Covenants – Restricted Payments*". The amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

“Investment Grade” means a rating of “AAA,” “AA,” “A” or “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by Fitch, or a rating of “Aaa,” “Aa,” “A” or “Baa,” as modified by a “1,” “2” or “3” indication, or an equivalent rating representing one of the four highest rating categories, by Moody’s, or the equivalent ratings of any Nationally Recognized Statistical Rating Organization or Organizations, as the case may be, which will have been designated by the Company as having been substituted for Fitch or Moody’s or both, as the case may be.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“Major Maintenance Expenses” means expenses incurred by the Company towards periodic/major maintenance works in any of its projects.

“Moody’s” means Moody’s Investors Service, Inc.

“MRM” means Modern Road Makers Pvt. Ltd.

“Mumbai Pune” means IRB MP Expressway Private Limited.

“Mumbai Pune CA Authority Termination Event” means occurrence of any termination event (howsoever defined) under the concession agreement executed between Mumbai Pune and Mumbai Pune Expressway Limited.

“Mumbai Pune Surplus CA Authority Termination Payment Amounts” means the surplus proceeds received by Mumbai Pune from Mumbai Pune Expressway Limited in connection with a Mumbai Pune CA Authority Termination Event after the satisfaction of all Indebtedness and other obligations.

“Mumbai Pune Project” means tolling, operation, maintenance and transfer of Yashwantrao Chavan Expressway and National Highway NH-48 (Old NH-4) in the State of Maharashtra operated by Mumbai Pune.

“Nationally Recognized Statistical Rating Organization” has the meaning assigned to that term in Section 3(a)(62) of the Exchange Act.

“Net Cash Proceeds” means, with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:

- (1) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;
- (2) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company;
- (3) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale; and
- (4) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with Ind-AS and reflected in an Officer’s Certificate delivered to the Trustee.

“NCDs” means the non-convertible debentures issued by the Company pursuant to the terms of the debenture trust deed dated 17 February 2021 executed between the Company and IDBI Trusteeship Services Limited as the debenture trustee.

“**NHAI**” means National Highway Authority of India.

“**Non-Mumbai Pune CA Authority Termination Event**” means occurrence of any termination event (howsoever defined) under the concession agreement executed between a Restricted Subsidiary (other than Mumbai Pune) and any relevant concessioning authority.

“**Non-Mumbai Pune Surplus CA Authority Termination Payment Amounts**” means the surplus proceeds received by the applicable Restricted Subsidiary (other than Mumbai Pune) from any relevant concessioning authority, including, but not limited to, National Highway Authority of India and Maharashtra State Road Development Corporation Limited, in connection with a Non-Mumbai Pune CA Authority Termination Event after the satisfaction of all Indebtedness and other obligations, and after making the required payments to minority shareholders where such Restricted Subsidiary is not a wholly owned Subsidiary of the Company. All Non-Mumbai Pune Surplus CA Authority Termination Payment Amounts are required to be deposited in the Escrow Account pursuant to “– *Escrow Account Agreement – Deposits*”.

“**Offer to Purchase**” means an offer to purchase Notes by the Company from the Holders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the Note register stating:

- (1) the provision in the Indenture pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a *pro rata* basis;
- (2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 10 days nor later than 60 days from the date such notice is mailed) (the “**Offer to Purchase Payment Date**”);
- (3) that any Note not tendered will continue to accrue interest pursuant to its terms;
- (4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;
- (5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled “Option of the Holder to Elect Purchase” on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;
- (6) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and
- (7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US\$200,000 or any amount in excess thereof which is an integral multiple of US\$1,000.

One Business Day prior to the Offer to Purchase Payment Date, the Company shall deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof to be accepted by the Company for payment on the Offer to Purchase Payment Date. On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a *pro rata* basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officer’s Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent shall promptly mail to the Holders of Notes so accepted payment of an amount equal to the purchase price, and upon receipt of written order of the Company signed by an Officer of the Registrar shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US\$200,000 or any amount

in excess thereof which is an integral multiple of US\$1,000. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

“Offering Memorandum” means the offering memorandum of the Company dated February 29, 2024 in connection with the offering of the Notes by the Company.

“Officer’s Certificate” means a certificate signed by one of the directors, officers or other duly authorized representatives of the Company.

“Opinion of Counsel” means a written opinion from external legal counsel selected by the Company.

“Original Issue Date” means the date on which the Notes are initially issued under the Indenture.

“Permitted Business” means (i) any business, service, property or activity engaged in or held by the Company on the Original Issue Date and described in the Offering Memorandum and any other businesses, services or activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or any expansions, extensions or developments thereof and (ii) any business, service, property or activity engaged in or held by the Company in relation to any infrastructure business or the development of any existing real estate, any other businesses, services or activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or any expansions, extensions or developments thereof.

“Permitted Holders” means any or all of the following:

- (1) Promoters, GIC Private Limited and Cintra, S.A.;
- (2) any spouse or immediate family member of any of the Persons referred to in clause (1) above;
- (3) any trust established for the benefit of any of the Persons referred to in clause (1) or (2) above;
- (4) any Affiliate of one or more of the Persons (considered, for these purposes, as one Person) referred to in clause (1), (2) or (3) above; and
- (5) any Person the majority of the voting power of the Voting Stock of which is “beneficially owned” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, by one or more of the Persons referred to in clause (1), (2), (3) or (4) above.

“Permitted Investments” means:

- (1) any Investment in the Company, any of the Restricted Subsidiaries or any of the Qualified Investees;
- (2) any Investment by the Company or any Restricted Subsidiary in a Person, if as a result of such Investment:
 - (a) such Person becomes a Restricted Subsidiary or a Qualified Investee; or
 - (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Company, a Restricted Subsidiary or a Qualified Investee;
- (3) any Investment in Temporary Cash Equivalents;
- (4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the “– *Certain Covenants – Asset Sales*” covenant;

- (5) any acquisition of assets (including Equity Interests) solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;
- (6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any Restricted Subsidiary, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are not Affiliates;
- (7) Investments represented by Hedging Obligations;
- (8) loans or advances to employees made in the ordinary course of business of the Company or any Restricted Subsidiary in an aggregate principal amount not to exceed US\$1.0 million (or the Dollar Equivalent thereof) at any one time outstanding;
- (9) repurchases of Notes;
- (10) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise made in connection with creating or granting Liens;
- (11) (x) receivables, trade credits or other current assets owing to the Company or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms, including such concessionary trade terms as the Company or any Restricted Subsidiary considers reasonable under the circumstances, and (y) advances or extensions of credit for purchases and acquisitions of assets, supplies, materials or equipment from suppliers or vendors in the ordinary course of business;
- (12) Investments existing on the Original Issue Date and any Investment that amends, extends, renews, replaces or refinances such Investment; *provided* that such new Investment is on terms and conditions no less favorable to the Company or any Restricted Subsidiary than the Investment being amended, extended, renewed, replaced or refinanced;
- (13) Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (13) that are at the time outstanding, not to exceed 3% of Total Assets (or the Dollar Equivalent thereof); *provided* that, if an Investment is made pursuant to this clause (13) in a Person that is not a Restricted Subsidiary or a Qualified Investee and such Person subsequently becomes a Restricted Subsidiary or Qualified Investee or is subsequently designated a Restricted Subsidiary pursuant the provision described under “– *Designation of Restricted and Unrestricted Subsidiaries*”, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of this definition and not this clause (13); and
- (14) Guarantees to the extent permitted under the covenant described under the caption “– *Certain Covenants – Incurrence of Indebtedness and Issuance of Preferred Stock*”.

“Permitted Liens” means:

- (1) Liens in favor of the Security Trustee created pursuant to the Indenture and the Collateral Documents with respect to the Notes (including Additional Notes) and the Notes Hedging Arrangements;
- (2) Liens to secure the performance of statutory obligations, surety or appeal bonds, performance bonds or other obligations of a like nature incurred in the ordinary course of business;
- (3) Liens existing on the Original Issue Date;
- (4) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision as is required in conformity with Ind-AS has been made therefor;
- (5) Liens imposed by law, such as suppliers’, carriers’, warehousemen’s, landlord’s and mechanics’ Liens, in each case, incurred in the ordinary course of business;

- (6) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
- (7) bankers' Liens, rights of set-off, Liens arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;
- (8) Liens on property or assets securing Indebtedness used or to be used to defease or satisfy and discharge the Notes; *provided that* (a) the Incurrence of such Indebtedness was not prohibited by the Indenture and (b) such defeasance or satisfaction and discharge is not prohibited by the Indenture;
- (9) Liens created on the Common Collateral securing Permitted Pari Passu Secured Indebtedness;
- (10) Liens arising under the relevant concession granted by NHAI or any state authority;
- (11) Liens arising from the rendering of a final judgment that does not give rise to an Event of Default; and
- (12) Liens incurred or pledges or deposits made in the ordinary course of business (x) to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or governmental or other authority in connection with the operations of the Company of the Restricted Subsidiaries or (y) in connection with workers' compensation, unemployment insurance and other types of social security and employee health and disability benefits.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"Pre-Funded Qualified Asset Sale" means an Asset Sale whereby the Company or any Restricted Subsidiary sells, leases, conveys or otherwise disposes of any assets or rights (including any sale of Capital Stock of a Subsidiary) in one transaction or a series of related transactions to a Qualified Investee to the extent that the Company or such Restricted Subsidiary has, in the twelve (12) month period prior to such Asset Sale, made an Investment into such Qualified Investee (such an Investment, a **"Pre-Funded Qualified Asset Sale Investment"**).

"Preferred Stock" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Private InvIT" means IRB Infrastructure Trust, an irrevocable trust set up under the Indian Trusts Act, 1882 and registered as an infrastructure investment trust with the Securities and Exchange Board of India.

"Promoters" means the promoters and promoter group entities of the Company as identified in the latest disclosures made by the Company with the National Stock Exchange of India Limited.

"Proportionate Percentage" means, in relation to (i) a Subsidiary of the Company, 100%, and (ii) any Person which is a Qualified Investee, the percentage of economic interests owned, directly or indirectly, by the Company in such Person (as stated in the applicable Concession Project Report or, if not stated in such report or if no such report is available in relation to the applicable Qualified Investee, then as determined in good faith by the Board of Directors of the Company).

“Proportionate Project Leverage Coverage Ratio” means, as of a particular Transaction Date, the ratio of:

(x) the difference between “A” and “B”, where:

“A” is the aggregate (without double counting) of the product of:

- (i) the applicable Proportionate Percentage of each Concession Project Entity(ies), in each case, *multiplied by*:
- (ii) the applicable Discounted Projected EBITDA of each such Concession Project Entity(ies);

and

“B” is the aggregate of (without double counting):

- (i) if applicable, the net present value of (x) any capital expenditures of any Concession Project Entity(ies) and (y) any major maintenance expenditures of any Concession Project Entity(ies) (in each case, which (A) amounts are stated in the applicable Concession Project Report(s) or, if not stated in a particular report or if no such report is available in relation to the applicable Concession Project Entity, then as determined in good faith by the Board of Directors of the Company), (B) are required to be incurred by NHA1 (or by any other state authority), (C) have not already been deducted in the calculation of the applicable Discounted Projected EBITDA calculations for any such Concession Project Entity(ies) and (D) have (i) not been (and are not expected to be) funded by grants or sanctioned debt (debt not yet incurred but which is sanctioned by the applicable Concession Project Entity(ies) to fund any such capital expenditures and/or major maintenance expenditures, **“Future Sanctioned Funding Debt”**)) and/or (ii) not been (and not expected to be) funded by committed equity), computed using a discount rate equal to the weighted average cost of debt on all outstanding Indebtedness of any such Concession Project Entity(ies) (or, to the extent that any Concession Project Entity has no outstanding Indebtedness as of the applicable Transaction Date, computed using a discount rate equal to the weighted average cost of debt on all outstanding Indebtedness of the direct or indirect parent of such Concession Project Entity or, to the extent that such parent has no outstanding Indebtedness as of the applicable Transaction Date, then computed using a discount rate equal to the weighted average cost of debt on all outstanding Indebtedness of all Persons directly or indirectly controlled by such Concession Project Entity)); *plus*
- (ii) if applicable, the net present value of any premium payment required to be made by any of the Concession Project Entity(ies) to NHA1 (or to any other state authority) (in each case, (x) as stated in the applicable Concession Project Report or, if not stated in such report or if no such report is available in relation to the applicable Concession Project Entity, then as determined in good faith by the Board of Directors of the Company), (y) to the extent not funded by (or expected to be funded by) (i) grants or sanctioned debt (or not expected to be funded by any Future Sanctioned Funding Debt) and/or (ii) committed equity) and (z) to the extent not already deducted in the calculation of the applicable Discounted Projected EBITDA calculations for such Concession Project Entity(ies)), computed using a discount rate equal to the weighted average cost of debt on all outstanding Indebtedness of any such Concession Project Entity(ies) (or, to the extent that any such Concession Project Entity has no outstanding Indebtedness as of the applicable Transaction Date, computed using a discount rate equal to the weighted average cost of debt on all outstanding Indebtedness of the direct or indirect parent of such Concession Project Entity or, if such parent has no outstanding Indebtedness as of the applicable Transaction Date, then computed using a discount rate equal to the weighted average cost of debt on all outstanding Indebtedness of all Persons directly or indirectly controlled by such Concession Project Entity));

to:

- (y) the aggregate of (without double counting) (such aggregate amount, the “**Aggregate PLCR Indebtedness**”) the product of (i) the applicable Proportionate Percentage of any Concession Project Entity(ies), *multiplied by* (ii) the aggregate of (A) the outstanding amount of Indebtedness (other than Excluded Indebtedness) of such Concession Project Entity(ies) as of such Transaction Date and (B) the net present value as of such Transaction Date of any Future Sanctioned Funding Debt of such Concession Project Entity(ies), computed using a discount rate equal to the weighted average cost of debt on all outstanding Indebtedness of any such Concession Project Entity(ies) as of such Transaction Date (in each case, on a standalone basis) (or, to the extent that any such Concession Project Entity(ies) has/have no outstanding Indebtedness as of the applicable Transaction Date, computed using a discount rate equal to the weighted average cost of debt on all outstanding Indebtedness of the parent of any such Concession Project Entity(ies) or, if such parent has no outstanding Indebtedness as of the applicable Transaction Date, then computed using a discount rate equal to the weighted average cost of debt on all outstanding Indebtedness of all Persons directly or indirectly controlled by such Concession Project Entity)); in each case, net of (i) any Indebtedness of any Concession Project Entities which is owed to (x) the Company or (y) any other Concession Project Entity, (ii) any Qualified Indebtedness of any Concession Project Entities which is owed to any Restricted Subsidiary, (iii) any guarantees of any indebtedness included in the definition of Proportionate Project Leverage Coverage Ratio and (iv) any premium payment required to be made by any of the Concession Project Entity(ies) to NHAI (or to any other state authority);

provided that a Concession Project Entity that has a concession that has not reached the appointed concession date shall not be included in the calculation of the Proportionate Project Leverage Coverage Ratio until the appointed concession date for such Concession Project Entity has occurred.

“**Public InvIT**” means IRB InvIT Fund.

“**Qualified Accounting Firm**” means any of the “big 6” or a local affiliate thereof).

“**Qualified Concession Agreement Termination Event**” means the termination in any fiscal year of the Company of any one or more concession agreement(s) with the Company, any Restricted Subsidiary(ies) and/or any Qualified Investee(s) as a result of a default thereunder by the Company, any such Restricted Subsidiary(ies) and/or any such Qualified Investee(s), as the case may be, which termination(s) would result, on a *pro forma* basis, in the reduction of 25% or more of the aggregate (without double counting) of (i) the Company’s EBITDA (on a consolidated basis) for the prior fiscal year of the Company and (ii) in relation to Qualified Investee(s), the product of (x) the Proportionate Percentage of each such Qualified Investee(s) *multiplied by* (y) the applicable EBITDA of each such Qualified Investee(s) (on a consolidated basis) for the prior year of the Company.

“**Qualified Indebtedness**” means, in relation to any Person, any Indebtedness Incurred by such Person which, by its terms or by the terms of any agreement or instrument pursuant to which such indebtedness is issued or remains outstanding, (i) does not provide for any right to call a default prior to the earlier of (x) the final Stated Maturity of the Notes and (y) the first date on which there are no Notes outstanding and (ii) is not secured by a Lien on any assets of such Person; *provided* that, upon any event or circumstance that results in such indebtedness ceasing to qualify as “Qualified Indebtedness”, such indebtedness shall constitute an Incurrence of Indebtedness.

“**Qualified Investee**” means (i) the Public InvIT, (ii) the Private InvIT, (iii) any Person (which is not a Subsidiary of the Company) where the Company, as of the applicable date of determination, owns, directly or indirectly, at least 26% of the economic interest in such Person and (iv) any Subsidiary of any such Qualified Investee.

“**Qualified Permitted Investment**” means a Permitted Investment made on or after the Original Issue Date by the Company or a Restricted Subsidiary into a Qualified Investee in the form of indebtedness.

“**Qualified Subordinated Indebtedness**” means, Subordinated Indebtedness which, by its terms or by the terms of any agreement or instrument pursuant to which such indebtedness is issued or remains outstanding, (i) does not provide for any right to call a default prior to the earlier of (x) six (6) months after

the final Stated Maturity of the Notes and (y) six (6) months after the first date on which there are no Notes outstanding and (ii) is not secured by a Lien on any assets of such Person; *provided* that, upon any event or circumstance that results in such indebtedness ceasing to qualify as “Qualified Subordinated Indebtedness”, such indebtedness shall constitute an Incurrence of Indebtedness.

“**Rating Agencies**” means (1) Fitch and (2) Moody’s; *provided* that if Fitch or Moody’s shall not make a rating of the Notes publicly available, one or more Nationally Recognized Statistical Rating Organizations, as the case may be, selected by the Company, which will be substituted for Fitch or Moody’s or both, as the case may be.

“**Rating Category**” means (i) with respect to Fitch, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories: “Ba,” “B,” “Caa,” “Ca,” “C” and “D” (or equivalent successor categories); and (iii) the equivalent of any such category of Fitch or Moody’s used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (“+” and “–” for Fitch); “1,” “2” and “3” for Moody’s; or the equivalent gradations for another Rating Agency) will be taken into account (e.g., with respect to Fitch, a decline in a rating from “BB+” to “BB,” as well as from “BB–” to “B+,” will constitute a decrease of one gradation).

“**Rating Date**” means that date which is 60 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by the Company or any other Person or Persons to effect a Change of Control.

“**Rating Decline**” means the occurrence on or within six months after the date of a Change of Control, or of public notice of the occurrence of a Change of Control or the intention by the Company or any other Person or Persons to effect a Change of Control (which period will be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below:

- (1) If the Notes are rated by one or more Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any such Rating Agency shall be below Investment Grade; or
- (2) If the Notes are rated below Investment Grade by one or more Rating Agencies on the Rating Date, the rating of the Notes by any such Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

“**Required DSRA Amount**” means:

- (1) at any time during month 1 (of 6) of a particular interest payment period, an amount at least equal to aggregate of (a) 1/6 of the semi-annual coupon payment amount payable on the next Interest Payment Date; (b) 1/6 of the Amortization Amount payable on the next Amortization Payment Date; and (c) 1/6 of the upcoming semi-annual scheduled payment in relation to the Notes Hedging Arrangements;
- (2) at any time during month 2 (of 6) of a particular interest payment period, an amount at least equal to aggregate of (a) 1/3 of the semi-annual coupon payment amount payable on the next Interest Payment Date; (b) 1/3 of the Amortization Amount payable on the next Amortization Payment Date; and (c) 1/3 of the upcoming semi-annual scheduled payment in relation to the Notes Hedging Arrangements;
- (3) at any time during month 3 (of 6) of a particular interest payment period, an amount at least equal to aggregate of (a) 1/2 of the semi-annual coupon payment amount payable on the next Interest Payment Date; (b) 1/2 of the Amortization Amount payable on the next Amortization Payment Date; and (c) 1/2 of the upcoming semi-annual scheduled payment in relation to the Notes Hedging Arrangements;
- (4) at any time during month 4 (of 6) of a particular interest payment period, an amount at least equal to aggregate of (a) 2/3 of the semi-annual coupon payment amount payable on the next Interest Payment Date; (b) 2/3 of the Amortization Amount payable on the next Amortization Payment Date; and (c) 2/3 of the upcoming semi-annual scheduled payment in relation to the Notes Hedging Arrangements;

- (5) at any time during month 5 (of 6) of a particular interest payment period, an amount at least equal to aggregate of (a) 5/6 of the semi-annual coupon payment amount payable on the next Interest Payment Date; (b) 5/6 of the Amortization Amount payable on the next Amortization Payment Date; and (c) 5/6 of the upcoming semi-annual scheduled payment in relation to the Notes Hedging Arrangements; and
- (6) at any time during month 6 (of 6) of a particular interest payment period, an amount at least equal to the aggregate of (a) full semi-annual coupon payment amount payable on the next Interest Payment Date; (b) full Amortization Amount payable on the next Amortization Payment Date; and (c) full amount of the upcoming semi-annual scheduled payment in relation to the Notes Hedging Arrangements;

provided that the amortization of principal due at the Stated Maturity of the Notes shall not be taken into account for calculating the Required DSRA Amount on or after the date that is 6 months prior to the Stated Maturity of the Notes. The coupon payments and Amortization Amounts in relation to the Notes shall be calculated in Indian Rupees as per the Conversion Rate.

“Restricted Group” means the Company and the Restricted Subsidiaries.

“Restricted Subsidiary” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“Road Project Subordinated Debt” means any Subordinated Indebtedness Incurred by the Company from any Wholly Owned Road Project Restricted Subsidiary which, by its terms or by the terms of any agreement or instrument pursuant to which such Subordinated Indebtedness is issued or remains outstanding, (i) does not restrict any payments to be made under the Notes, (ii) does not require any cash payment of interest or premium prior to the earlier of (x) six (6) months after the final Stated Maturity of the Notes and (y) six (6) months after the first date on which there are no Notes outstanding, (iii) subject to applicable law, will convert into equity of the Company upon an Event of Default or be otherwise extinguished or written down, (iv) is not secured by a Lien on any assets of the Company and (v) does not provide for any right to call a default prior to the earlier of (x) six (6) months after the final Stated Maturity of the Notes and (y) six (6) months after the first date on which there are no Notes outstanding; *provided* that any such Wholly Owned Road Project Restricted Subsidiary shall have first acceded to, and not withdrawn from, the Subordination Deed.

“Sale and Leaseback Transaction” means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Senior Indebtedness” means, with respect to any Person, all obligations of such Person, whether outstanding on the Original Issue Date or thereafter created, Incurred or assumed, without duplication, consisting of principal and premium, if any, accrued and unpaid interest on, and fees and other amounts relating to, all Indebtedness of such Person, including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to such Person, regardless of whether post-filing interest is allowed in such proceeding, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to (a) in respect of the Company, the Notes or (b) in respect of any Subsidiary Guarantor, its Subsidiary Guarantee.

“Stated Maturity” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Subordinated Shareholder Debt” means any indebtedness Incurred by the Company that is subordinated in right of payment to the Notes and owed to any of its direct or indirect shareholders which, by its terms or by the terms of any agreement or instrument pursuant to which such indebtedness is issued or remains outstanding, (i) does not mature or require any amortization and is not required to be repaid, redeemed, repurchased or otherwise retired, pursuant to a sinking fund obligation, event of default or otherwise (including any redemption, retirement or repurchase which is contingent upon events or circumstance), in whole or in part, prior to the earlier of (x) six (6) months after the final Stated Maturity of the Notes and (y) six (6) months after the first date on which there are no Notes outstanding, (ii) does not provide for any right to call a default prior to the earlier of (x) six (6) months after the final Stated Maturity of the Notes and (y) six (6) months after the first date on which there are no Notes outstanding, (iii) does not require any cash payment of interest (or premium, if any) prior to the earlier of (x) six (6) months after the final Stated Maturity of the Notes and (y) six (6) months after the first date on which there are no Notes outstanding, and (iv) is not secured by a Lien on any assets of the Company; *provided* that upon any event or circumstance that results in such indebtedness ceasing to qualify as “Subordinated Shareholder Debt”, such indebtedness shall constitute an Incurrence of such Indebtedness by the Company. Notwithstanding the foregoing, the foregoing limitations shall not be violated by provisions that permit payments of principal, premium or interest on such indebtedness if the Company would be permitted to make such payment under the covenant described under the caption “– *Certain Covenants – Restricted Payments*”.

“Subordination Deed” means the subordination deed to be initially entered into between the Company, Mumbai Pune and the Trustee, as may be acceded to by any Wholly Owned Road Project Restricted Subsidiary that provides any Road Project Subordinated Debt to the Company.

“Subsidiary” means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person, or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof);

provided, however, that no Person shall be considered a “Subsidiary” of the Company unless it is also consolidated into the Company in accordance with Ind-AS.

“Temporary Cash Equivalents” means any of the following:

- (1) short term and liquid treasury bills or debt instruments issued by the Government of India or which are guaranteed in full by the Government of India;
- (2) short term and liquid debt instruments or certificates of deposits issued by public financial institutions in India having not less than a “AAA” rating or equivalent and within the meaning of Section 4A of the Companies Act, 1956 or any modification, explanation or replacement thereof;
- (3) term deposits not exceeding three and half years or liquid deposits with or certificates of deposits issued by scheduled commercial banks having not less than a “AAA” rating or equivalent, short term and liquid money market and debt based mutual funds having not less than a “AAA” rating or “A1” rating or equivalent;
- (4) commercial paper of no more than thirty day maturities which are rated at least “P-1 +” or its equivalent by CRISIL, CARE, Fitch or ICRA or any other SEBI authorized rating agency; and
- (5) U.S. Government Obligations.

“Total Assets” means, as of any date of determination, the total assets of the Restricted Group on a consolidated basis calculated in accordance with Ind-AS as of the last day of the most recent quarterly or annual period for which financial statements are available (which may be internal financial statements).

“Transaction Date” means, with respect to (i) the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred, (ii) any Restricted Payment, the date such Restricted Payment is to be made, and (iii) the incurrence or assumption of any Lien, the date such Lien is to be incurred or assumed.

“Treasury Rate” means, with respect to any redemption date, the yield to maturity as of the earlier of (a) such redemption date or (b) the date on which such Notes are defeased or satisfied and discharged, of the most recently issued United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two (2) Business Days prior to such date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to March 11, 2027; *provided* that if the period from the redemption date to March 11, 2027 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. Any such Treasury Rate shall be obtained by the Company.

“U.S. Government Obligations” means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

“Unrestricted Subsidiary” means (1) any Subsidiary of the Company that at the time of determination shall be designated as an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture and (2) any Subsidiary of an Unrestricted Subsidiary.

“Voting Stock” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“Wholly Owned” means, with respect to any Restricted Subsidiary, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director’s qualifying shares or Investments by foreign nationals mandated by applicable law) by the Company or one or more Wholly Owned Subsidiaries of the Company.

“Wholly Owned Road Project Restricted Subsidiary” means any Wholly Owned Restricted Subsidiary who has a concession in place.

TAXATION

The information provided below is not a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. In particular, the information does not consider any specific facts of circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this offering memorandum are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state or local taxes, under the tax laws applicable in India and each country of which they are residents or countries of purchase, holding or disposal of the Notes. Additionally, in view of the number of jurisdictions where local laws may apply, this offering memorandum does not discuss the local tax consequences to a potential holder, purchaser, seller arising from the acquisition, holding or disposal of the Notes. Prospective investors must therefore inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposal of the Notes at their place of ordinance or law, and the countries of which they are citizens or countries of purchase, holding or disposal of the Notes.

Indian Taxation

The following is a summary of the existing principal Indian tax consequences for non-resident investors subscribing to the Notes issued by the Issuer. The summary is based on existing Indian taxation law and practice in force at the date of this offering memorandum and is subject to change, possibly with retroactive effect. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or transfer of the Notes. Prospective investors should, therefore, consult their own tax advisers regarding the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction, of acquiring, owning and disposing of the Notes.

Taxation of Interest

The Income-tax Act, 1961 (the “IT Act”) is the law relating to taxation of income in India. Under the IT Act, interest income payable by issuers of securities to non-resident investors is subject to Indian tax, if the proceeds of the Notes are used for the purposes of the business of the Issuer in India or for the purposes of making or earning any income from any source in India.

As per Section 194LC read with section 115A of the IT Act, the tax rate of 9% (plus applicable surcharge and health and education cess) applies in respect of interest payable to a non-resident investor on a long term bond or a Rupee denominated bond issued on or after July 1, 2023, which is listed only on a recognized stock exchange located in an International Financial Services Centre (“IFSC”), subject to satisfaction of the conditions mentioned therein. Where such conditions are not satisfied, interest paid on Notes may be subject to tax at the rate of 20% (plus applicable surcharge and health and education cess) under the provisions of Sections 115A of the IT Act.

The rate of tax will stand reduced if the beneficial recipient is a resident of a country with which the Gol has entered into an agreement for granting relief of tax or for avoidance of double taxation (“Tax Treaty”) and the provisions of such Tax Treaty read with Multilateral Instruments (“MLI”) (if and to the extent applicable), which provide for the taxation in India at a rate lower than the rate provided under the IT Act provided the conditions prescribed therein are fulfilled. The interest payable will be subject to withholding taxes in India, subject to conditions as detailed in the section titled “*Withholding tax*” below.

Withholding tax

Since the interest payable on the Notes is subject to taxation in India, there is a requirement to withhold tax on the interest paid on such Notes. Under Section 194LC of the IT Act, tax would be required to be withheld at the applicable rate i.e., at 9%, subject to satisfaction of conditions specified in Section 194LC of the IT Act. If such conditions are not satisfied tax would be required to be withheld at the rate of 20%. This rate would be subject to any lower rate of tax provided by an applicable Tax Treaty read with MLI, if and to the extent applicable. Non-resident investors could be required to provide certain documents or other information as prescribed by law for the purposes of the tax withholding or to apply the beneficial withholding tax rate as applicable under the Tax Treaty.

Pursuant to the terms and conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law or where the laws undergo any amendment, in which case the Issuer will pay additional amounts as may be necessary in order that the net amounts received by the investors after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, subject to certain exceptions.

Taxation of deemed income

As a measure to prevent laundering of unaccounted income, the IT Act provides that any person receiving certain specified assets (including the Notes) at a price less than their fair market value, shall be subject to income tax in India on the benefit accruing to him. Tax shall be payable at the rates applicable for the regular income. However, it may be noted that this provision would not be applicable if the asset is received from a relative or under a will or by way of inheritance or any other specific instances provided under section 56(2)(x) of the IT Act.

In the instant case, in case non-resident investor receives the Notes under the above mechanism, the taxability of the same shall also be subject to the provisions of the applicable Tax Treaty read with MLI, if and to the extent applicable, assuming the non-resident investor is entitled to claim benefits of the said Tax Treaty.

Taxation of gains arising on disposal of the Notes

Any gains arising to a non-resident investor from the disposal of the Notes held (or deemed to be held) as a capital asset will be chargeable to income tax in India if the Notes are regarded as property situated in India. Transfer has, *inter alia*, been defined under the IT Act to include sale, exchange, relinquishment of a capital asset or extinguishment of any rights therein. A non-resident investor generally will not be chargeable to income tax in India from disposal of the Notes held as a capital asset provided that the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being situated in India as the Issuer is incorporated in and a resident in India.

If the Indian tax authorities treat the Notes as being situated in India, as the Issuer is incorporated and resident in India, upon disposal of the Notes:

- (i) When the Notes are listed on a recognized stock exchange located in an IFSC and the consideration for such transaction is payable in foreign exchange, capital gains derived from such transfer by the non-resident are exempt from tax in India;
- (ii) When the conditions stated in clause (i) above are not met, a non-resident investor who has held the Notes for a period of more than 36 months immediately preceding the date of their disposal would be liable to pay capital gains tax at the rate of 10% of the capital gains (plus applicable surcharge and health and education cess). These rates are subject to any beneficial provisions under an applicable Tax Treaty read with MLI, if and to the extent applicable;
- (iii) When the conditions stated in clause (i) above are not met, a non-resident investor who has held the Notes for a period of 36 months or less would be liable to pay capital gains tax at rates

ranging up to 40% (plus applicable surcharge and health and education cess) of capital gains depending on the legal status of the non-resident investor and his taxable income in India, subject to any beneficial provision under an applicable Tax Treaty read with MLI, if and to the extent applicable; and

- (iv) Any income arising to a non-resident investor from disposal of the Notes held as stock-in-trade would be considered as business income and would be subject to income tax in India to the extent, if any, that the gains are attributable to a “business connection in India” or, in the case where a Tax Treaty is applicable, to a “permanent establishment” of the non-resident investor in India. A non-resident investor would be liable to pay Indian tax on such gains at rates of tax ranging up to 40% (plus applicable surcharge and health and education cess) of income as profits and gains of business or profession depending upon the legal status of the non-resident investor and his taxable income in India, subject to any beneficial provision provided for by an applicable Tax Treaty read with MLI, if and to the extent applicable.

Tax withholding on gains arising from disposal of the Notes

If a non-resident investor earns any capital gains chargeable to tax in India, the IT Act requires that such tax shall be withheld by the person making any payment to such non-investor at the rate of 10% (plus applicable surcharge and health and education cess) on long-term capital gains.

Furthermore, tax at the rate of up to 40% (plus applicable surcharge and health and education cess), shall be withheld depending on the legal status of the recipient of income, on short term capital gains. These rates are subject to any lower rate of tax provided under the relevant Tax Treaty (if any) read with MLI, if and to the extent applicable. The tax payable shall be computed in such manner as prescribed in this regard under the IT Act. For the purpose of tax withholding, and/or claiming the benefit of Tax Treaty the non-resident investor shall be obliged to provide all necessary information and documents which are requisitioned.

Anti-avoidance provisions

Under the IT Act there are both specific as well as generic anti-avoidance provisions relating to tax like transfer pricing provisions and the GAAR.

Under the transfer pricing provisions, any income arising from an international transaction between two related parties have to be computed having regard to the arm’s length price (“ALP”). If the Notes are transferred by a non-resident investor to another non-resident investor and such non-resident investors are related parties in accordance with the provisions of the IT Act, then the transactions would have to be at ALP and necessary compliances are required to be undertaken by the investors.

GAAR provisions have been effective from financial year 2018. Under the GAAR, an arrangement whose main purpose is to obtain tax benefits, may be declared as an “impermissible avoidance arrangement”. According to Section 96(1) of the IT Act “impermissible avoidance arrangement” means an arrangement of which the main purpose is to obtain a tax benefit, and which, *inter alia*, creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length. Further, an arrangement is presumed, unless proved to the contrary by the taxpayer, to have been entered into, for the main purpose of obtaining a tax benefit, if the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, irrespective of the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

If GAAR provisions are invoked, it could result in significant implications for the parties to the transaction including, *inter alia*, disregarding, combining or re-characterization of any step in or part or whole of the impermissible avoidance arrangement, denial of any tax benefit claimed by the taxpayer, or denial of benefit claimed by the non-resident under a Tax Treaty.

Compliance under IT Act

A non-resident investor is obliged to pay such income tax in an amount equal to, or would be entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes and its ultimate Indian tax liability for such interest, in accordance with provisions of the IT Act. The non-resident investors shall provide all necessary information and documents, as may be required by the Issuer.

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the IT Act, may generally be subject to tax in India according to the personal or corporate rate of tax, as applicable.

Estate Duty or Wealth Tax or Inheritance Tax

No estate duty or wealth tax or inheritance tax is payable at present in India in relation to the Notes.

Gift Tax

No gift tax is payable at present in India in relation to the Notes.

Stamp Duty

A transfer of the Notes outside India will not give rise to any Indian stamp duty liability unless the Notes are brought into India. Stamp duty would be payable if the Notes are brought into India for enforcement or for any other purpose. The amount of stamp duty payable would depend on the applicable State Stamp Act and the duty will have to be paid within a period of three months from the date the Notes are first received in India. No stamp duty is payable in respect of transactions carried out on IFSC exchanges.

U.S. Federal Income Taxation

This section summarizes certain U.S. federal income tax considerations relating to the acquisition, ownership and disposition of the Notes to U.S. Holders (as defined below). This summary does not provide a complete analysis of all potential tax considerations. The information provided below is based on U.S. federal income tax law, including the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, and the income tax treaty between the United States and India (the "Treaty"), each as in effect on the date hereof and subject to change, possibly with retroactive effect. There can be no assurances that the Internal Revenue Service (the "IRS") will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to the U.S. federal income tax consequences of acquiring, holding or disposing of the Notes. The summary generally applies only to U.S. Holders that purchase Notes in the initial offering at their "issue price" (which is the first price at which a substantial amount of the Notes is sold for money to the public for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), and that hold the Notes as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment).

This discussion does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to a particular U.S. Holder in light of such U.S. Holder's circumstances or to U.S. Holders subject to special rules under the U.S. federal income tax laws, including, but not limited to, U.S. Holders subject to U.S. federal alternative minimum taxes, the Medicare contribution tax on net investment income, U.S. expatriates, dealers in securities, traders in securities that elect to use a mark-to-market method of accounting, certain financial institutions, retirement plans, individual retirement and other tax deferred accounts, real estate investment trusts, partnerships, S corporations, or other pass-through entities and investors in such entities, banks, thrifts, regulated investment companies, insurance companies, tax-exempt organizations, former citizens or residents of the United States, U.S. Holders holding the Notes in connection with a trade or business outside the United States, U.S. Holders whose "functional currency" is not the U.S. dollar, persons holding Notes as part of a hedging, conversion or integrated transaction or straddle, persons who file "applicable financial statements" (and who are required to recognize income when the associated revenue is reflected on such financial statements), persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement, or persons deemed to sell Notes under the constructive sale provisions of the Code). Finally, the summary does not describe the effect of U.S. federal estate and gift tax laws, and the effect of any applicable state, local or non-U.S. tax laws.

As used herein, the term “U.S. Holder” means a beneficial owner of Notes that for U.S. federal income tax purposes is (1) an individual who is a citizen or resident of the United States, (2) a corporation, or entity treated as a corporation for U.S. federal income tax purposes, created or organized under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (4) a trust if it (a) is subject to the primary supervision of a U.S. court and all substantial decisions of which are within the control of one or more U.S. persons or (b) has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If a partnership or any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Notes, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its independent tax adviser as to its tax consequences of the acquisition, ownership and disposition of the Notes.

Investors considering the purchase of Notes should consult their own tax advisers with respect to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the U.S. federal estate or gift tax rules or under the laws of any state, local or non-U.S. jurisdictions or under any applicable tax treaty.

Certain Contingent Payments

In certain circumstances, we may be obligated to make payments of amounts in excess of the principal amount of the Notes or make payments of stated interest and principal amounts earlier than they are otherwise due, as described above under “Description of the Notes – Repurchase of Notes Upon a Change of Control Triggering Event”, “Description of the Notes – Optional Redemptions”, “Description of the Notes – Redemptions for Taxation Reasons” and “Description of the Notes – Additional Amounts,” which are in excess of Additional Amounts we currently expect to pay as a result of the 9% Indian tax on interest. Our obligation to pay such excess amounts may result in the Notes being treated as contingent payment debt instruments under the applicable Treasury regulations.

We intend to take the position that the Notes should not be treated as contingent payment debt instruments because of these additional or earlier payments. This position is based in part on assumptions regarding the likelihood, as of the date of issuance of the Notes, that such payments will have to be made. Our position is binding on all U.S. Holders unless a U.S. Holder discloses its differing position in a statement attached to its timely filed U.S. federal income tax return for the taxable year during which a Note was acquired. Our determination, however, is not binding on the IRS, and the IRS could challenge this determination. If the IRS is successful in such an assertion, the timing and amount of income included and the character of gain recognized with respect to the Notes may be different from the consequences described herein. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments for U.S. federal income tax purposes.

Payments of Interest

It is anticipated that the Notes will be issued with less than a de minimis amount (as set forth in the applicable Treasury regulations) of original issue discount (“OID”). In such case, interest paid on the Notes generally will be includible in the gross income of a U.S. Holder as ordinary income at the time such payments are accrued or received (in accordance with the U.S. Holder’s regular method of tax accounting for U.S. federal income tax purposes).

The amount of interest taxable as ordinary income will include amounts withheld in respect of Indian taxes on payments of interest and any Additional Amounts paid in respect thereof. Interest income earned with respect to the Notes generally will constitute foreign-source income for U.S. federal income tax purposes and will generally be considered “passive category income,” which may be relevant in calculating a U.S. Holder’s foreign tax credit limitation. Subject to applicable limitations (including holding period and at risk rules), some of which vary depending upon a U.S. Holder’s particular circumstances, Indian income taxes withheld from interest payments on the Notes may be creditable against a U.S. Holder’s U.S. federal income tax liability. However, a U.S. Holder, otherwise entitled to benefits thereunder, will not be entitled to claim U.S. foreign tax credits for amounts withheld in excess of the rate

applicable to interest under the Treaty. Treasury regulations published in the Federal Register in 2022 (the “2022 FTC Regulations”) may further restrict the availability of any such credit based on the nature of the withholding tax and/or the general income tax imposed by the non-U.S. jurisdiction. However, recent notices (the “Notices”) from the IRS indicate that the U.S. Treasury and the IRS are considering proposing amendments to the 2022 FTC Regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of the 2022 FTC Regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). Alternatively, subject to applicable limitations, a U.S. Holder may be able to deduct such taxes in computing taxable income for U.S. federal income tax purposes. An election to deduct rather than credit creditable foreign taxes, applies to all creditable foreign taxes for the relevant taxable year. The rules governing U.S. foreign tax credits are complex and a U.S. Holder should consult its tax adviser regarding the availability of U.S. foreign tax credits or deductions under a holder’s particular circumstances.

Sale, Exchange, Retirement or other Taxable Disposition of the Notes

Upon the sale, exchange, retirement or other taxable disposition of the Notes, a U.S. Holder generally will recognize gain or loss equal to the difference, if any, between the amount realized upon such disposition (not including any amounts attributable to accrued and unpaid interest, which will be taxed as described under “Payments of Interest” above) and the U.S. Holder’s tax basis in the Notes. A U.S. Holder’s tax basis in the Notes generally will be equal to the U.S. dollar cost of the Notes, reduced by any repayments of principal.

Any such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the Notes have been held for more than one year at the time of its sale, exchange, retirement or other taxable disposition of a Note. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to certain limitations.

If the Notes are issued with OID that is less than the statutorily defined *de minimis* threshold, a pro-rata portion of such de-minimis OID will be includible in the U.S. Holder income with respect to each repayment of principal and will be treated as gain on the sale or other taxable disposition of the Notes.

Any gain or loss recognized on the sale, exchange, retirement or other taxable disposition generally will be treated as U.S.-source gain or loss, as the case may be. If, as described above under “Indian Taxation – Taxation of gains arising on disposal,” Indian tax were to be imposed on any gain from the sale, exchange, retirement or other taxable disposition of the Notes, a U.S. Holder may only be able to claim a U.S. foreign tax credit for the amount of Indian tax imposed on the sale, exchange, retirement or other taxable disposition of such Notes to the extent such U.S. Holder has other income from non-U.S. sources. Moreover, under the 2022 FTC Regulations (but subject to the Notices described above), Indian income taxes on disposition gains of U.S. Holders that are not entitled to, or do not elect to apply, the benefits of the Treaty, are likely not creditable. Indian taxes on disposition gains that are not creditable may reduce the amount realized on the disposition of the Notes or alternatively may be deductible. A U.S. Holder is urged to consult its tax adviser regarding the U.S. federal income tax consequences if Indian tax is imposed on the sale, exchange, retirement or other taxable disposition of the Notes, including the availability of the U.S. foreign tax credit or deductions and the determination of the amount realized under a holder’s particular circumstances.

Information Reporting and Backup Withholding

Information returns may be filed with the IRS in connection with payments of interest on the Notes and the proceeds from a sale, exchange, retirement or other taxable disposition of the Notes, unless such U.S. Holder is an exempt recipient, and, when required, provides evidence of such exemption. A U.S. Holder may be subject to U.S. backup withholding on these payments if such U.S. Holder fails to (i) provide its taxpayer identification number and comply with certain certification procedures or (ii) otherwise establish an exemption from backup withholding. Backup withholding is not an additional tax and the amount of any backup withholding may be allowed as a credit against a U.S. Holder’s U.S. federal income tax liability or may entitle a U.S. Holder to a refund, provided that the required information is furnished to the IRS in a timely manner.

Information Reporting for Foreign Financial Assets

U.S. Holders may be required to report information to the IRS with respect to their investment in “specified foreign financial assets,” subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions, as discussed below). “Specified foreign financial assets” include any financial accounts maintained by certain foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons (such as the Notes), (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties, and (iii) interests in foreign entities. U.S. Holders that are individuals are urged to consult their tax advisers regarding the application of this reporting requirement to their ownership of the Notes.

INDIAN GOVERNMENT FILINGS AND APPROVALS

Subscription to the Notes

The issuance of the Notes is regulated by the RBI pursuant to the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 and the rules, regulations, directions, circulars and notifications issued by the RBI in relation to external commercial borrowings (“ECBs”), including the Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations issued by the RBI on March 26, 2019, read with the Master Direction on Reporting under the Foreign Exchange Management Act, 1999, dated January 1, 2016, each as amended (collectively, the “ECB Regulations”). Under the ECB Regulations, the Notes cannot be offered or sold (including by way of security) to any person who is from a Restricted Jurisdiction, or is a Restricted Overseas Person, each, as defined below.

“**Restricted Jurisdiction**” means any jurisdiction:

- i. which is not a member of the Financial Action Task Force (“FATF”) or a member of a FATF-style regional body;
- ii. whose securities market regulator is not a signatory to the International Organisation of Securities Commission’s (IOSCO’s) “Multilateral Memorandum of Understanding (Appendix A Signatories)” or a signatory to a bilateral memorandum of understanding with the SEBI for information sharing arrangements; or
- iii. which is identified in the public statement of the FATF as:
 - A. a jurisdiction having strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter-measures apply; or
 - B. a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies;

“**Restricted Overseas Person**” means (i) a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organization, trust, trustee, executor, administrator or other legal representative) in, or resident in, a Restricted Jurisdiction, and includes a branch of an entity located in a Restricted Jurisdiction; (ii) any multilateral or regional financial institution in which India is not a member country; and (iii) an individual (a) which is not a foreign equity holder (as defined in the ECB Regulations) or (b) if the Notes cease to be listed on a stock exchange (which is not in India).

Issuance of Notes

Pursuant to the ECB Regulations, any Indian entity eligible to receive foreign direct investment is eligible to issue foreign currency denominated ECB (including the Notes). The maximum amount that any Indian eligible borrower can raise in a financial year through the issuance of such ECBs without requiring prior regulatory approval viz. from the RBI, is US\$750 million or its equivalent under the automatic route.

The ECBs can be raised by entities from the eligible lenders set out above without any regulatory approval if the ECB has a minimum average maturity period of three years (or if the ECBs are (i) borrowed from or subscribed by a foreign equity holder and utilized for working capital purposes, general corporate purposes or repayment of Rupee loans, five years; (ii) borrowed from or subscribed by a person other than a foreign equity holder and utilized for repayment of Rupee loans availed domestically for capital expenditure, seven years; or (iii) borrowed from or subscribed by a person other than a foreign equity holder and utilized for working capital purposes, general corporate purposes or repayment of Rupee loans availed domestically for purposes other than capital expenditure, ten years), the all-cost does not exceed 500 basis points over any widely accepted interbank rate or alternative reference rate (ARR) of 6-month tenor, applicable to the currency of borrowing (where the ECBs are denominated in foreign currency), and the proceeds of the ECBs are being utilized for the purposes set out in the ECB Regulations. The all-in-cost includes rate of interest, other fees and expenses in foreign currency or Indian Rupees but does not include commitment fees or payments for withholding tax in Rupees.

Additionally, the ECB Regulations also provides a negative list of activities for which the proceeds of the ECBs cannot be utilized, which are:

1. real estate activities;
2. investment in the capital markets;
3. equity investment;
4. ECBs can be raised for working capital purposes, general corporate purposes, repayment of Rupee loans or for on-lending to entities for the aforementioned activities, subject to compliance with the minimum maturity relation conditions, and the eligibility of the lenders as mentioned in the above paragraph.

NBFCs can raise ECBs to on-lend for (a) working capital purposes, general corporate purpose and repayment of Rupee loans availed in India for purposes other than capital expenditure where the ECBs have a minimum average maturity period of ten years; and (b) repayment of Rupee loans availed in India for purposes of capital expenditure where the ECBs have a minimum average maturity period of seven years.

Prior to the issuance of the Notes, the Issuer must obtain the loan registration number ("LRN") from the RBI through its designated AD Bank by submission of Form ECB as per the ECB Regulations. In addition, the Issuer is required to make the Form ECB 2 filings to the RBI through the designated AD Bank in accordance with the ECB Regulations. The Issuer must obtain the approval of the designated AD Bank before creation of security for the Notes.

An entity raising foreign currency denominated ECB is required to follow hedging guidelines issued, if any, by the concerned sectoral or prudential regulator in respect of foreign currency exposure. Infrastructure space companies are required to have a board approved risk management policy and are required to mandatorily hedge 70% of their ECB exposure if the average maturity of the ECB is less than 5 years.

Registration of charges under Indian Law

In terms of Section 77 of the Companies Act, 2013, every company creating a charge on its property or assets or any of its undertakings, whether tangible or otherwise, and situated in or outside India, is required to register such charge with the Registrar of Companies ("RoC") within 30 days of creation of the charge.

The RoC may, on an application filed by the company, allow such registration to be made within a period of 60 days of its creation of the charge on payment of additional fees. Moreover, if the registration is not made within the period of 60 days of creation of the charge, the RoC may, on an application by the company, allow such registration to be made within a further period of 60 days after payment of prescribed *ad valorem* fees.

The particulars of the charge shall be filed in the form prescribed under Rule 3 of the Companies (Registration of Charges) Rules, 2014, as amended from time to time, with the RoC within the aforementioned time periods.

Additionally, filing is required to be made with the central registry set up under the Security Interest (Enforcement) Rules, 2002, as amended from time to time, and a certificate is issued by the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) in relation to such filing.

PLAN OF DISTRIBUTION

The Issuer intends to offer the Notes through Barclays Bank PLC, Citigroup Global Markets Inc., CLSA Limited, Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc and Standard Chartered Bank (the “Initial Purchasers”). Subject to the terms and conditions of a purchase agreement dated February 29, 2024 between the Issuer and the Initial Purchasers (the “Purchase Agreement”), the Issuer has agreed to sell to the Initial Purchasers, and each of the Initial Purchasers has agreed, severally and not jointly, to purchase from the Issuer, the principal amount of Notes set forth opposite its name below.

Initial Purchasers	Principal amount of Notes
	US\$
Barclays Bank PLC	90,000,000
Citigroup Global Markets Inc.	90,000,000
CLSA Limited	90,000,000
Deutsche Bank AG, Singapore Branch	90,000,000
J.P. Morgan Securities plc	90,000,000
Standard Chartered Bank	90,000,000
Total	540,000,000

Subject to the terms and conditions set forth in the Purchase Agreement, the Initial Purchasers have agreed, severally and not jointly, to purchase all of the Notes sold under the Purchase Agreement if any of these Notes are purchased. The Purchase Agreement also provides that the obligation of the Initial Purchasers to purchase the Notes is subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the Purchase Agreement, such as the receipt by the Initial Purchasers of officers’ certificates and legal opinions. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part. The Initial Purchasers initially propose to offer the Notes for resale at the issue price that appears on the cover of this offering memorandum. After the initial offering, the Initial Purchasers may change the offering price and any other selling terms without notice. The Initial Purchasers may offer and sell Notes through certain of their affiliates. Pursuant to the Purchase Agreement, the Issuer has agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments which the Initial Purchasers may be required to make in respect of any such liabilities. The Issuer will also pay the Initial Purchasers a commission and pay certain expenses relating to the offering.

To the extent the Initial Purchasers intend to make any offers or sales of the Notes in the United States, or to nationals or residents of the United States, they will do so only through one or more registered broker-dealers in compliance with applicable securities laws and regulations, as well as with applicable laws of the various states.

The Issuer intends to use the net proceeds from this offering for repayment of certain of its existing indebtedness. The NCDs are also proposed to be redeemed using such net proceeds and cash on hand, subject to and in compliance with applicable law (the “NCDs Repayment”). The Issuer has been informed that India Toll Roads, the existing investor in all of the NCDs, intends to use the proceeds which it receives from the NCDs Repayment for the repayment of indebtedness which it has incurred or may incur from one or more of the Initial Purchasers (and their affiliates).

No Sales of Similar Securities

The Issuer has agreed that, for a period of 90 days after the closing of this offering, it will not directly or indirectly, offer for sale, sell, or otherwise dispose of (or enter into any transaction or device that is designed to, or would be expected to, result in the disposition by any person at any time in the future of) any of its debt securities (excluding any debt securities offered for sale, sold, or otherwise disposed of, solely within India) substantially similar to the Notes without the prior written consent of the Initial Purchasers.

New Issue of Securities

The Notes will constitute a new class of securities with no established trading market. No assurance can be given as to the liquidity of, or trading markets for, the Notes. The Issuer has received in-principle approval from the India INX for the Notes to be admitted to trading on the India INX. However, the Issuer cannot guarantee that the Notes will remain listed on the India INX or the prices at which the Notes will sell in the market after the offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after the offering.

Delivery, Payment and Settlement

The Issuer expects that delivery of the Notes will be made against payment therefor on or about the date specified on the cover page of this offering memorandum, which will be the seventh business day following the date of pricing of the Notes (this settlement cycle being referred to as “T+7”). Under Rule 15(c)6-1 under the U.S. Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days unless the parties to such trades expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Notes will initially settle in T+7, to specify an alternative settlement cycle at the time of such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the securities on the date of pricing or the next succeeding business day should consult their own advisors.

Price Stabilization and Short Positions

In connection with this offering, the Initial Purchasers, or any person acting for them, may purchase and sell the Notes in the open market. These transactions may, to the extent permitted by law, include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale of a greater amount of Notes than the Initial Purchasers are required to purchase in this offering. Stabilizing transactions consist of certain bids or purchases for the purpose of preventing or retarding a decline in the market price of the Notes while this offering is in progress. These activities, to the extent permitted by law, may stabilize, maintain or otherwise affect the market price of the Notes. These activities may be conducted in the over-the-counter market or otherwise. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. However, these activities may not necessarily occur. If these activities are commenced, they shall be conducted in accordance with all applicable laws and rules and may be discontinued at any time and must in any event be brought to an end after a limited time. These activities will be undertaken solely for the account of the stabilizing manager and not for and on behalf of the Issuer.

Other Relationships

The Initial Purchasers and certain of their affiliates may have performed and expect to perform various investment banking, transaction banking, commercial lending, consulting and financial advisory services to us and/or our affiliates in the ordinary course of business for which they may receive customary fees and expenses and may, from time to time, directly or indirectly through affiliates, enter into hedging or other derivative transactions, including swap agreements, future or forward contracts, option agreements or other similar arrangements with us and our affiliates, which may include transactions relating to our obligations under the Notes, all to the extent permitted under the Indenture. Our obligations under these transactions may be secured by cash or other collateral to the extent permitted under the Indenture.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire long and/or short positions in such securities and instruments. The Initial Purchasers or their respective affiliates may also purchase the Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer or its subsidiaries or associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes (notwithstanding that such selected counterparties may also be purchasers of the Notes). While each Initial Purchaser and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause an Initial Purchaser or its affiliates or its clients or counterparties to have economic interests and

incentives which may conflict with those of an investor in the Notes. Each Initial Purchaser may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIIs (including private banks)

This notice to CMIIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIIs, which require the attention and cooperation of other CMIIs (including private banks). Certain CMIIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, or any CMI (including its group companies) and inform the Initial Purchasers accordingly.

CMIIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language set out elsewhere in this offering memorandum.

CMIIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIIs). CMIIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIIs should not place “X-orders” into the order book.

CMIIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Initial Purchasers in control of the order book should consider disclosing order book updates to all CMIIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code.

In relation to omnibus orders, when submitting such orders, CMIIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);

- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to barclayssfcomnibusorders-debt@barclays.com, DCM.Omnibus@citi.com, ficcsyndicate@citicclsa.com, asiasyn@list.db.com, investor.info.hk.oc.bond.deals@jpmorgan.com, SYNHK@sc.com.

To the extent information being disclosed by CMI and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the book-building process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Initial Purchasers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Initial Purchaser with such evidence within the timeline requested.

Selling Restrictions

General

No action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum (in preliminary or final form) or any other material relating to the Issuer or the Notes in any jurisdiction where action for the purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Persons into whose hands this offering memorandum comes are required by the Issuer to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this offering memorandum (in preliminary or final form) or any other offering material relating to the Notes, in all cases at their own expense. This offering memorandum does not constitute an offer to purchase or a solicitation of an offer to sell in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering, the distribution of this offering memorandum and resales of the Notes. See “*Transfer Restrictions*.”

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Initial Purchasers or its affiliate on behalf of the Issuer in such jurisdiction.

European Economic Area

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
- (b) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (c) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”).

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside of the United States in reliance on Regulation S. The Purchase Agreement provides that the Initial Purchasers may, directly or through their respective U.S. broker-dealer affiliates, arrange for the offer and resale of Notes within the United States only to qualified institutional buyers in reliance on Rule 144A. Resales of the Notes are restricted as described under “*Transfer Restrictions*”.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

United Kingdom

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”) and the regulations made under the EUWA; or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and the regulations made under the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA and the regulations made under the EUWA; and

- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Each Initial Purchaser has represented and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

India

No invitation, offer or sale to purchase or subscribe to the Notes is made or intended to be made to the public in India through this offering memorandum or any amendment or supplement thereto. Neither this offering memorandum nor any amendment or supplement thereto has been reviewed, approved, or recommended by any Registrar of Companies in India, the Securities and Exchange Board of India, the Reserve Bank of India, any stock exchange in India or any other Indian regulatory authority.

This offering memorandum has not been and will not be filed, produced or published as an offer document (whether as a prospectus or a statement in lieu of a prospectus in respect of a public offer or as an information memorandum or private placement offer cum application letter or any other offering material in respect of any private placement in accordance with the Companies Act, 2013, or the rules framed thereunder, each as amended, or any other applicable Indian laws), with the Registrar of Companies in India or the Securities and Exchange Board of India, the Reserve Bank of India, any Indian stock exchanges or any other regulatory or statutory authority, save and except for any information from any part of this offering memorandum which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India. This offering memorandum and the Notes are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India. The Notes will not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any person resident in India.

Accordingly, no person may make any invitation, offer or sale of any Notes, nor may this offering memorandum nor any amendment or supplement thereto nor any other document, material, notice or circular in connection with the invitation, offer or sale for subscription or purchase of any Notes be circulated or whether directly or indirectly to, or for the account or benefit of, any person resident in India, other than strictly on a private and confidential basis and so long as any such offer is not calculated to result, directly or indirectly, in the Notes becoming available for subscription or purchase by persons other than those receiving such offer or invitation. Notwithstanding the foregoing, in no event shall the offer be made directly or indirectly, in any circumstances which would constitute an offer to the public in India within the meaning of any applicable law or regulation.

Each investor in the Notes acknowledges, represents and agrees that it is eligible to invest in the Issuer and the Notes under applicable laws and regulations in India and that it is not prohibited or debarred under any law or regulation from acquiring, owning or selling the Notes.

Hong Kong

Each Initial Purchaser has represented and agreed that it has:

- (a) not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, of any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Initial Purchaser has acknowledged that this offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

TRANSFER RESTRICTIONS

Because of the following restrictions, we encourage you to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes. The Notes are subject to restrictions on transfer as summarized below. By purchasing the Notes, you will be deemed to have made the following acknowledgements and representations to, and agreements with, the Issuer:

- 1 You understand and acknowledge that:
 - the Notes have not been registered under the Securities Act or any other securities laws;
 - the Notes are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws;
 - the Notes are being offered and sold only to (i) “qualified institutional buyers” (as defined in Rule 144A under the Securities Act, each a “QIB”) in accordance with an exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act; and (ii) outside the United States in “offshore transactions” as defined in, and in reliance on, Rule 903 of Regulation S under the Securities Act; and
 - unless so registered, the Notes may not be sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and, in each case, in compliance with the conditions for transfer set forth in paragraph 7 below.
- 2 You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of the Issuer, you are not acting on the Issuer’s behalf, and you (A)(i) are a QIB, (ii) are aware that the sale to you is being made in reliance on Rule 144A, and (iii) are acquiring the Notes for your own account or for the account of a QIB, or (B) are purchasing the Notes in an “offshore transaction” as defined in, and in accordance with, Regulation S.
- 3 You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to (x) the date which is one year (or such shorter period of time as permitted by Rule 144(d) under the Securities Act or any successor provision thereunder) after the later of the date of the original issue of these Notes and the last date on which we or any of our affiliates were the owner of such Notes (or any predecessor thereto) or (y) such later date, if any, as may be required by applicable law (the “Resale Restriction Termination Date”) only: (i) to the Issuer or any of its affiliates, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the Securities Act, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer’s and the Transfer Agent’s rights prior to any such offer, sale or transfer (I) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them, (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Transfer Agent and to agree that you will give to each person to whom the Notes are transferred a notice substantially to the effect of a security legend. Such security legend will be removed upon the request of the holders after the Resale Restriction Termination Date. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

- 4 You acknowledge that neither the Issuer nor any person representing the Issuer has made any representation to you with respect to the Issuer or the offering of the Notes, other than the information contained in this offering memorandum. You represent that you are relying only on this offering memorandum in making your investment decision with respect to the Notes. You agree that you have had access to such financial and other information concerning the Issuer and the Notes as you have deemed necessary in connection with your decision to purchase the Notes, including an opportunity to ask questions of and request information from the Issuer.
- 5 You understand that the Notes will bear a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144 UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF THE TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT ONLY (A) TO THE ISSUER OR ANY OF ITS AFFILIATES, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER AND THE TRANSFER AGENT'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRANSFER AGENT, (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND, AND (IV) AGREES THAT IT IS A PERSON WHO IS NOT A RESTRICTED OVERSEAS PERSON OR FROM A RESTRICTED JURISDICTION, WHERE "RESTRICTED JURISDICTION" MEANS ANY JURISDICTION: (I) WHICH IS NOT A MEMBER OF THE FATF OR A MEMBER OF A FATF-STYLE REGIONAL BODY; (II) WHOSE SECURITIES MARKET REGULATOR IS NOT A SIGNATORY TO THE INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSION'S (IOSCO'S) "MULTILATERAL MEMORANDUM OF UNDERSTANDING (APPENDIX A SIGNATORIES)" OR A SIGNATORY TO A BILATERAL MEMORANDUM OF UNDERSTANDING WITH THE SEBI FOR INFORMATION SHARING ARRANGEMENTS; OR (III) WHICH IS IDENTIFIED IN THE PUBLIC STATEMENT OF THE FATF AS: (A) A JURISDICTION HAVING STRATEGIC ANTI-MONEY LAUNDERING OR COMBATING THE FINANCING OF TERRORISM DEFICIENCIES TO WHICH COUNTER-MEASURES APPLY; OR (B) A JURISDICTION THAT HAS NOT MADE SUFFICIENT PROGRESS IN ADDRESSING THE DEFICIENCIES OR HAS NOT COMMITTED TO AN ACTION PLAN DEVELOPED WITH

THE FATF TO ADDRESS THE DEFICIENCIES; AND “RESTRICTED OVERSEAS PERSON” MEANS (I) A PERSON (INCLUDING AN INDIVIDUAL, PARTNERSHIP, UNINCORPORATED SYNDICATE, LIMITED LIABILITY COMPANY, UNINCORPORATED ORGANIZATION, TRUST, TRUSTEE, EXECUTOR, ADMINISTRATOR OR OTHER LEGAL REPRESENTATIVE) IN, OR RESIDENT IN, A RESTRICTED JURISDICTION, AND INCLUDES A BRANCH OF AN ENTITY LOCATED IN A RESTRICTED JURISDICTION; (II) ANY MULTILATERAL OR REGIONAL FINANCIAL INSTITUTION IN WHICH INDIA IS NOT A MEMBER COUNTRY; AND (III) AN INDIVIDUAL (A) WHICH IS NOT A FOREIGN EQUITY HOLDER (AS DEFINED IN THE ECB REGULATIONS) OR (B) IF THE NOTES CEASE TO BE LISTED ON A STOCK EXCHANGE (WHICH IS NOT IN INDIA). THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

If you purchase the Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

- 6 You represent that you are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes.
- 7 You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you, except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth herein have been complied with.
- 8 You acknowledge that the Issuer, the Transfer Agent and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of the Notes is no longer accurate, you will promptly notify the Issuer in writing. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.
- 9 You agree that you will give to each person to whom you transfer these Notes notice of any restrictions on the transfer of the Notes.
- 10 The purchaser understands that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for the purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth hereunder and under “*Plan of Distribution*”.
- 11 You understand that the Notes cannot be offered or sold to any person who is from a Restricted Jurisdiction or who is a Restricted Overseas Person.

Where,

“**Restricted Jurisdiction**” means any jurisdiction:

- i. which is not a member of the Financial Action Task Force (“FATF”) or a member of a FATF-style regional body;
- ii. whose securities market regulator is not a signatory to the International Organisation of Securities Commission’s (IOSCO’s) “Multilateral Memorandum of Understanding (Appendix A Signatories)” or a signatory to a bilateral memorandum of understanding with the SEBI for information sharing arrangements; or

iii. which is identified in the public statement of the FATF as:

- A. a jurisdiction having strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter-measures apply; or
- B. a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

“Restricted Overseas Person” means (i) a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organisation, trust, trustee, executor, administrator or other legal representative) in, or resident in, a Restricted Jurisdiction, and includes a branch of an entity located in a Restricted Jurisdiction; (ii) any multilateral or regional financial institution in which India is not a member country; and (iii) an individual (a) which is not a foreign equity holder (as defined in the ECB Regulations) or (b) if the Notes cease to be listed on a stock exchange (which is not in India).

LEGAL PROCEEDINGS

Except as stated below, there were no outstanding material litigation, arbitration proceedings or regulatory actions (i) involving the Issuer or Company, its subsidiaries and its Associates; (ii) involving the Project SPVs; and (iii) involving the Private InvIT or its Associates; (iv) involving the Investment Manager or its Associates; and (v) involving the Sponsor/Project Manager or its Associates which may have or have had a significant impact on its financial position or profitability nor is it aware of any such proceedings that are pending or potentially threatened.

Notices received by any of the above entities (collectively, “Relevant Parties”) from third parties (excluding notices from statutory, regulatory or tax authorities or notices threatening criminal action) shall not be evaluated for materiality until the Relevant Parties are impleaded as defendants in proceedings before any judicial forum.

Outstanding litigation against any of the Project SPVs before any judicial forum involving a claim amount exceeding Rs.135.88 million, being 0.5% of the income of the Private InvIT for the last completed financial year (i.e., the financial year 2023), in accordance with the Special Purpose Consolidated/Combined Financial Statements shall be considered material, and in relation to outstanding litigation where the monetary liability is not quantifiable, such litigation shall be considered material the outcome of which would have a material adverse effect on the position, standing and business of the Issuer or Project SPVs.

Outstanding litigation against the Issuer/Sponsor/Project Manager, the Issuer’s subsidiaries, the Investment Manager, and their respective Associates (excluding the Project SPVs) before any judicial forum involving a claim amount exceeding Rs.335.17 million, being 0.5% of the income of the Issuer for the last completed financial year (i.e., the financial year 2023), in accordance with the Company’s audited consolidated financial statements for the financial year 2023 shall be considered material, and in relation to outstanding litigation where the monetary liability is not quantifiable, such litigation shall be considered material the outcome of which would have a material adverse effect on the position or standing of the Issuer/Sponsor/Project Manager, the Investment Manager, their respective Associates (excluding the Project SPVs), the Issuer’s subsidiaries or the Private InvIT, as applicable.

Further, due to the nature and extent of their operations, the Issuer/Sponsor/Project Manager and the Project Entities (including the Project SPVs) are and may be routinely required to file complaints and/or register first information reports against various persons, on account of such persons, inter alia, refusing to pay tolls, causing injury to the employees or contract labor of such entities and damage to the properties of such entities, which have not been disclosed. Additionally, there have been various criminal complaints, compensation claims and first information reports filed against the employees and contract labor of the Issuer/Project Manager and the Project Entities (including the Project SPVs) in which such entities are not impleaded. These matters have not been disclosed.

SECTION I – Legal Proceedings involving the Issuer or the Company and its subsidiaries

IRB Infrastructure Developers Limited

Outstanding Civil Litigation

1. Mr. Shaikh Rafiq and others have filed a writ petition, against the Issuer, MRMPL (a subsidiary of the Issuer), Yedeshi Aurangabad Tollway Limited (“YATL”) and others before the Hon’ble High Court of Bombay, Aurangabad Bench (“BHC Aurangabad”) in relation to acquisition of land for the “4-Laning” of the Yedeshi – Aurangabad road that forms a part of the Solapur – Aurangabad highway, i.e., NH-211. The petitioner has alleged that the respondents tried to change the alignment of the land acquired for the project to include additional land passing through petitioners’ villages (Dhotra and Chausala), in order to protect the allegedly illegal interest of one of the respondents. Hence, Mr. Shaikh Rafiq and other petitioners have sought to restrain the respondents from changing the existing alignment of the proposed road widening which passes through petitioners’ villages. The Issuer has filed its response to the

petitioner and, *inter alia*, has stated that: (i) the correct party to be impleaded in the petition is YATL and not the Issuer, as YATL is responsible for the operations under the concession agreement dated May 30, 2014, and therefore the petition should be dismissed on account of misjoinder and non-joinder of necessary parties; and (ii) the acquisition of land is the responsibility of the NHAI and hence, no cause of action lies against itself. The matter is currently pending.

2. A petition has been filed by Mr. Panditrao Digambarrao Shete Chausalkar and another being the petitioners dated February 15, 2017, against the Issuer, YATL and others referred to as respondents in the instant case, before BHC Aurangabad in relation to acquisition of land for the “4-Laning” of the Yedeshi – Aurangabad road that forms a part of the Solapur – Aurangabad highway, i.e., NH- 211. The petitioners have alleged that an award was passed acquiring the land of the petitioners without following the due procedure of law and the acquisition of the land of the petitioners is illegal. The petitioners have requested BHC Aurangabad to set aside the award for acquisition of the lands of the petitioner and to restrain the respondents from acquiring such land. The respondents have filed their reply stating that the petition deserves to be rejected as they had no intention of taking possession of petitioners’ land without due procedure of law and that after the Gol publishes the supplementary section 3-A notification, which gives a brief description of the land acquired by the Gol for carrying out the necessary acts, *inter alia*, including management or operation of national highway or any part thereof, the respondents will follow the procedure necessary for the acquisition of land. The matter is currently pending.
3. Mr. Pruthviraj Shahane has filed a civil suit against the Issuer, and others, dated January 19, 2016, before the Civil Judge (Senior Division), Beed alleging that the respondents have encroached upon his land by erecting electric poles over the petitioner’s land instead of erecting them over the land which has been acquired for the project. Mr. Pruthviraj Shahane has, *inter alia*, requested the Hon’ble Court to grant a decree of perpetual and mandatory injunction against the respondents. The matter is currently pending.
4. The Issuer, as the plaintiff, has initiated arbitration proceedings against Hyderabad Growth Corridor Limited (“HGCL”), being the respondent, in connection with a road project in Hyderabad. The Issuer has claimed an amount of Rs.982.69 million for losses suffered due to a failure by HGCL to provide a toll management system. The respondent has denied the allegations of the Issuer and stated that it was not required to provide a toll management system under the terms of the contract dated May 23, 2018, between the parties for development and maintenance of outer ring road for Hyderabad. The Issuer has received an arbitral award dated November 12, 2019, partially in its favor, but as of the date of this offering memorandum, HGCL has not made requisite payments as directed in the award. Further, the Issuer has filed an appeal before the XXIV Additional Chief Judge cum Commercial Court, City Civil Court, Hyderabad against the arbitral award stating the arbitral tribunal has without any reason and in complete disregard of the settled principles of law, disallowed the part of the compensation claimed by the Issuer. The Issuer has also argued that the impugned arbitral award was issued despite the finding that HGCL had failed to fulfil its contractual obligations resulting in a drastic reduction in the toll revenue.

On November 3, 2020, the Issuer received a notice from the Commercial Courts cum Hon’ble District Judge, Ranga Reddy stating that HGCL has challenged the arbitral awards dated November 12, 2019, and December 8, 2019, passed by arbitral tribunal, Hyderabad, on the grounds of the arbitral awards being prejudiced, beyond jurisdiction, in conflict with the principles of public policy and induced by fraud. The submissions on behalf of HGCL are as follows: (i) to set aside the arbitral awards; and (ii) for the Issuer to repay the total cost of arbitration of Rs.1,783,750/-. The matter has been disposed of by the Commercial Court cum Hon’ble District Judge, Ranga Reddy and directed HGCL to file proceedings before the appropriate court. The matter is currently pending.

5. Sanat Kumar Ghosh & others (“Petitioners”) filed a Public Interest Litigation (“PIL”) against the Issuer for the Palsit Dankuni project (“Project”) before the Hon’ble Calcutta High Court alleging water logging in villages Moyna and Nabagram due to the constructions undertaken under the Project. The Petitioners stated that the hume pipes that have been installed are ineffective in water distribution. In certain parts, the petitioners’ lands are getting waterlogged causing damage to paddy fields while the hume pipes are unable to distribute water in areas lacking in adequate water thereby hampering cultivation. The Petitioners have prayed to change the hume pipes located in and around villages Moyna and Nabagram into culverts, to direct the local state respondents to inspect the sites of hume pipes in and around the lands of the petitioners with regards to flow and passage of water, status of waterlogging and lack of water in both the sides and produce the report in the court. The matter is currently pending.
6. Hakim Singh Yadav and others (“Petitioners”) filed a writ petition before the High Court of Allahabad against the Issuer and others (“Respondents”) in relation to the road asset operated by AETL, seeking to quash the contract order for the construction of the drainage system and directing the relevant authority to reevaluate the technical measures adopted in drainage work. The Petitioners have alleged, *inter-alia*, that faulty construction and design of the drainage system have resulted in the flooding of a nearby area. The matter is currently pending.
7. Kishore Mukherjee has filed a writ petition in the High Court of Calcutta against the Issuer and others praying that the tender for the Palsit to Dankuni project should be halted, an environment impact assessment should be obtained and pending the disposal of the matter, the respondents (including the Issuer) should be directed not to uproot any trees from Panagarh to Dankuni on NH 19. The matter is currently pending.
8. Kanugula Mahesh Kumar (“Petitioner”) has filed a public interest litigation before the High Court of Telangana against the State of Hyderabad, the HMDA, the HGCL, the Issuer, IRB GEPL and the Issuer to set aside the award of the TOT tender for the Nehru Outer Ring Road project to the Issuer and IRB GEPL by entering into a concession agreement for a period of 30 years by not disclosing the initial estimated concession value for the project and seeking to illegally and unlawfully divert the funds from. The Petitioner has also sought quashing and setting aside of the concession agreement and all other agreements entered into by the Respondents in relation to the Project. The Petitioner has also sought an order directing the Issuer and IRB GEPL not to transfer the bid concession fee of Rs.7,380 Crores to HMDA or alternatively, not to transfer any funds from the bid concession fee of Rs.7,380 Crores to the State of Telangana. The matter is currently pending.
9. Gadeela Raghuveer Reddy (“Petitioner”) has filed a Public Interest Litigation (“PIL”) against State of Telangana, HMDA, HGCL, IRB GEPL and the Issuer (“Respondents”). The Petitioner is seeking reliefs (i) to direct the State of Telangana (Municipal Administration and Urban Development) & HMDA to disclose the Initial Estimated Concession Value (“IECV”) for the Nehru Outer Ring Road (“NORR”) for the period of concession of the concession agreement and to direct the Comptroller and Auditor General of India (“CAG”) to check the veracity of the IECV arrived at by these Respondents; and (ii) in the event that the concession amount realized is undervalued, to declare the action of the HMDA in signing a concession agreement with the IRB GEPL for Tolling, Operations and Maintenance of the Nehru Outer Ring Road is illegal and to annul the Concession Agreement. The present proceedings have been disposed of with liberty to the Petitioner to apply to the Court in the event the Petitioner’s grievance regarding non-disclosure of the IECV continues.

Outstanding Criminal Litigation

As of the date of this offering memorandum, there is no outstanding criminal litigation involving IRB Infrastructure Developers Limited.

Outstanding Regulatory Litigation

As of the date of this offering memorandum, there is no outstanding regulatory litigation involving IRB Infrastructure Developers Limited.

IRB Ahmedabad Vadodara Super Express Tollway Private Limited (“IRB AVSETPL”)

Outstanding Civil Litigation

1. IRB AVSETPL invoked arbitration against the NHAI in relation to a competing road. The NHAI suggested that the matter be brought before the Conciliation Committee of Industrial Experts (“CCIE”). IRB AVSETPL filed a writ petition before the Hon’ble Bombay High Court (“BHC”), which directed the parties to immediately refer the matter to arbitration. IRB AVSETPL was also granted a waiver with respect to the payment of premium for three months subject to the submission of an undertaking. The CCIE, pursuant to order dated May 29, 2019, concluded that the conciliation had failed. IRB AVSETPL then invoked arbitration in relation to the competing road along with the matter of premium deferment and appointed an arbitrator. The NHAI did not appoint an arbitrator. IRB AVSETPL then filed a writ petition before the Hon’ble Delhi High Court, pursuant to which the NHAI was directed to form an arbitral tribunal. The interim relief granted by the BHC was also extended. The NHAI challenged the order of the BHC in a special leave petition before the Supreme Court of India, but the petition was dismissed.

Subsequently, the High Court of Delhi nominated a presiding arbitrator. However, the NHAI filed a special leave petition before the Hon’ble Supreme Court of India (“Supreme Court”) challenging such nomination. The Supreme Court passed an order appointing a different presiding arbitrator and the arbitral tribunal was constituted. IRB AVSETPL has filed an application for interim relief and a statement of claims on March 1, 2021, requesting the arbitral tribunal to, *inter-alia*, (a) declare that the NHAI is in breach of its obligations and representations under the concession agreement; (b) direct the NHAI to pay compensation of Rs.12.64 billion for the period between December 4, 2015, until December 31, 2020, with an interest at 15% per annum until payment or realization from January 1, 2021, until the subsistence of the breach; and (c) pass an order of mandatory injunction directing the NHAI to cure the breach with respect to the competing road. The NHAI has responded to the application for interim relief filed by IRB AVSETPL. The respondent has filed a counter-claim for an amount of (i) Rs.562.2 million (until June 30, 2021) towards premium deferment; (ii) Rs.5,026.1 million (until May 2021) and unpaid premium during the pendency of the proceedings as well as future premium; and (iii) Rs.312.1 million towards interest (as of June 30, 2021) as per the provisions of the supplementary agreement. The parties filed written submissions and the arbitral tribunal framed preliminary issues and conducted hearings. In this regard, the arbitral tribunal passed an interim award dated October 14, 2021, in favor of the claimant. The arbitral tribunal subsequently formulated further issues to be settled pursuant to hearings. The NHAI also filed an application seeking to implead the Government of Gujarat as a party in the proceedings. The NHAI challenged the interim award dated October 14, 2021, before the Hon’ble Delhi High Court, which was dismissed pursuant to an order dated July 4, 2022. Thereafter, the NHAI filed an appeal against such dismissal. The arbitral tribunal also dismissed the NHAI’s application to implead the Government of Gujarat, which was further challenged by the NHAI. IRB AVSETPL has filed an affidavit of evidence before the arbitral tribunal and updated the previously claimed amount to Rs.21,232.70 million, including interest until September 30, 2022, of Rs.91.90 million on margin money and commission paid towards procurement of bank guarantees for Rs.210.00 million. The arbitral proceedings have concluded, and the Award is reserved.

2. On October 25, 2018, the Office of the Principal Commissioner of CGST & C. Excise, Mumbai East issued a show cause notice to IRB AVSETPL for a service tax demand of Rs.523,833/- owing to mismatch in the ITR and ST-3. The amount of Taxable Value of Services provided, as disclosed in ST-3 Returns is short by an amount of Rs.4,238,135/- for the financial year 2013-2014, when compared to IRB AVSETPL’s ITR.

Outstanding Criminal Litigation

As of the date of this offering memorandum, there is no outstanding criminal litigation involving IRB AVSETPL.

Outstanding Regulatory Litigation

As of the date of this offering memorandum, there is no outstanding regulatory litigation involving IRB AVSETPL.

IRB Goa Tollway Private Limited ("IGTPL")

Outstanding Civil Litigation

IGTPL had initiated arbitration proceedings against the NHAI for wrongful termination of contract by the NHAI with respect to the Goa/Karnataka to Panaji-Goa section of NH-4A in the State of Goa. The arbitral tribunal had passed an award in favor of IGTPL which allowed the following claims: (i) approximately Rs.1,963.80 million towards 50% of the adjusted equity of Rs.1,309.20 million arising out of the termination of contract by the NHAI; (ii) an amount of Rs.47.10 million for damages on account of a delay in the fulfilment of the conditions of the contract; and (iii) interest on the amounts mentioned above. The aggregate amount involved is Rs.3,039.80 million. The NHAI had filed Section 34 under the Arbitration and Conciliation Act before the High Court of Delhi ("Court") for setting aside the award passed by the arbitral tribunal and sought a stay on the operations of the award. The stay on the Award was not allowed by the Court. IGTPL availed 75% of the arbitral award amount from the NHAI against bank guarantees amounting to Rs.2,279.80 million with the NHAI. Further, the Court also directed the NHAI to deposit the balance amount with the Court, pending disposal of the case. Accordingly, the NHAI had deposited an amount of Rs.103.50 million with the Court. Pursuant to order dated February 21, 2022, the Court upheld the arbitral award in relation to (i) above and corresponding interest, but set aside the claim in relation to (ii) above. Subsequently, both the parties appealed under Section 37 of the Arbitration and Conciliation Act against the order of the Delhi High Court, both were dismissed. Thereafter, the NHAI challenged the Section 37 order in the Hon'ble Supreme Court which was dismissed on 20.01.2023. In the meanwhile, the application for withdrawal as well as an application for execution of the arbitral award under Section 36 of the Arbitration and Conciliation Act, 1996 filed by IGTPL is pending.

Outstanding Criminal Litigation

As of the date of this offering memorandum, there is no outstanding criminal litigation involving IGTPL.

Outstanding Regulatory Litigation

As of the date of this offering memorandum, there is no outstanding regulatory litigation involving IGTPL.

Ideal Road Builders Private Limited ("Ideal Road Builders")

Outstanding Civil Litigation

1. A public interest litigation was filed by Mr. Shamsuddin Miyalal Mushrif dated December 20, 2006, before the Hon'ble High Court of Bombay against the Union of India, Ideal Road Builders and others, seeking to declare that Section 8A of National Highways Act, 1956 and Rule 3 of National Highways (Collection of Fees by any Person for the Use of Section of National Highways/Permanent Bridge/Temporary/Bridge on National Highway) Rules, 1997 are contrary to and violate the provisions of the Constitution of India, 1950. The petition also sought: (i) to declare of Section 7 of the National Highways Act, 1956 and Rules 7 and 11 of the National Highways (Fees for the use of National Highway Section and Permanent Bridge-Public Funded Projects) Rules, 1997 and the Ministry of Road Transport and Highways notifications dated March 4, 2005, and May 5, 2005, illegal, ultra vires and invalid; (ii) to stop

collection of tolls; and (iii) to stop the BOT projects other than the bridges and highways which have been given to the private parties for investing capital and recovering directly without crediting the amount to the public account. Ideal Road Builders in its reply has stated that the petition is in relation to its Khambatki Ghat project. Further, it has been stated that Ideal Road Builders acquired the right to levy and retain toll for the construction of additional two lanes and strengthening of existing two lanes stretch on NH-4 in Khambatki Ghat between Pune and Satara, by agreement dated November 16, 1998, and that the agreement was fully discharged by due performance and the term of the agreement had expired in 2009. The project was completed and handed back to the government on May 4, 2009. The matter is currently pending.

2. Mr. Nitin Sardesai and Mr. Sanjay Ramesh Shirodkar filed two public interest litigations in 2013 before the Hon'ble High Court of Bombay against MIPL and IRBPL alleging unlawful and arbitrary imposition of toll charges on road transport, without complying to the provisions and the facilities stipulated in the manual of specifications and standards for the "4-Laning" of National Highways ("Manual") are not being provided to the highway users, causing financial loss to the general public. The petitioners have sought to: (i) make the respondents comply with the provisions of the Manual; (ii) take quarterly traffic census on NH 4 and Expressway by electronic traffic census system and revise the amount and period for toll collection as per the results of the census; (iii) appoint an independent agency to monitor traffic; (iv) remove advertisements and hoardings; (v) to deposit the toll amount with government; (vi) maintain and repair the damage roads of Old Mumbai Pune Highway NH-4 and Mumbai-Pune Expressway and (vii) provide discount to the local public near the vicinity of toll plaza. The respondents have in their reply stated that the matter relates to the Ideal Road Builders Mumbai-Pune project. The respondents have stated that said project was awarded by a concession agreement dated August 4, 2004, and the Manual was published on March 11, 2008, i.e., about four years after the execution of the concession agreement and thus, the Manual does not contemplate any retrospective application on an already executed project. Further, it has been stated by the respondents that the contract period along with the project was completed on September 2, 2006, and that the project was handed back to the government. The matter is currently pending.
3. Mr. Shrinivas Anant Ghanekar filed a public interest litigation in May 2015 before the Hon'ble High Court of Bombay against the State of Maharashtra, Ideal Road Builders and others challenging the action of the respondent of collecting tolls *vide* Government Notification No. PSP-2003/Cr.167/Road-8 dated November 25, 2005, after recovery of entire capital outlay in respect of Chena Toll Naka located at Thane Godbunder Road. As per the Bombay Motor Vehicles Tax Act, 1958, the collection of tolls is permissible only up to recovery of capital outlay. Hence, the petitioner sought to: (i) quash the toll notification; (ii) declare it arbitrary, illegal and ultra vires; and (iii) order Ideal Road Builders to deposit with the government, the amount of toll so collected beyond the capital outlay. The petitioner averred that the action of continuation of notification by Ideal Road Builders after the complete recovery of capital outlay is to gain unjust profits by causing financial loss to the public and is unfair and unconstitutional. The respondent in its reply to the petition has stated that the matter relates to the Ideal Road Builders Thane-Godbunder project and that the suit has been filed based on erroneous information provided by the Maharashtra State Road Transport Corporation to the petitioner's Right to Information application. The matter is currently pending.
4. Ideal Road Builders Private Limited and others filed a writ petition dated July 27, 2015, before the Hon'ble High Court of Bombay against the State of Maharashtra to set aside a notification issued by the Government of Maharashtra exempting Light Motor Vehicles and buses of the Maharashtra State Road Transport Corporation from payment of toll taxes at the Thane-Godbunder project on the grounds that the notification is arbitrary, extraneous, represents unreasonable exercise of the state's power and is in violation of principles of promissory estoppel as read into Article 14 read with Article 21 of Constitution of India. Compensation on account of toll exemptions to cars, state transport buses and school buses in the Thane-Godbunder project is being paid by the Government of Maharashtra as per letter dated February 15, 2016, to the entity which operates the Thane Godbunder project. The matter is currently pending.

Outstanding Criminal Litigation

As of the date of this offering memorandum, there is no outstanding regulatory litigation involving Ideal Road Builder.

Outstanding Regulatory Litigation

As of the date of this offering memorandum, there is no outstanding regulatory litigation involving Ideal Road Builder.

IRB Kolhapur Integrated Road Development Company Private Limited (“IRB Kolhapur”)

Outstanding Civil Litigation

Mr. Jairaj Velyan filed a suit on July 5, 2012, before the Civil Judge, Senior Division, Kolhapur, against the State of Maharashtra and others alleging that road construction has resulted in encroachment. The petitioner has requested that the encroachment be removed, and that the road be made available for public use. IRB Kolhapur had constructed the project as per the concession agreement dated July 10, 2008, on the land made available by the Kolhapur Municipal Corporation and the project has been bought back by the government. The matter is currently pending.

Outstanding Criminal Litigation

As of the date of this offering memorandum, there is no outstanding regulatory litigation involving IRB Kolhapur.

Outstanding Regulatory Litigation

As of the date of this offering memorandum, there is no outstanding regulatory litigation involving IRB Kolhapur.

IRB MP Expressway Private Limited (“IRB MP”) (earlier known as NKT Road and Toll Private Limited)

Outstanding Material Civil Litigation

1. Pravin Wategaonkar and others (“Petitioners”) filed a public interest litigation (“PIL”) before the Hon'ble Bombay High Court against Maharashtra State Road Development Corporation (“MSRDC”), Comptroller and Auditor General of India (“CAG”), Mumbai-Pune Expressway Limited (“MPEL”), State of Maharashtra and IRB MP seeking an order from the High Court of Bombay, *inter-alia*, to (i) exempt the light motor vehicles from payment of toll on the Mumbai-Pune Expressway; (ii) stay the tender process which is underway for the toll collection rights for next ten (10) years on the Mumbai-Pune Expressway; and (iii) declare the toll collection as illegal and restrain MPEL/MSRDC from collecting such toll on the Mumbai-Pune Expressway. The Petitioners have filed civil application in the PIL and prayed that the Honorable High Court to examine the legality and validity of the documents of MSRDC, to register case against the officers of MSRDC involving in preparing the document and direct the toll contractor to deposit in the court entire toll revenue collected on the Mumbai-Pune Expressway. The matter is currently pending.
2. Milind Ashok Achyut and others filed a public interest litigation before the Hon'ble Bombay High Court (“BHC”) against the Ministry of Road Transport and Highways, IRB MP and others. The petitioners alleged that the payment of toll fees was causing hardship to local residents who did not have access to alternate service roads, and vehicles with registration of MH-14 were exempted from paying the toll fee. However, toll collection for these vehicles resumed after a few weeks of exemption. Aggrieved by this resumption, the petitioners have challenged the legality of the toll plaza on grounds that it is violative of Rule 8(1) and Rule 8(2) of the National Highway Fee (Determination of Rates and Collection) Rules, 2008. The petitioners are seeking an order from the BHC, *inter-alia*, to (i) declare the establishment of the Somatane toll plaza

(the "Toll Plaza") on NH-48 belonging to IRB MP as *ultra vires* the National Highways Fee (Determination of Rates and Collection) Rules, 2008 and arbitrary and illegal; (ii) restrain IRB MP from collecting toll on the Toll Plaza on NH-48 until applicable discounts are displayed and changes made in the FASTag mechanism; (iii) direct IRB MP to deposit the toll fees in an escrow account; and (iv) shift the Toll Plaza in the direction of Pune City. The matter is currently pending.

3. Anil Bhangare and others filed a public interest litigation before the Hon'ble Bombay High Court against IRB MP and others. The petitioners have alleged that the construction of Somatane Toll Plaza at a distance of 3.5 kilometers from Telegaon-Dabhade municipal limits is in violation of Rule 8 (1) of the National Highway Fee (Determination of Rates and Collection) Rules, 2008. The petitioners are seeking an order from the Hon'ble Bombay High Court to, *inter-alia*, (i) set up a special investigation team to conduct an enquiry into the circumstances under which the Somatane toll plaza ("Toll Plaza") was set up; (ii) remove the Toll Plaza and relocate it; (iii) to make separate lanes for locals and exempt them from toll fees; and (iv) grant a temporary injunction restraining IRB MP from the recovery of toll fees at the Toll Plaza. The matter is currently pending.

Outstanding Criminal Litigation

Anil Bhangare and others ("Petitioners") have filed an original petition against IRB MP and others before the Judicial Magistrate First Class, Vadgaon Maval ("JMFC"), stating that the toll receipts at the Somatane toll plaza specify the place of tolling as Dehu Road, which is located at a different location from the Somatane toll plaza. It has been submitted that the toll collected by IRB MP is illegal. The proceedings were stayed by the JMFC due to the pendency of a separate public interest litigation before the Hon'ble Bombay High Court. The Petitioners have filed a criminal revision appeal before the Sessions Court, Vadgaon Maval praying, *inter-alia*, that the order passed by the JMFC be set aside and to direct the JMFC to try the matter in accordance with the Code of Criminal Procedure, 1973. The matter is currently pending.

Outstanding Regulatory Action

The Collector of Stamps, Solapur has raised a demand for a deficit in stamp duty of Rs.323,000 and a penalty, on the agreement dated November 28, 2001. In its letter dated July 3, 2015, IRB MP informed the Collector of Stamps that such stamp duty is not applicable to the agreement as the section referred to by the Collector of Stamps was not in existence at the time of execution of the agreement. There has been no further response from the Collector of Stamps.

IRB Sindhudurg Airport Private Limited ("IRB Sindhudurg")

Outstanding Civil Litigation

Vijay Krishnaji Rane ("Petitioner") has filed a suit before the Civil Court, Oras, Sindhudurg against IRB Sindhudurg and others ("Respondents") praying for the following reliefs: (i) that the Respondents be prevented from creating obstacles on the suit property; and (ii) that the Respondents be prevented from cutting trees and fruits in the suit property. The Petitioner has also prayed that in the event it is found that the Respondents are encroaching on the suit property, then the possession of the suit property should be given to him. The matter is currently pending.

Outstanding Criminal Litigation

As of the date of this offering memorandum, there is no outstanding criminal litigation involving IRB Sindhudurg.

Outstanding Regulatory Litigation

As of the date of this offering memorandum, there is no outstanding criminal litigation involving IRB Sindhudurg.

IRB Westcoast Tollway Limited (“IRB Westcoast”)

Outstanding Civil Litigation

1. Mr. Laxman Neelakantha Desai has filed a petition dated January 17, 2017, against IRB Westcoast before the court of Civil Judge Karwar alleging that the blasting of rocks done by the respondent has caused damage to the property of the petitioner. The petitioner has requested a permanent injunction restraining the respondent from undertaking such activity. The court had passed an order dated January 17, 2017, granting a temporary injunction against the respondent. Subsequently, the parties entered into a mediation agreement, pursuant to which the court passed an order dated April 28, 2017, vacating the earlier injunction. The matter is currently pending.
2. Mr. Vithobha Ganesh Naik (“Petitioner”) has filed a suit against IRB Westcoast before the Principal Judge at Karwar, Karnataka alleging that IRB Westcoast is encroaching upon the Petitioner’s land to construct the highway. IRB Westcoast has received summons from the court. The matter is currently pending.

Outstanding Criminal Litigation

As of the date of this offering memorandum, there is no outstanding criminal litigation involving IRB Westcoast.

Outstanding Regulatory Litigation

As of the date of this offering memorandum, there is no regulatory litigation involving IRB Westcoast.

SECTION II – Legal Proceedings involving the Associates of the Issuer

In addition to the aforementioned, there are certain legal proceedings involving the associates of the Issuer which may have a significant impact on the financial position or profitability. These proceedings have been disclosed below:

Aaryan Hospitality Private Limited (“AHPL”)

Outstanding Material Civil Litigation:

1. Mr. Jaykumar Govindrao Nikam and others have filed a suit dated March 18, 2014, before the Civil Judge, Junior Division at Kolhapur alleging that AHPL has encroached upon the land owned by the petitioner. The suit pertains to the plot leased for the IRDP Kolhapur project. The petitioners have sought (i) that the illegal construction on the suit property be removed; and (ii) to pass an order for permanent injunction against the defendants and their employees from further encroachment. The concession agreement in relation to the project was entered into between the Maharashtra State Road Development Corporation (“MSRDC”), IRB Kolhapur Integrated Road Company Private Limited (“IRB Kolhapur”), and the Kolhapur Municipal Corporation (“KMC”). Under the concession agreement, land owned by the KMC was leased to IRB Kolhapur for the project pursuant to a lease deed between KMC, MSRDC and IRB Kolhapur. The land was then sub-leased by IRB Kolhapur to AHPL. The IRDP Kolhapur project has been bought back by the government. AHPL has cancelled the sub-lease deed and the possession of the land as well as the structure thereon has been given back to IRB Kolhapur on an “as is where is” basis, free from encumbrances. AHPL no longer has any interest in the property. The matter is currently pending.

Outstanding Material Criminal Litigation:

As of the date of this offering memorandum, there is no outstanding criminal litigation against AHPL.

Outstanding Material Regulatory Litigation:

As of the date of this offering memorandum, there is no outstanding regulatory action against AHPL.

ATR Infrastructure Private Limited (“ATRIPL”)

Outstanding Material Civil Litigation:

Mr. Kishor Dyanoba Shevkari, being the petitioner, filed a suit dated April 12, 2013, against the municipal authorities and the Issuer, being the respondents before the Hon'ble High Court of Bombay. The petition relates to the blockage of the Hume Pipe Culvert because of garbage dumping. The petitioner has alleged that the blockage of the Hume Pipe Culvert resulted in waterlogging which has affected his land, created hindrance for people to use the service road and created the apprehension of promoting the spreading of diseases. The Hon'ble High Court of Bombay *vide* order dated June 10, 2019, has directed the civil department authorities to visit the prescribed spot, conduct survey and tender a report suggesting remedial measures required to resolve the grievances of the petitioner. The matter is currently pending.

Outstanding Material Criminal Litigation:

As of the date of this offering memorandum, there is no outstanding criminal litigation against ATRIPL.

Outstanding Material Regulatory Litigation:

As of the date of this offering memorandum, there is no outstanding regulatory action against ATRIPL.

Mhaiskar Infrastructure Private Limited (“MIPL”)

Outstanding Material Civil Litigation:

1. Mr. Nitin Sardesai and Mr. Sanjay Ramesh Shirodkar have filed two public interest litigations before the Hon'ble High Court of Bombay against MIPL and Ideal Road Builders, seeking compliance with certain specifications. For details, see “*SECTION I – Legal Proceedings involving the Issuer or the Company and its subsidiaries – Ideal Road Builders Private Limited*”.
2. Shree Ganesh Cooperative Housing Society, through Mr. Shrikrishna Parshuram Joshi and others, filed a suit dated December 29, 2017, before the Court of the Civil Judge, Senior Division, Pune against MIPL and others challenging the encroachment removal notice issued by Maharashtra State Road Development Corporation on the basis of a survey conducted by MIPL. The petitioner has prayed to prohibit entry and demolition of the property in issue by way of a permanent prohibitory perpetual injunction. The 15-year concession period in relation to the project has been completed and the project has been handed back to the government. The matter is currently pending.
3. Mr. Pravin Wategaonkar and others filed a public interest litigation dated April 17, 2017, before the Hon'ble High Court of Bombay against the MSRDC and others alleging that MIPL is collecting excess toll on the Mumbai-Pune Expressway. The petitioners raised the issue of deficit reporting of toll income by MIPL and the default of non-payment of stamp duty and non-registration of the concession agreement based on which both MSRDC and MIPL say that their rights and liabilities arise. For details, see “*SECTION I – Legal Proceedings involving the Issuer or the Company and its subsidiaries – IRB MP Expressway Private Limited*”.
4. MIPL, being the petitioner, has filed a writ petition before the Hon'ble High Court of Bombay, against MSRDC in relation to the show-cause notice dated April 27, 2005, sent by Collector of Stamps, Andheri. MIPL had entered into an agreement with MSRDC in the year 2004, wherein it was required to act as an agent of MSRDC for the purpose of expansion of roads and construction of bridges on NH No. 4. The petitioner was required to pay to MSRDC an upfront amount of Rs.9,180 million on or before August 15, 2008. The Collector of Stamps and other authorities called upon the petitioner to pay the deficit stamp duty of Rs.275.4 million along with the penalty of Rs.49.57 million levied from the date of the execution of the agreement to the date of issuance of the notice by the Collector of Stamps, under the Bombay Stamp Act, 1958. The petition was admitted by the High Court of Bombay staying the recovery of stamp duty,

conditional on deposit of 50% of the demand amount by MIPL. An interim order dated April 28, 2008, was passed by the Hon'ble High Court of Bombay wherein it placed the petition to be heard along with similar petitions before the Hon'ble Chief Justice of the High Court of Bombay, for further appropriate order. The matter is currently pending.

Outstanding Material Criminal Litigation:

As of the date of this offering memorandum, there is no outstanding criminal litigation against MIPL.

Outstanding Regulatory Action:

The Collector of Stamps, Andheri, Maharashtra issued a notice on September 30, 2019, to MIPL demanding that stamp duty of Rs.1,500,000 a penalty of Rs.53,40,000 be paid on the agreement dated August 4, 2004, for the Mumbai Pune project. MIPL has replied to the notice and has not received any response from the Collector of Stamps.

Thane Ghodbunder Toll Road Private Limited ("TGRPL")

Outstanding Material Civil Litigation:

1. Mr. Shrinivas Anant Ghanekar ("Petitioner") had filed a public interest litigation in May 2015 before the Hon'ble Bombay High Court against the State of Maharashtra, Ideal Road Builders and others ("Respondents") challenging the action of the Respondents of collecting tolls vide Government Notification No. PSP-2003/Cr.167/Road-8 dated November 25, 2005, after recovery of entire capital outlay in respect of Chena Toll Naka located at Thane Ghodbunder Road. For details, see "*SECTION I – Legal Proceedings involving the Issuer or the Company and its subsidiaries – Ideal Road Builders Private Limited*".
2. Ideal Road Builders, TGRPL and others filed a writ petition dated July 27, 2015, before the Hon'ble Bombay High Court, for details, see "*SECTION I – Legal Proceedings involving the Issuer or the Company and its subsidiaries – Ideal Road Builders Private Limited – Legal Proceedings involving the Issuer and Associates of the Issuer – Ideal Road Builders*".

Outstanding Material Criminal Litigation:

As of the date of this offering memorandum, there is no outstanding criminal litigation against TGRPL.

Outstanding Material Regulatory Litigation:

As of the date of this offering memorandum, there is no outstanding regulatory action against TGRPL.

Legal Proceedings involving the Project SPVs

CG Tollway Limited ("CGTL")

Outstanding Material Civil Litigation:

CGTL, KGTL and UTL have filed a writ petition dated September 16, 2020, before the Hon'ble High Court of Rajasthan, Jaipur Bench against the Union of India and the NHAI stating that on account of COVID-19 and the subsequent national lockdown, the petitioners submitted claims for reimbursement of losses and consequent extension of the concession period which shall be computed every month until the toll collection stabilizes to more than 90% of the average daily fee as defined under the concession agreements dated December 9, 2016, February 22, 2017, and December 9, 2016. Further, under the terms of the concession agreements, the petitioners are obligated to start premium payment to the NHAI upon the third anniversary of the appointed date whereas the schedule completion date was contracted as two and a half years after the appointed date. Hence, once the construction is completed in two and a half years, toll rates would have been revised and only after 6 months of such revision of toll rates would

the petitioners have to start the premium payment. The petitioners have stated the scheduled completion date was revised by the NHAI, primarily due to reasons attributable to them and the revised date of completion was revised to November 30, 2020, January 31, 2021, and September 9, 2021, applicable to the petition. However, the NHAI addressed a letter to UTL instructing them to commence the premium payment as per the scheduled stipulated under the concession agreements.

Hence, the petitioners have, *inter alia*, challenged: (i) sub-rule (9) of rule 4, i.e., “Base rate of fee” of the National Highways Fee (Determination of Rates and Collection) Rules, 2008 as it limits the rate of fees applicable for a section of a four lane highway under upgradation to six lane during the construction period; and (ii) office memorandum dated May 18, 2020, issued by the Central Government and consequent policy guidelines/BOT (Toll)/2020 dated May 26, 2020, issued by the NHAI and sought an interim relief to maintain the same time gap of 6 months between the date of revised completion date/toll tariff revision and date of commencement of payment of premium, under the respective concession agreements and issue an appropriate writ directing the NHAI: (i) to not take coercive action against the petitioners; (ii) to grant compensation to the petitioners due to losses on account of COVID-19; and (iii) to grant an extension to the concession period. Pursuant to an interim order dated September 18, 2020, the Hon’ble High Court of Rajasthan, Jaipur Bench, has stayed the operation of Clause 26.2.1 of the model concession agreement.

The judgment along with the rectification order was pronounced by the Hon’ble High court of Rajasthan on August 25, 2021, and August 26, 2021, respectively. The Hon’ble Court permitted the Petitioner to invoke arbitration within 4 weeks and stayed the obligation of Premium payment for a limited period of three months from the date of this order subject to submission of undertakings by the Petitioners that in the event of Petitioner are unsuccessful in the arbitration. The disputed premium shall be with interest on the principle of ‘premium deferment scheme’ (referred in the Hon’ble Bombay High Court order dated April 16, 2019, in WP No. 3415 of 2019 upheld by the Hon’ble Supreme Court of India *vide* order dated September 11, 2019, dismissing SLP No. 21315 of 2019 filed by the NHAI). The Petitioner was also directed to undertake that after appropriating the monthly liabilities sequentially towards taxes, payment towards construction, O&M Expenses and Debt Servicing in the order given under Article 31 of the CA, entire balance amount from the toll fee collected would be made available in the Escrow Account subject to the decision of Section 9 or Section 17 of the Arbitration & Conciliation Act, 1996. The Petitioners filed their undertakings on August 31, 2021.

Subsequently, Petitioners have filed Section 9 and Section 11 petitions under the Arbitration & Conciliation Act, 1996 before the Hon’ble Delhi High Court praying for extension of relief granted by the Hon’ble Rajasthan High Court till the conclusion of Arbitral Proceedings and requested the Court to appoint the Arbitral Tribunal.

The order under Section 11 was pronounced on November 28, 2021, wherein the Court directed the parties to nominate one Arbitrator each from the panel of SAROD having 89 Arbitrators (as per Document-5) and the two Arbitrators so appointed shall appoint the presiding Arbitrator, strictly in terms spelt out in Clause 44.3.2 of the Concession Agreement and the matter was dismissed. However, against the order passed under Section 11, the Petitioners filed a SLP before the Hon’ble Supreme Court of India wherein the Court nominated Hon’ble Mr. Justice J. Chelameswar, retired Judge of Supreme Court as the Presiding Arbitrator *vide* its order dated February 17, 2022, and the SLP was disposed of.

While the judgment under Section 9 was pronounced on November 9, 2021, wherein the Hon’ble Delhi High Court directed the Petitioners to approach the Hon’ble Rajasthan High Court to seek further extension of relief sought earlier and the matter was disposed of. Subsequently, the Petitioners filed an appeal against order dated November 9, 2021, under Section 37 of the Arbitration and Conciliation Act, 1996. The Court disposed of the matter and *vide* its order dated March 16, 2022, directed that the interim order shall continue till such time an application under Section 17 of the Arbitration & Conciliation Act, 1996, as may be moved by the parties before the learned Arbitral Tribunal.

Subsequently, the Arbitral Tribunal was constituted. CGTL, KGTL and UTL filed claims for an amount of approximately Rs.5,021.2 million, Rs.8,689.6 million and Rs.9,060.8 million, respectively and an extension of the concession period by 241.37 days, 387.18 days and 214.99 days, respectively. CGTL, KGTL & UTL also filed an application under Section 17 of the Arbitration and Conciliation Act, 1996. In the interim, the Arbitral Tribunal pronounced an order under Section 17 on September 10, 2023, in favor of the Claimants by further extending the interim relief granted by the Hon'ble Delhi High Court, pending adjudication of the main dispute. The arbitral proceedings are currently pending.

Outstanding Material Criminal Litigation:

1. Mr. Waman Rathod, deputy general toll manager who is an employee of the Group at a toll plaza located on the road asset operated by CGTL, has filed two first information reports at the Police Station, Gangrar, Chittorgarh, Rajasthan in relation to (i) the misbehaviour of certain individuals when asked to pay toll; and (ii) the theft of Rs.624,500/- from the cash room at Jojro Ka Kheda, Toll Plaza. The matters are currently pending.
2. Mr. Rohit Sharma, a supervisor at a toll plaza who is an employee of the Group located on the road asset operated by CGTL, has filed a first information report at the Raila Police Station, Bhilwara, Rajasthan against the driver of a truck-trailer in relation to a collision with the toll booth and injuries caused to the supervisor. The matter is currently pending.

Outstanding Material Regulatory Litigation:

As of the date of this offering memorandum, there is no outstanding regulatory action against CGTL.

AETL

Outstanding Material Civil Litigation:

AETL has filed for settlement through conciliation with the NHAI in relation to a dispute for payment of premium with proportionate reduction of revenue losses on account of COVID-19 and delay in completion of construction. AETL and the NHAI did not reach any settlement, and accordingly, AETL invoked arbitration proceedings against the NHAI under the terms of its concession agreement and submitted claims for amounts aggregating to Rs.13,179.8 million and sought cost compensation for delay in completion of construction for the reasons attributable to the NHAI, corresponding reduction in proportionate Premium, compensation of various Force majeure costs, etc. along with consolidated extension of the concession period by 351.41 days. The matter is currently pending.

Outstanding Material Criminal Litigation:

As of the date of this offering memorandum, there is no outstanding criminal action against AETL.

Outstanding Material Regulatory Litigation:

As of the date of this offering memorandum, there is no outstanding regulatory action against AETL.

Kishangarh Gulabpura Tollway Limited ("KGTL")

Outstanding Material Civil Litigation:

CGTL, KGTL and UTL (the "Petitioners") have filed a writ petition dated September 16, 2020, before the High Court of Rajasthan, Jaipur Bench against Union of India and the NHAI (the "Respondents") stating that on account of COVID-19 and the subsequent national lockdown, the Petitioners submitted claim for reimbursement of losses and consequent extension of the concession period which shall be computed every month until the toll collection stabilizes to more than 90% of the average daily fee as defined under the concession agreements dated December 9, 2016, February 22, 2017, and December 9, 2016. For details, see "SECTION II – Legal Proceedings involving the Associates of the Issuer – CG Tollways Limited".

Outstanding Material Criminal Litigation:

As of the date of this offering memorandum, there is no outstanding criminal litigation against KGTL.

Outstanding Material Regulatory Litigation:

As of the date of this offering memorandum, there is no outstanding regulatory action against KGTL.

Kaithal Tollway Limited (“KTL”)

Outstanding Material Civil Litigation:

KTL has invoked arbitration against the NHAI under the terms of its concession agreement in relation to claims seeking cost compensation for delay in completion of construction for the reasons attributable to the NHAI, balance amount in connection with the Indirect Political Force Majeure, i.e., toll stoppage due to the farmer protests in 2020-2021 and Political Force Majeure costs on account of restrictions imposed due to Covid 19 for an aggregate amount of approximately Rs.2,880.7 million and corresponding extension of concession period by 582.77 days. The matter is currently pending.

Outstanding Material Criminal Litigation:

As of the date of this offering memorandum, there is no outstanding criminal litigation against KTL.

Outstanding Material Regulatory Litigation

The District Town Planner, Jind (exercising the power of Director, Town and Country Planning, Haryana) (the “District Town Planner”) issued a notice under the Punjab Scheduled Roads and Controlled Area Restriction of Unregulated Development Act, 1963 (“Punjab Act”) to the general manager of the toll plaza located at village Badowal, Tehsil Narwana, District Jind, stating that the construction of the toll plaza and other commercial and official building on NH-52 Narwana to Uklana was unauthorized since the construction was on land which has been notified as a controlled area under the Punjab Act. The notice also, *inter-alia*, directed the stoppage of any further construction on the land. KTL responded to the notice requesting the District Town Planner to withdraw the notice, stating that the collection of toll and the construction of the toll plaza were in accordance with the concession agreement, toll notifications and specifications approved by an independent engineer on land acquired by the NHAI. The matter is currently pending.

Solapur Yedeshi Tollway Limited (“SYTL”)

Outstanding Material Civil Litigation:

SYTL approached the NHAI for amicable settlement of claims in relation to delays attributable to the NHAI during the construction of the project. Since the parties were unable to reach a settlement, SYTL invoked arbitration under its concession agreement. SYTL filed claims for compensation of costs on account of delay in completion of construction for the reasons attributable to the NHAI and Political Force Majeure costs on account of restrictions imposed due to COVID-19 for an amount of approximately Rs.7,905.3 million and corresponding extension of the concession period by 647.43 days. The matter is currently pending.

Outstanding Material Criminal Litigation:

As of the date of this offering memorandum, there is no outstanding criminal litigation against SYTL.

Outstanding Material Regulatory Litigation:

As of the date of this offering memorandum, there is no outstanding regulatory action against SYTL.

Udaipur Tollway Limited (“UTL”)

Outstanding Material Civil Litigation

CGTL, KGTL and UTL filed a writ petition dated September 16, 2020, before the Hon'ble High Court of Rajasthan, Jaipur Bench against the Union of India and the NHAI. For details, see “*SECTION II – Legal Proceedings involving the Associates of the Issuer – CG Tollways Limited*”.

Outstanding Material Criminal Litigation:

Hiteshkumar Ramanlal Gandhi, a shift in-charge working at the Kherwara-Khandi Obri toll plaza, an employee of the Group, filed a first information report at the Kherwara police station, Udaipur against Bhairulal Salvi, a bus driver who refused the pay toll at the toll plaza. When the people working at the toll plaza tried to stop him, the bus driver along with others misbehaved with the workers and destroyed equipment at the toll plaza resulting in the loss of about Rs.0.80 million to Rs.1.00 million. The matter is currently pending.

Outstanding Material Regulatory Litigation:

As of the date of this offering memorandum, there is no outstanding regulatory action against UTL.

Yedeshi Aurangabad Tollway Limited (“YATL”)

Outstanding Material Civil Litigation:

1. Mr. Shaikh Rafiq and others have filed a writ petition against the Issuer, MRMPL (an Associate of the Issuer), YATL and others before BHC Aurangabad bench in relation to acquisition of land for the four-laning of Yedeshi – Aurangabad road that forms a part of the Solapur – Aurangabad highway, i.e., NH 211. For details, see “*SECTION I – Legal Proceedings involving the Issuer or the Company and its subsidiaries – IRB MP Expressway Private Limited*”. For details, see “*Legal Proceedings involving the Issuer.*”
2. Mr. Panditrao Digambarrao Shete Chausalkar and another have filed a writ petition against the Issuer, YATL and others before the BHC Aurangabad in relation to acquisition of land for the four laning of Yedeshi – Aurangabad road that forms a part of the Solapur – Aurangabad highway, i.e., NH 211. For details, see “*SECTION I – Legal Proceedings involving the Issuer or the Company and its subsidiaries – IRB MP Expressway Private Limited*”.
3. YATL approached the NHAI for an amicable settlement of claims in relation to delays attributable to the NHAI during the construction of the project. Since the parties were unable to reach a settlement, YATL had invoked arbitration under its concession agreement. YATL filed claims for compensation of costs on account of delay in completion of construction for the reasons attributable to the NHAI and Political Force Majeure costs on account of restrictions imposed due to Covid 19 for an amount of approximately Rs.17,508.0 million and an extension of the concession period by 869.41 days. The Arbitral Tribunal pronounced the award on January 27, 2024, in favor of YATL and directed the NHAI to pay cash compensation of Rs.17,195 million inclusive of interest till the date of award plus applicable interest till realization of payment and have granted extension of the concession period by 689 days.

Outstanding Material Criminal Litigation:

As of the date of this offering memorandum, there is no outstanding criminal litigation against YATL.

Outstanding Material Regulatory Litigation:

As of the date of this offering memorandum, there is no outstanding regulatory action against YATL.

MMK Toll Road Private Limited (“MMK”)

Outstanding Material Civil Litigation:

The Collector of Stamps, Solapur sent a demand notice dated April 24, 2015, to the Investment Manager, viz. MMK demanding a sum of Rs.152,000 as deficit stamp duty and a penalty of Rs.3,040/- per month on the agreement dated May 29, 2002 (“Agreement”), executed between the Maharashtra State Road Development Corporation, Ideal Road Builders, and MMK. MMK filed a reply dated July 3, 2015, denying the payment of deficit stamp duty on the grounds that: (a) the demand of deficit amount of stamp duty was made payable by citing the provisions included in Section 63 of the Bombay Stamp Act, 1958

inserted *vide* Amendment Act 12 of 2006 (effective from May 1, 2006) ("Amendment") whereas the Agreement was already executed prior to the Amendment; and (b) Section 63 of the Bombay Stamp Act, 1958 does not have a retrospective effect. In its letter dated July 7, 2015, the Collector of Stamps issued a direction that MMK and Ideal Road Builders shall mandatorily pay the deficit stamp duty and the penalty within seven days, failing which recovery action for the said amount would be initiated as per the Maharashtra Land Revenue Code, 1966 and the tolls would be sealed. The matter is currently pending.

Outstanding Material Criminal Litigation:

As of the date of this offering memorandum, there is no outstanding criminal litigation against MMK.

Outstanding Material Regulatory Litigation:

As of the date of this offering memorandum, there is no outstanding regulatory litigation against MMK.

SECTION III – Taxation Proceedings pending against Associate companies and SPVs

Details of all outstanding direct tax and indirect tax proceedings (i) against the Issuer/Sponsor/Project Manager, the Investment Manager, their respective Associates and (ii) involving the Project SPVs, as at the date of this offering memorandum are disclosed below:

Nature of Proceedings	Number of Proceedings	Amount involved (Rs. million)
Direct Tax*		
<i>Associates of the Issuer</i>	7	55.91
<i>Project SPVs</i>	4	84.79
Indirect Tax*		
<i>Associates of the Issuer</i>	4	148.78

* Such amount excludes any interest or penalty in relation to such direct and indirect tax proceedings.

SECTION IV – Certain miscellaneous proceedings pending against Associate companies

1. Ravindra Dhariwal, a non-executive director on the board of directors of the Issuer, resigned from the position of independent director of Future Retail Limited (FRL) with effect from July 23, 2022, due to FRL being referred to insolvency/initiation of corporate insolvency resolution process and his power/role as Independent Director of FRL being suspended as per the provisions of the Insolvency and Bankruptcy Code, 2016. Further, SEBI has initiated an investigation into the affairs of FRL to determine if there was any violation under the provisions of SEBI Regulations/Rules/Directives. These matters are currently pending.

LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for IRB Infrastructure Developers Limited by Shearman & Sterling LLP as to matters of U.S. federal securities laws and J. Sagar Associates as to matters of Indian law.

Certain legal matters in connection with this offering will be passed upon for the Initial Purchasers by Linklaters Singapore Pte. Ltd. as to matters of U.S. federal securities laws and Talwar Thakore & Associates as to matters of Indian law.

INDUSTRY CONSULTANT

The industry consultant's report titled "An assessment of the roads sector in India", included as Appendix A to this offering memorandum was prepared by CRISIL MI&A, our advisor with required expertise on the Indian roads sector, in a report dated February 2024. CRISIL MI&A has given and has not withdrawn its written consent to the issue of this offering memorandum with the inclusion herein of its name and all references thereto and to the inclusion of its report in this offering memorandum in the form and context in which it appears.

INDEPENDENT AUDITORS

The consolidated financial statements of IRB Infrastructure Developers Limited as at and for the year ended March 31, 2022, included in this offering memorandum, have been jointly audited by B S R & Co. LLP and Gokhale & Sathe, independent auditors, as stated in their report appearing herein, which includes an other matters paragraph that states the report is based upon on their audit including the report of other auditors and one of the joint auditors, an other matters paragraph that states their audit of the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements is based on the corresponding reports of the auditors of such companies incorporated in India and an other matters paragraph that states the companies incorporated in India and included in the consolidated financial statements that have unfavorable remarks, qualifications or adverse remarks given by them and the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020.

The consolidated financial statements of IRB Infrastructure Developers Limited as at and for the year ended March 31, 2021, included in this offering memorandum, have been jointly audited by B S R & Co. LLP and Gokhale & Sathe, independent auditors, as stated in their report appearing herein, which includes an other matters paragraph that states the report is based upon on their audit including the report of one of the joint auditors, the report of other auditors and unaudited financial statements furnished by management and an other matters paragraph that states their audit of the adequacy and operating effectiveness of the internal financial controls with reference to the consolidated financial statements is based on the corresponding reports of the auditors of such companies incorporated in India.

The consolidated financial statements of IRB Infrastructure Developers Limited as at and for the years ended March 31, 2023, included in this offering memorandum, have been jointly audited by M S K A & Associates and Gokhale & Sathe, independent auditors, as stated in their report appearing herein.

The report with respect to the consolidated financial statements of IRB Infrastructure Developers Limited as of and for the year ended March 31, 2023, contains an other matters paragraph which states that the report is based upon on their audit including the report of joint auditors and the report of other auditors.

With respect to the unaudited condensed interim consolidated financial statements of IRB Infrastructure Developers Limited as of and for the nine months ended December 31, 2023, included herein, the joint independent auditors reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate reports included herein state that they did not audit, and they do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. The review report with respect to the unaudited condensed interim consolidated financial statements of IRB Infrastructure Developers Limited as of and for the nine months ended December 31, 2023, contains an other matters paragraph which states that the report is based upon on their review, including the review by joint auditors and the reports of other auditors.

The consolidated financial statements of IRB Infrastructure Trust as at and for the years ended March 31 2021, 2022 and 2023, have been audited by Gokhale & Sathe, independent auditors, as stated in their reports appearing herein.

With respect to the unaudited condensed interim consolidated financial statements of IRB Infrastructure Trust as of and for the nine months ended December 31, 2023, included herein, the joint independent auditors reported that they applied limited procedures in accordance with professional standards for a review of such information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. The review report with respect to the unaudited condensed interim consolidated financial statements of IRB Infrastructure Trust as of and for the nine months ended December 31, 2023, contains an other matters paragraph which states that the report is based upon on their review, including the reports of other auditors.

ENFORCEABILITY OF CIVIL LIABILITIES

The Issuer is incorporated as a public limited company under the laws of India. Substantially, all of the Issuer's directors and key management personnel are residents of India and all of its assets are located in India. As a result, it may not be possible for investors to effect service of process on the Issuer or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside India, including those predicated upon civil liabilities of the Issuer or such directors and key management personnel under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

In addition, India is not a party or signatory to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. The statutory basis for recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Code. Section 44A of the Civil Code provides that, where a foreign judgment has been rendered by a superior court in any country or territory outside India which the GoI has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees other than those being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or any other penalty and is not applicable to arbitration awards, even if such awards are enforceable as a decree or a judgment.

While each of the United Kingdom, Singapore, Hong Kong and the United Arab Emirates has been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Code and the High Courts in England as the relevant superior courts, the United States of America has not been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Furthermore, the execution of foreign decree under Section 44A of the Civil Code is also subject to the exception under Section 13 of the Civil Code, as discussed below. Accordingly, a judgment of a superior court in the United Kingdom may be enforceable by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. A judgment of a court in a jurisdiction which is not a reciprocating territory, including that of a court in the United States, may be enforced only by a new suit upon the judgment and not by proceedings in execution. Section 13 of the Civil Code provides that a foreign judgment to which this section applies shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim to litigate under the same title except: (i) where it has not been pronounced by a court of competent jurisdiction; (ii) where it has not been given on the merits of the case; (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where it has been obtained by fraud; or (vi) where it sustains a claim founded on a breach of any law in force in India.

A foreign judgment which is conclusive under Section 13 of the Civil Code may be enforced either by a fresh suit upon judgment or by proceedings in execution. Under Section 14 of the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record and such presumption may be displaced by proving, want of jurisdiction. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice.

A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999, to execute such a judgment and repatriate outside India any amount recovered pursuant to execution, and any such amount may be subject to income tax payable in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment.

The Issuer would not be entitled to immunity based on sovereignty from any legal proceedings in India. The Issuer cannot predict whether a suit in India will be disposed of in a timely manner or will be subject to considerable delay.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN IND AS AND IFRS

The Company's audited consolidated financial statements as at and for the years ended March 31, 2022 and 2023 and unaudited interim consolidated financial statements as at and for the nine months ended December 31, 2023 have been prepared in accordance with Ind AS.

The following table summarizes certain differences in accounting between Ind AS and IFRS that could be significant to the Company's financial position and results of operations. This summary is not an exhaustive list of all the differences between Ind AS and IFRS. No attempt has been made to identify all recognition and measurement, presentation or classification differences that would affect the manner in which transactions or events are presented in the Company's financial statements (or the notes thereto). Management has not quantified the effects of the differences discussed below.

Potential investors should consult their own professional advisors for an understanding of the differences between Ind AS and IFRS, and how those differences might affect the financial information disclosed in this offering memorandum.

Areas of Difference	IFRS	IND-AS
Primary literature	IAS – Presentation of Financial Statements	IND-AS 1 – Presentation of Financial Statements
Statement of profit or loss and other comprehensive income (statement of comprehensive income)	The statement of profit or loss and other comprehensive income includes all items of income and expense – (i.e. all “owner” and “non-owner” changes in equity) including: • components of profit or loss; and • other comprehensive income. These items may be presented either: (a) in a single statement of profit or loss and other comprehensive income; or (b) in a separate statement of profit or loss and a statement profit or loss and other comprehensive income (beginning with profit or loss and displaying components of other comprehensive income).	An entity is required to present all items of income and expense including components of other comprehensive income in a period in a single statement of profit and loss. Additionally, Ministry of Corporate Affairs has issued Schedule III for Companies required to comply with IND-AS which also provides guidance on presentation of financial statements.

Areas of Difference	IFRS	IND-AS
Statement of changes in equity .	The statement of changes in equity includes the following information: Similar to IFRS. • total comprehensive income for the period; • the effects on each component of equity of retrospective application or retrospective restatement in accordance with IAS8; and • for each component of equity, a reconciliation between the opening and closing balances, separately disclosing each change.	Similar to IFRS. Additionally, Ministry of Corporate Affairs has issued Schedule III for Companies required to comply with IND-AS which also provides guidance on presentation of financial statements.
Extraordinary items..	Presentation of any items of income or expense as extraordinary is prohibited.	Similar to IFRS. Additionally, Ministry of Corporate Affairs has issued Schedule III for Companies required to comply with IND-AS which also provides guidance on presentation of financial statements.
Reclassification	When comparative amounts are reclassified, the nature, amount and reason for reclassification are disclosed.	Similar to IFRS.
Critical judgments	Requires disclosure of critical judgments made by management in applying accounting policies. For example: estimating goodwill impairment, impairment of trade receivables, etc.	Similar to IFRS.
Estimation uncertainty.....	Requires disclosure of key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year. The nature of the uncertainty and the carrying amounts of such assets and liabilities at the end of the reporting period are required to be disclosed. For example: estimating useful life of intangible assets, estimating defined benefit obligation, etc.	Similar to IFRS.

Areas of Difference	IFRS	IND-AS
Primary literature	IAS 7 – Statement of Cash Flows	IND-AS 7 – Statement of Cash Flows
Bank Overdrafts	Included as cash and cash equivalents if they form an integral part of an entity's cash management.	Similar to IFRS.
Interest and dividend	May be classified as operating, investing or financing activities in a manner consistent from period to period.	For Financial enterprises: Interest paid and interest and dividend received are to be classified as operating activities. Dividend paid is to be classified as financing activity. For other enterprises: Interest and dividends received are required to be classified as investing activities. Interest and dividends paid are required to be classified as financing activities.
Primary literature	IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors	IND-AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
Changes in accounting policies.....	Requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.	Similar to IFRS.
Errors.....	Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.	Similar to IFRS.

Areas of Difference	IFRS	IND-AS
Primary literature	IAS 10 – Events After the Reporting Period	IND-AS 10 – Events After the Reporting Period
Dividends	Liability for dividends declared to holders of equity instruments are recognized in the period when declared. It is a non-adjusting event. An entity shall provide disclosure for each material non-adjusting event such as proposed dividends in notes to accounts.	Similar to IFRS.
Primary Literature	IAS 12 – Income Taxes	IND-AS 12 – Income Taxes
Deferred income taxes.....	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.	Similar to IFRS.
Recognition of deferred tax assets and Liabilities	Deferred income taxes are recognized for all temporary differences between accounting and tax base of assets and liabilities.	Similar to IFRS.
Recognition of deferred tax assets for unused tax losses etc.	Deferred tax asset is recognized for carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. Where an entity has a history of tax losses, the entity recognizes a deferred tax asset only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available.	Similar to IFRS.
Investments in subsidiaries, branches, and associates and interests in joint arrangements.....	Deferred tax liability for all taxable temporary differences are recognized except to the extent: - the parent, the investor, the venturer or joint operator is able to control timing of the reversal of the temporary difference; and - it is probable that the temporary difference will not reverse in the foreseeable future.	Similar to IFRS.

Areas of Difference	IFRS	IND-AS
Primary Literature	IFRS AS 18 – Revenue IAS 11 – Construction Contracts	IND-AS 18 – Revenue IND-AS 11 – Construction Contracts
Definition	Revenue is the gross inflow of economic benefits during the period rising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. Amounts collected on behalf of third parties such as sales and service taxes and value added taxes are excluded from revenue.	Similar to IFRS.
Measurement	Fair value of revenue from sale of goods and services when the inflow of cash and cash equivalents is deferred is determined by discounting all future receipts using an imputed rate of interest. The difference between the fair value and the nominal amount of consideration is recognized as interest revenue using the effective interest method.	Similar to IFRS except for companies to whom guidance note on accounting for real estate transactions applies.
Interest	Interest income is recognized using the effective interest method.	Similar to IFRS.
Primary literature	IAS 16 – Property, Plant and Equipment	IND-AS 16 – Property, Plant and Equipment
Transfers from revaluation reserve	Transfers from revaluation reserve to retained earnings are made directly and not through profit or loss.	Similar to IFRS.
Change in method of depreciation	Changes in depreciation method are considered as changes in accounting estimate and applied prospectively.	Similar to IFRS.
Primary Literature	IFRS 16 – Leases	IND-AS 116 – Leases
Subsequent measurement of investment property	IFRS 16 provides that if a lessee applies the fair value model to its investment property, it shall apply the fair value model to right of use assets that meet the definition of investment property.	Since IND AS 40 does not allow the use of fair value model. Consequently, any reference of the fair value model appearing anywhere under IND AS 116 is not applicable.
Interest Portion of lease liability & Classification in cash flow statement	IFRS 16 requires the classification of cash payment for the interest portion of lease liability, as part of the requirement under IAS 7, which provides the option of treating interest paid as operating or financing activity.	IND AS 7 requires interest paid to be treated as financing activity only. Accordingly, IND AS 116 has been modified.

Areas of Difference	IFRS	IND-AS
Primary literature	IAS 19 – Employee Benefits	IND-AS 19 – Employee Benefits
Short-term compensated Absences	Short-term employee benefits include paid annual leave and paid sick leave if it is expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services.	Similar to IFRS.
Actuarial valuation ...	Detailed actuarial valuation to determine the present value of the net defined benefit liability (asset) is performed with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would have been determined at the end of the reporting period. IAS 19 does not specify sufficient regularity.	Similar to IFRS.
Actuarial gains and losses	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognized in other comprehensive income and not reclassified to profit or loss in a subsequent period.	Similar to IFRS.
Discount rate	Post-employment benefit obligations (both funded and unfunded) are discounted using a discount rate determined by reference to market yields at the end of the reporting period on high quality corporate bonds. In countries where there is no deep market in such bonds, the market yields on government bonds denominated in that currency should be used.	Post-employment benefit obligations (both funded and unfunded) should be discounted using a discount rate determined by reference to market yields at the end of the reporting period on government bonds. However, subsidiaries, joint ventures, associates and branches domiciled outside India should use a rate determined by reference to market yields on high quality corporate bonds at the end of reporting period. In case such subsidiaries, joint ventures, associates and branches are domiciled in countries where there is no deep market in such bonds, the market yields on government bonds of that country should be used.

Areas of Difference	IFRS	IND-AS
Past service cost and curtailments ...	Past service cost (include curtailments) is recognized as a expense at the earlier of the following dates: • when the plan amendment or curtailment occurs; and • when the entity recognizes related restructuring costs or termination benefits.	Similar to IFRS.
Primary literature	IAS 21 – The Effects of Changes in Foreign Exchange Rates	IND-AS 21 – The Effects of Changes in Foreign Exchange Rates
Functional and presentation Currency	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.	Similar to IFRS.
Translation in the consolidated financial Statements	Assets and liabilities should be translated from functional currency to presentation currency at the closing rate at the date of the statement of financial position; income and expenses at actual/average rates for the period; exchange differences are recognized in other comprehensive income and accumulated in a separate component of equity. These are reclassified from equity to profit or loss (as a reclassification adjustment) when the subsidiary/associate is sold.	Similar to IFRS.
Forward exchange contracts	All forward contracts are accounted as derivative instruments. The guidance for accounting of derivative instruments is provided in IFRS 9.	Similar to IFRS.
Change in functional currency	Change in functional currency is applied prospectively. The fact of change in functional currency and the reason for the change in functional currency should be disclosed.	Similar to IFRS. Additionally, the date of change in functional currency is also required to be disclosed.

Areas of Difference	IFRS	IND-AS
Primary literature	IAS 24 – Related Party Disclosures	IND-AS 24 – Related Party Disclosures
Post-employment benefit plans	Related party includes post-employment benefit plans for the benefit of employees of the reporting entity or any entity that is related to the reporting entity.	Similar to IFRS.
Key Management personnel	Compensation of key management personnel is disclosed in total and separately for: • Short-term employee benefits; • Post-employment benefits; • Other long-term benefits; • Termination benefits; and • Share-based payments.	Similar to IFRS.
Items to be disclosed	If an entity has related party transactions during the period covered by the financial statements, the amount of such transactions and the amount of outstanding, balances, including commitments, need to be disclosed.	Similar to IFRS.
Primary literature	IAS 32 – Financial Instruments: Presentation	IND-AS 32 – Financial Instruments: Presentation
Classification of financial liabilities .	Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement, (and not its legal form), and the definition of financial liabilities and equity instruments.	Similar to IFRS.
Offsetting.....	A financial asset and financial liability can only be offset if the entity currently has a legally enforceable right to set off the recognized amounts and intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.	Similar to IFRS.

Areas of Difference	IFRS	IND-AS
Primary literature	IAS 36 – Impairment of Assets	IND-AS 36 – Impairment of Assets
Annual impairment test for goodwill and intangibles.....	Goodwill and intangible assets not yet available for use and indefinite life intangible assets are required to be tested for impairment at least on an annual basis or earlier if there is an impairment indication.	Similar to IFRS.
Primary literature	IAS 37 – Provisions, Contingent Liabilities and Contingent Assets	IND-AS 37 – Provisions, Contingent Liabilities and Contingent Assets
Recognition of provisions	A provision is recognized only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be estimated reliably.	Similar to IFRS.
Discounting.....	When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.	Similar to IFRS.
Primary literature	IAS 38 – Intangible Assets	IND-AS 38 – Intangible Assets
Measurement	Intangible assets can be measured at either cost or revalued amounts.	Similar to IFRS.
Goodwill	Not amortized but subject to annual impairment test or more frequently whenever there is an impairment indication.	Similar to IFRS. However, in case where goodwill is created under an approved scheme of arrangement, accounting for goodwill would be governed by the scheme.
Primary literature	IAS 40 – Investment Property	IND-AS 40 – Investment Property
Definition and scope.....	Investment property is land or building (or part thereof) or both held (whether by owner or by a lessee under a finance lease) to earn rentals or for capital appreciation or both.	Similar to IFRS.
Measurement	Investment property is measured initially at cost. Investment properties can subsequently be measured using the cost or the fair value model, with changes in fair value recognized in profit or loss.	Investment properties are measured using the cost model. Fair value model is not permitted. Detailed disclosures pertaining to fair value have to be given.

Areas of Difference	IFRS	IND-AS
Primary Literature	IFRS 3 – Business Combinations	IND-AS 103 – Business Combinations
The pooling of interests and purchase method ..	All business combinations, other than those between entities under common control, are accounted for using the purchase method. An acquirer is identified for all business combinations, which is the entity that obtains control of the other combining entity. There is no guidance for business combination between entities under common control. As a result, entities can account for such transactions using either book value or fair value method.	Business combination transactions between entities under common control should be accounted for using the ‘pooling of interests’ method. In case where the business combination transaction is through an approved scheme of arrangement, the accounting for the transaction prescribed in the scheme will apply.
Goodwill measurement	Goodwill is measured as the difference between: (a) the aggregate of: the acquisition-date fair value of the consideration transferred; less (b) the amount of any non-controlling interest; and (c) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and the net of the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed. If the above difference is negative, the resulting gain is recognized as a bargain purchase in profit or loss.	Similar to IFRS. However, any gain on bargain purchase is recognized in other comprehensive income and accumulated in equity as capital reserve. If there is no clear evidence of the underlying reason for classification of the business combination as a bargain purchase, the resulting gain is recognized directly in equity as capital reserve.
Primary Literature	IFRS 8 – Operating Segments	IND-AS 108 – Operating Segments
Determination of segments.....	Operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision maker in deciding how to allocate resources and in assessing performance.	Similar to IFRS.

Areas of Difference	IFRS	IND-AS
Measurement	A reconciliation is provided for between information disclosed for reportable segments and the aggregate information in entity's financial statements. Segment profit or loss is reported on the same measurement basis as that used by chief operating decision maker. Segment information is not required to be in conformity with accounting policies adopted for preparing financial statements. However, a reconciliation is required of segment performance measures reported with the corresponding amounts reported in financial statements.	Similar to IFRS.
Entity wide disclosures	Disclosures are required of external revenue from each product or service, from customers in country of domicile and foreign countries and geographical information on noncurrent assets. Information on major customers is disclosed if revenue from each customer is 10.0% or more of total segment revenues.	Similar to IFRS.
Primary literature	IFRS 9 – Financial Instruments	IND-AS 109 – Financial Instruments
Investments, deposits loans and advances	All financial assets are classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss or recognized in other comprehensive income.	Similar to IFRS.
Impairment	The impairment model in IFRS 9 is based on expected credit losses. Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to: The 12 month expected credit losses; or Lifetime expected credit losses if credit risk has increased significantly since initial recognition of the financial instrument.	Similar to IFRS.

Areas of Difference	IFRS	IND-AS
Primary literature	IAS 27 – Separate Financial Statements	IND-AS 27 – Separate Financial Statements
	IFRS 10 – Consolidated Financial Statements	IND-AS 110 – Consolidated Financial Statements
	IFRS 12 – Disclosure of Interests in Other Entities	IND-AS 112 – Disclosure of Interests in Other Entities
Definition of control..	Control is based on whether an investor has: • power over the investee; • exposure or rights to variable return from its involvement with the investee; and • the ability to use its power over the investee to affect the amounts of the returns. Control is based on substance of the transaction.	Similar to IFRS.
Exclusion of subsidiaries, associates and joint ventures	Consolidated financial statements include all subsidiaries and equity accounted associates and joint ventures. No exemption for “temporary control,” “different lines of business” or “subsidiary/associate/joint venture that operates under severe long-term funds transfer restrictions.”	Similar to IFRS.
Disclosure of nature and risk associated with interest in other entities	IFRS 12 requires disclosures for significant judgements and assumptions such as how control, joint control and significant influence has been determined along with detailed analysis.	Similar to IFRS.

Areas of Difference	IFRS	IND-AS
Primary Literature	IFRS7 – Financial Instruments: Disclosure	IND-AS 107 – Financial Instruments: Disclosure
Some improved disclosures	Requires disclosure of information about the nature and extent of risks arising from financial instruments: • qualitative disclosures about exposures to each type of risk and how those risks are managed; and • quantitative disclosures about exposures to each type of risk, separately for credit risk, liquidity risk and market risk (including sensitivity analysis).	Similar to IFRS.
Primary literature	IFRS 13 – Fair Value Measurement	IND-AS 113 – Fair Value Measurement
Definition	Fair Value is defined as 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. Fair value measurement applies when another IFRS requires or permits fair value measurement or disclosures.	Similar to IFRS.

INDEX TO FINANCIAL STATEMENTS

Consolidated Financial Statements of the Company

Unaudited condensed interim consolidated financial statements as at and for the nine months ended December 31, 2023

Independent auditor's review report	F-3
Condensed interim consolidated balance sheet	F-8
Unaudited condensed interim consolidated statement of profit and loss	F-9
Unaudited condensed interim consolidated statement of changes in equity	F-10
Unaudited consolidated interim statement of cash flows	F-11
Notes to the unaudited condensed interim consolidated financial statements	F-13

Audited consolidated financial statements as at and for the year ended March 31, 2023

Independent auditor's report	F-40
Consolidated balance sheet	F-50
Consolidated statement of profit and loss	F-51
Consolidated statement of changes in equity	F-52
Consolidated statement of cash flows	F-53
Notes to consolidated financial statements	F-55

Audited consolidated financial statements as at and for the year ended March 31, 2022

Independent auditor's report	F-132
Consolidated balance sheet	F-142
Consolidated statement of profit and loss	F-143
Consolidated statement of changes in equity	F-144
Consolidated statement of cash flows	F-145
Notes to consolidated financial statements	F-147

Audited consolidated financial statements as at and for the year ended March 31, 2021

Independent auditor's report	F-224
Consolidated balance sheet	F-232
Consolidated statement of profit and loss	F-233
Consolidated statement of changes in equity	F-234
Consolidated statement of cash flows	F-235
Notes to the consolidated financial statements	F-237

Consolidated Financial Statements of the Private InvIT

Unaudited condensed interim consolidated financial statements for the nine months period ended December 31, 2023

Independent auditor's review report	F-303
Condensed interim consolidated balance sheet	F-306
Unaudited condensed interim consolidated statement of profit and loss	F-307
Unaudited condensed interim consolidated cash flows statement	F-308
Unaudited condensed interim consolidated statement of changes in unitholder's equity	F-310
Notes to unaudited condensed interim consolidated financial statements	F-311

Audited consolidated financial statements as at and for the year ended March 31, 2023

Independent auditor's report	F-326
Consolidated balance sheet.....	F-330
Consolidated statement of profit and loss	F-331
Statement of changes in equity	F-333
Consolidated statement of cash flows	F-334
Notes to consolidated financial statements	F-340

Audited consolidated financial statements as at and for the year ended March 31, 2022

Independent auditor's report	F-380
Consolidated balance sheet.....	F-386
Consolidated statement of profit and loss	F-387
Consolidated statement of cash flows	F-389
Consolidated statement of changes in equity	F-391
Notes to consolidated financial statements	F-392

Audited consolidated financial statements as at and for the year ended March 31, 2021

Independent auditor's report	F-423
Consolidated balance sheet.....	F-430
Consolidated statement of profit and loss	F-431
Consolidated statement of changes in equity	F-432
Consolidated statement of cash flows	F-433
Notes to consolidated financial statements	F-436

Gokhale & Sathe
Chartered Accountants
304/308/309, Udyog Mandir No.1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016.
Telephone + 91 (22) 43484242
Fax + 91 (22) 43484241

M S K A & Associates
Chartered Accountants
602, Floor 6, Raheja Titanium
Western Express Highway,
Geetanjali Railway Colony,
Ram Nagar, Goregaon (E),
Mumbai 400063, India
Tel: +91 22 6238 0519

Independent Auditor's Review Report on Unaudited Condensed Interim Consolidated Financial Statements for the nine months period ended December 31, 2023 of IRB Infrastructure Developers Limited

To The Board of Directors of IRB Infrastructure Developers Limited

1. We have jointly reviewed the accompanying Unaudited Condensed Interim Consolidated Financial Statements of IRB Infrastructure Developers Limited ('the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') and its share of the net loss after tax and total comprehensive loss (net) of its joint ventures for the nine months period ended December 31, 2023, which comprises of Condensed Interim Consolidated Balance Sheet as on December 31, 2023 and Unaudited Condensed Interim Consolidated Statement of Profit and Loss, including other comprehensive income, Unaudited Condensed Interim Consolidated Cash Flow Statement and Unaudited Condensed Interim Consolidated Statement of Changes in Equity for the nine months period then ended and a summary of select explanatory notes (together hereinafter referred to as the "Unaudited Condensed Interim Consolidated Financial Statements"). These Unaudited Condensed Interim Consolidated Financial Statements have been prepared by the Holding Company solely in connection with issuance of USD denominated Notes under the External Commercial Borrowings ("ECB") guidelines of the Reserve Bank of India ("RBI") and proposed to be listed on India International Exchange (IFSC) Limited ("India INX") and for its inclusion in the Offering Memorandum of the Holding Company.
2. The Unaudited Condensed Interim Consolidated Financial Statements, which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ('Ind AS 34') and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on these Unaudited Condensed Interim Consolidated Financial Statements based on our review.
3. We conducted our review of the Unaudited Condensed Interim Consolidated Financial Statements in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Unaudited Condensed Interim Consolidated Financial Statements includes the interim financial statements of the Holding Company and entities stated in Annexure 1.

Gokhale & Sathe
Chartered Accountants
304/308/309, Udyog Mandir No.1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016.
Telephone + 91 (22) 43484242
Fax + 91 (22) 43484241

M S K A & Associates
Chartered Accountants
602, Floor 6, Raheja Titanium
Western Express Highway,
Geetanjali Railway Colony,
Ram Nagar, Goregaon (E),
Mumbai 400063, India
Tel: +91 22 6238 0519

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 to 7 below, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Consolidated Financial Statements, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial statements of 15 subsidiaries included in the Unaudited Condensed Interim Consolidated Financial Statements, whose interim financial statements reflects total assets of Rs. 2,90,164 million (before consolidation adjustments) as on December 31, 2023, total revenues of Rs. 44,018 million (before consolidation adjustments), total net profit after tax of Rs. 1,876 million (before consolidation adjustments), total comprehensive income of Rs. 1,891 million (before consolidation adjustments) and cash outflows (net) of Rs. 428 million for the period from April 1, 2023 to December 31, 2023, as considered in the Unaudited Condensed Interim Consolidated Financial Statements. The Unaudited Condensed Interim Consolidated Financial Statements also includes the Group's share of net profit after tax of Rs. 8 million and total comprehensive income of Rs. 8 million for the period from April 1, 2023 to December 31, 2023, as considered in the Unaudited Condensed Interim Consolidated Financial Statements, in respect of 1 joint venture whose interim financial statements has not been reviewed by us. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management, and our conclusion on the Unaudited Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these 15 subsidiaries and one joint venture, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

7. The Unaudited Condensed Interim Consolidated Financial Statements includes total assets of Rs. 76,106 million (before consolidation adjustments) as on December 31, 2023, total revenues of Rs. 12,636 million (before consolidation adjustments), total net profit after tax of Rs. 800 million (before consolidation adjustments), total comprehensive income of Rs. 800 million (before consolidation adjustments) and cash flows (net) of Rs. 17 million of 5 subsidiaries for the period from April 1, 2023 to December 31, 2023, as considered in the Unaudited Condensed Interim Consolidated Financial Statements, whose interim financial statements have been reviewed by Gokhale & Sathe, one of the Joint Auditor of the Holding Company. The Unaudited Condensed Interim Consolidated Financial Statements also includes the Group's share of net profit after tax of Rs. 159 million and total comprehensive income of Rs. 159 million for the period from April 1, 2023 to December 31, 2023, as considered in the Unaudited Condensed Interim Consolidated Financial Statements, in respect of 1 joint venture, whose interim financial information has been reviewed by Gokhale & Sathe, one of the Joint Auditor of the Holding Company.

M S K A & Associates conclusion is not modified in respect of this matter.

8. This report is addressed to the Board of Directors of the Holding Company and submitted solely in connection with issuance of USD denominated Notes under the External Commercial Borrowings ("ECB")

Gokhale & Sathe
Chartered Accountants
304/308/309, Udyog Mandir No.1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016.
Telephone + 91 (22) 43484242
Fax + 91 (22) 43484241

M S K A & Associates
Chartered Accountants
602, Floor 6, Raheja Titanium
Western Express Highway,
Geetanjali Railway Colony,
Ram Nagar, Goregaon (E),
Mumbai 400063, India
Tel: +91 22 6238 0519

guidelines of the Reserve Bank of India (“RBI”) and proposed to be listed on India International Exchange (IFSC) Limited (“India INX”) and for its inclusion in the Offering Memorandum of the Holding Company.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our conclusion is not modified in respect of this matter.

For Gokhale & Sathe
Chartered Accountants
ICAI Firm Registration No.103264W

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

SD/-

Chinmaya Deval
Membership No.: 148652
UDIN: 24148652BKBHHU1714

Place: Mumbai
Date: 16 Feb 2024

SD/-

Siddharth Iyer
Membership No.: 116084
UDIN: 24116084BKCNZY5516

Place: Mumbai
Date: 16 Feb 2024

Gokhale & Sathe
Chartered Accountants
304/308/309, Udyog Mandir No.1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016.
Telephone + 91 (22) 43484242
Fax + 91 (22) 43484241

M S K A & Associates
Chartered Accountants
602, Floor 6, Raheja Titanium
Western Express Highway,
Geetanjali Railway Colony,
Ram Nagar, Goregaon (E),
Mumbai 400063, India
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Annexure 1

List of subsidiaries included in the Unaudited Condensed Interim Consolidated Financial Statements of IRB Infrastructure Developers Limited:

Sr No	Name Of Entity	Relationship with the Holding company
1	IRB Ahmedabad Vadodara Super Express Tollway Private Limited	Subsidiary
2	Modern Road Makers Private Limited	Subsidiary
3	Mhaikar Infrastructure Private Limited	Subsidiary
4	Ideal Road Builders Private Limited	Subsidiary
5	IRB Kolhapur Integrated Road Development Company Private Limited	Subsidiary
6	IRB Goa Tollway Private Limited	Subsidiary
7	ATR Infrastructure Private Limited	Subsidiary
8	IRB Sindhudurg Airport Private Limited	Subsidiary
9	Aryan Toll Road Private Limited	Subsidiary
10	Aryan Infrastructure Investments Private Limited	Subsidiary
11	Thane Ghodbunder Toll Road Private Limited	Subsidiary
12	IRB MP Expressway Private Limited	Subsidiary
13	Aryan Hospitality Private Limited	Subsidiary
14	IRB Infrastructure Private Limited	Subsidiary
15	MRM Mining Private Limited	Subsidiary
16	VK1 Expressway Private Limited (upto 12 October 2022)	Subsidiary
17	VM7 Expressway Private Limited	Subsidiary
18	GE1 Expressway Private Limited	Subsidiary
19	IRB PS Highway Private Limited	Subsidiary
20	Palsit Dankuni Tollway Private Limited (upto 1 April 2022)	Subsidiary
21	Pathankot Mandi Highway Private Limited	Subsidiary
22	Chittoor Thachur Highway Private Limited	Subsidiary
23	Meerut Budaun Expressway Limited (upto 14 October 2022)	Subsidiary
24	Samakhiyali Tollway Private Limited (w.e.f 14 March 2023 and upto 27 December 2023)	Subsidiary
25	IRB Golconda Expressway Private Limited (w.e.f 13 May 2023 and upto 10 August 2023)	Subsidiary

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Chartered Accountants
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M S K A & Associates
Chartered Accountants
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List of Joint Ventures included in the Unaudited Condensed Interim Consolidated Financial Statements of IRB Infrastructure Developers Limited:

Sr No	Name Of Entity	Relationship with the Holding company
1	MMK Toll Road Private Limited	Joint Venture
2	IRB Infrastructure Trust	Joint Venture
3	Meerut Budaun Expressway Limited (w.e.f 15 October 2022)	Joint Venture
Subsidiaries of IRB Infrastructure Trust		
1	AE Tollway Limited	Joint Venture
2	Yedeshi Aurangabad Tollway Limited	Joint Venture
3	IRB Westcoast Tollway Limited	Joint Venture
4	Kaithal Tollway Limited	Joint Venture
5	Solapur Yedeshi Tollway Limited	Joint Venture
6	CG Tollway Limited	Joint Venture
7	Udaipur Tollway Limited	Joint Venture
8	Kishangarh Gulabpura Tollway Limited	Joint Venture
9	IRB Hapur Moradabad Tollway Limited	Joint Venture
10	Palsit Dankuni Tollway Private Limited (w.e.f 2 April 2022)	Joint Venture
11	IRB Golconda Expressway Private Limited (w.e.f 11 August 2023)	Joint Venture
12	Samakhiyali Tollway Private Limited (w.e.f 28 December 2023)	Joint Venture
13	IRB Lalitpur Tollway Private Limited (w.e.f 10 November 2023)	Joint Venture

IRB Infrastructure Developers Limited
Condensed Interim Consolidated Balance sheet as at December 31, 2023

(Rs. in million)

	Notes	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		9,222.72	9,348.85
Capital work in progress		57.03	75.35
Right to use asset		46.22	76.13
Goodwill on consolidation		78.04	78.04
Other Intangible assets		2,48,509.23	2,55,298.04
Financial assets			
i) Investments			
a. investment in joint-ventures		76,254.55	43,188.64
b. other investments		6,398.59	6,263.71
ii) Trade receivables		-	1,341.72
iii) Other financial assets		48,608.76	41,701.12
Deferred tax assets		499.71	636.60
Other non-current assets		1.94	2.58
Total non-current assets (A)		3,89,676.79	3,58,010.78
Current assets			
Inventories		3,003.62	2,990.01
Financial assets			
i) Investments		3,045.89	1,956.99
ii) Trade receivables		5,989.26	16,352.31
iii) Cash and cash equivalents		790.45	3,005.60
iv) Bank balances other than (iii) above		17,272.80	21,165.80
v) Loans		1,580.27	6,176.03
vi) Other financial assets		5,633.17	6,140.86
Current tax assets (net)		119.91	122.57
Other current assets		14,442.77	11,740.82
Total current assets (B)		51,878.14	69,650.99
TOTAL ASSETS (A+B)		4,41,554.93	4,27,661.77
EQUITY AND LIABILITIES			
Equity			
Equity share capital		6,039.00	6,039.00
Other equity		1,31,056.70	1,27,749.99
Total equity (A)		1,37,095.70	1,33,788.99
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	4	1,31,492.35	1,42,476.99
ii) Lease liabilities		7.60	45.49
iii) Other financial liabilities		1,02,429.16	1,06,490.26
Provisions	5	719.67	537.52
Deferred tax liabilities		1,810.02	1,273.83
Other non-current liabilities		114.34	3.88
Total Non-current liabilities (B)		2,36,573.14	2,50,827.97
Current liabilities			
Financial liabilities			
i) Borrowings	4	48,633.57	24,919.87
ii) Lease liabilities		47.14	39.58
iii) Trade payables			
a. total outstanding dues of micro enterprises and small enterprises		332.90	419.20
b. total outstanding dues of creditors other than micro enterprises and small enterprises		5,481.28	4,603.10
iv) Other financial liabilities		8,625.73	8,367.53
Other current liabilities		4,431.07	4,637.45
Provisions		63.47	34.39
Current tax liabilities (net)		270.93	23.69
Total Current liabilities (C)		67,886.09	43,044.81
TOTAL LIABILITIES (D=B+C)		3,04,459.23	2,93,872.78
TOTAL EQUITY AND LIABILITIES (A+D)		4,41,554.93	4,27,661.77

Summary of material accounting policies

3

The accompanying notes are an integral part of the unaudited condensed interim consolidated financial statements.

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration Number: 105047W

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

SD/-

Siddharth Iyer

Partner

Membership No.: 116084

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

SD/-

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

SD/-

Sudhir Rao Hoshing

Chief Executive Officer

SD/-

Deepali V. Mhaikar

Whole Time Director

DIN: 00309884

SD/-

Tushar Kawedia

Chief Financial Officer

SD/-

Chinmaya Deval

Partner

Membership No.: 148652

SD/-

Mehul N. Patel

Company Secretary

Membership No.: A14302

Place: Mumbai

Date: February 16, 2024

Place: Mumbai

Date: February 16, 2024

IRB Infrastructure Developers Limited
Unaudited Condensed Interim Consolidated Statement of Profit and Loss for the period April 01,2023 to December 31, 2023

(Rs. in million)

	Notes	For the period April 01,2023 to December 31,2023 (Unaudited)	For the period April 01,2022 to December 31,2022 (Unaudited)
Income			
Revenue from operations		53,477.56	47,816.64
Other income		3,495.11	2,227.37
Total Income		56,972.67	50,044.01
Expenses			
Cost of material consumed		2,890.60	3,079.53
Road work and site expenses		20,307.10	14,800.37
Employee benefits expense		2,981.79	2,646.31
Finance costs		12,487.70	11,413.51
Depreciation and amortisation expense		7,207.20	6,099.93
Other expenses		2,878.79	2,587.36
Total expenses		48,753.18	40,627.01
Profit before tax and share of profit/(loss) of joint ventures		8,219.49	9,417.00
Profit/(Loss) from joint ventures		(1,795.31)	(702.47)
Profit before tax		6,424.18	8,714.53
Tax expenses			
Current tax [including earlier period Rs. 11.79 million (December 31, 2022: Rs. (4.47) million)]	6	1,600.06	2,089.92
Deferred tax (credit)/charge		654.74	726.02
Total tax expenses		2,254.80	2,815.94
Profit after tax		4,169.38	5,898.59
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
(a) Mark to market gain/(loss) on fair value measurement of investments (net of tax)		217.86	1,525.00
(b) Re-measurement loss on defined benefit plans		25.70	1.44
(c) Tax on re-measurement loss on defined benefit plans		(6.27)	(0.70)
Other comprehensive income for the period, net of tax		237.29	1,525.74
Total comprehensive income for the period, net of tax		4,406.67	7,424.33
Profit for the period attributable to :			
Owners of the Company		4,169.38	5,898.59
Non-controlling interests		-	-
Other Comprehensive income attributable to :			
Owners of the Company		237.29	1,525.74
Non-controlling interests		-	-
Total Comprehensive income attributable to :			
Owners of the Company		4,406.67	7,424.33
Non-controlling interests		-	-
Earnings per equity share (of Re. 1 each) (not annualised)			
Basic	7	0.69	0.98
Diluted		0.69	0.98

Summary of material accounting policies

3

The accompanying notes are an integral part of the unaudited condensed interim consolidated financial statements.

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration Number: 105047W

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

SD/-

Siddharth Iyer

Partner

Membership No.: 116084

SD/-

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

SD/-

Deepali V. Mhaikar

Whole Time Director

DIN: 00309884

SD/-

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

SD/-

Sudhir Rao Hoshing

Chief Executive Officer

SD/-

Tushar Kawedia

Chief Financial Officer

SD/-

Chinmaya Deval

Partner

Membership No.: 148652

SD/-

Mehul N. Patel

Company Secretary

Membership No.: A14302

Place: Mumbai

Date: February 16,2024

Place: Mumbai

Date: February 16,2024

IRB Infrastructure Developers Limited
Unaudited Condensed Interim Consolidated Statement of Changes in Equity for the period April 01,2023 to December 31, 2023
a. Equity Share Capital
Equity shares of Re. 1 each issued (March 31, 2023: Re.1) , subscribed and fully paid-up

(Rs in million)

	December 31, 2023		March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
At the beginning the period	6,03,90,00,000	6,039.00	60,39,00,000	6,039.00
Increase in Equity shares on sub-division of 1 (one) equity share of face value of Rs.10 each into 10 (Ten) equity shares of face value of Re.1 each *	-	-	5,43,51,00,000	-
Addition during the period	-	-	-	-
At the end of the period	6,03,90,00,000	6,039.00	6,03,90,00,000	6,039.00

*Pursuant to the approval of the shareholders accorded through Postal Ballot on February 06, 2023, each equity share of face value of Rs.10/- per share was subdivided into 10 equity shares of face value of Re.1/- per share.

b. Other Equity

(Rs in million)

	Reserves and surplus				Items of Other comprehensive income (OCI)	Total
	Securities Premium	Capital Reserve	General reserve	Retained earnings	Mark to market gain / (loss) on fair value measurement of investments	
As at April 01, 2023	64,402.51	1,269.18	1,946.12	61,652.81	(1,520.63)	1,27,749.99
Profit for the period	-	-	-	4,169.38	-	4,169.38
Group share of unit issue expenses incurred by IRB Infrastructure Trust	-	-	-	(43.13)	-	(43.13)
Other comprehensive income / (loss) for the period	-	-	-	25.70	217.86	243.56
Tax on re-measurement loss on defined benefit plans	-	-	-	(6.27)	-	(6.27)
Total comprehensive income for the period	-	-	-	4,145.68	217.86	4,363.54
Dividend on equity shares (refer note 12)	-	-	-	(1,056.83)	-	(1,056.83)
As at December 31, 2023	64,402.51	1,269.18	1,946.12	64,741.66	(1,302.77)	1,31,056.70
As at April 01, 2022	64,402.51	1,269.18	1,946.12	55,202.83	(3,203.23)	1,19,617.41
Profit for the period	-	-	-	5,898.59	-	5,898.59
Group share of unit issue expenses incurred by IRB Infrastructure Trust	-	-	-	(7.82)	-	(7.82)
Other comprehensive income / (loss) for the period	-	-	-	1.44	1,525.00	1,526.44
Tax on re-measurement loss on defined benefit plans	-	-	-	(0.70)	-	(0.70)
Total comprehensive income for the period	-	-	-	5,891.51	1,525.00	7,416.51
Dividend on equity shares (refer note 12)	-	-	-	(754.88)	-	(754.88)
As at December 31, 2022	64,402.51	1,269.18	1,946.12	60,339.46	(1,678.23)	1,26,279.04

Summary of material accounting policies

3

The accompanying notes are an integral part of the unaudited condensed interim consolidated financial statements.

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration Number: 105047W

SD/-

Siddharth Iyer

Partner

Membership No.: 116084

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

SD/-

Chinmaya Deval

Partner

Membership No.: 148652

Place: Mumbai

Date: February 16,2024

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

SD/-

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

SD/-

Sudhir Rao Hoshing

Chief Executive Officer

SD/-

Deepali V. Mhaikar

Whole Time Director

DIN: 00309884

SD/-

Tushar Kawedia

Chief Financial Officer

SD/-

Mehul N. Patel

Company Secretary

Membership No.: A14302

Place: Mumbai

Date: February 16,2024

IRB Infrastructure Developers Limited
Unaudited Condensed Interim Consolidated Statement of Cash Flows for the period April 01,2023 to December 31, 2023

Particulars	For the period April 01,2023 to December 31,2023 (Unaudited)	For the period April 01,2022 to December 31,2022 (Unaudited)
Cash flows from operating activities		
Profit before tax	6,424.18	8,714.53
Adjustments to reconcile before tax to net cash flows:		
Depreciation and amortisation	7,207.20	6,099.93
Resurfacing expenses	201.23	171.98
Net (gain) on sale of property, plant and equipment	(7.61)	(14.25)
Net (gain) on current investment at fair value through Profit / Loss	(1.63)	(35.89)
(Gain) on fair value measurement of other receivables	(1,676.37)	(357.01)
Share of loss (net) from joint ventures	1,795.31	702.47
Net (gain) on sale of current investment	(110.59)	(77.39)
Loss on sale on non current investment	-	18.76
Provision no longer required written back	(0.57)	-
Finance costs	12,487.70	11,413.51
Interest income	(1,595.65)	(1,590.48)
Other non operating income	(36.70)	(36.70)
	24,686.50	25,009.46
Operating profit before working capital changes		
Increase in trade payables	792.39	1,529.20
Increase / (Decrease) in provisions	35.71	(211.70)
(Decrease) in other financial liabilities	(48.21)	(888.70)
(Decrease) / Increase in other liabilities	(95.91)	101.13
Decrease / (Increase) in trade receivables	11,704.78	(1,034.27)
(Increase) / Decrease in inventories	(13.61)	227.18
Decrease in loans	3.80	15.20
(Increase) in other financial assets	(4,668.16)	(6,521.48)
(Increase) in other assets	(2,701.95)	(4,521.15)
Cash generated from operations	29,695.34	13,704.87
Taxes paid (net)	(1,338.06)	(1,680.00)
Net cash flows generated from operating activities (A)	28,357.28	12,024.87
Cash flows from investing activities		
Addition to intangible assets including intangible assets under development and capital advances	(1,338.25)	(2,687.71)
Purchase of property, plant and equipment	(246.33)	(267.58)
Proceeds from sale of property, plant and equipment	12.07	47.94
Proceeds/redemptions from sale of non-current investments	875.72	278.12
Consideration received on sale of subsidiary (net)	-	3,418.19
Investment in joint venture	(35,697.10)	(4,663.31)
Loan given to joint ventures	(2,124.83)	(1,532.74)
Loan repaid by joint ventures	6,716.80	267.50
Proceeds from sale/(purchase) of current investment (net)	(976.68)	1,354.26
(Investment in)/proceeds from maturity of bank deposits (having original maturity of more than three months) (net)	3,893.14	(3,474.03)
Interest received	1,527.74	1,546.51
Net cash flows (used in) investing activities (B)	(27,357.72)	(5,712.85)
Cash flows from financing activities		
Proceeds from non-current borrowings	16,922.91	1,697.22
Repayment of non-convertible debentures	(2,869.05)	(788.33)
Repayment of non-current borrowings	(6,597.44)	(3,209.29)
Proceeds of current borrowings (net)	42.63	6,225.84
Payment of lease liabilities	(35.72)	(34.02)
Finance cost paid	(9,621.21)	(8,831.51)
Dividend paid on equity shares	(1,056.83)	(754.88)
Net cash flows generated from financing activities (C)	(3,214.71)	(5,694.97)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,215.15)	617.05
Cash and cash equivalents at the beginning of the period	3,005.60	472.83
Cash and cash equivalents at the end of the period	790.45	1,089.88
Components of cash and cash equivalents		
Balances with banks:		
- Trust, retention and other escrow accounts	457.67	604.99
- Current accounts	96.52	159.52
- In deposit accounts with original maturity less than 3 months	124.99	269.11
Cash on hand	111.27	115.58
Less: Book overdraft	-	(59.32)
Total cash and cash equivalents	790.45	1,089.88

Particulars	For the period April 01,2023 to December 31,2023 (Unaudited)	For the period April 01,2022 to December 31,2022 (Unaudited)
Debt reconciliation statement in accordance with Ind AS 7		
Opening balance as at beginning of period		
Long term borrowings	1,42,476.99	1,54,747.17
Short term borrowings	24,919.87	12,105.50
Movements		
(a) Cash flows		
Long term borrowings	7,456.42	(2,300.40)
Short term borrowings	42.63	6,225.84
(b) Non cash changes (effective rate of interest accrued, unpaid moratorium interest converted into borrowings, etc)		
Long term borrowings	18,441.06	9,792.48
Short term borrowings	(23,671.07)	(4,939.32)
(c) Closing balance as at end of period		
Long term borrowings	1,31,492.35	1,42,654.29
Short term borrowings	48,633.57	23,270.66

Summary of material accounting policies (refer note 3)

The accompanying notes are an integral part of the unaudited condensed interim consolidated 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. The unaudited condensed interim consolidated cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration Number: 105047W

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

SD/-

Siddharth Iyer

Partner

Membership No.: 116084

SD/-

Virendra D. Mhaikar

Chairman &

Managing Director

DIN: 00183554

SD/-

Deepali V. Mhaikar

Whole Time Director

DIN: 00309884

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

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Sudhir Rao Hoshing

Chief Executive Officer

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Chief Financial Officer

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Chinmaya Deval

Partner

Membership No.: 148652

SD/-

Mehul N. Patel

Company Secretary

Membership No.: A14302

Place: Mumbai

Date: February 16,2024

Place: Mumbai

Date: February 16,2024

IRB Infrastructure Developers Limited

Notes to the Unaudited Condensed Interim Consolidated financial statements for the period from April 01, 2023 to December 31, 2023

1. Corporate Information

IRB Infrastructure Developers Limited ("the Company") is a Public Company domiciled in India and is incorporated under the provision of the Companies Act (the 'Act') applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office is located at 1101, Hiranandani Knowledge Park, 11th Floor, Technology Street, Hill Side Avenue, Opp Hiranandani Hospital, Powai, Mumbai – 400 076, Maharashtra.

2. Basis of preparation

A. Purpose

These unaudited condensed interim consolidated financial statements which comprise the condensed interim consolidated balance sheet as at December 31, 2023, the unaudited condensed interim consolidated statement of profit and loss (including other comprehensive income), the unaudited condensed interim consolidated statement of changes in equity and the unaudited condensed interim consolidated statement of cash flows for the period from April 01, 2023 to December 31, 2023 and a summary of the material accounting policies and other explanatory information (together herein after referred to as “unaudited condensed interim consolidated financial statements” have been prepared in accordance with the principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”) , prescribed under Section 133 of the Companies Act, 2013 (‘the Act’), and other accounting principles generally accepted in India. These unaudited condensed interim consolidated financial statements for the period from April 01, 2023 to December 31, 2023 have been prepared for the Company solely for inclusion in the Offering Memorandum in connection with raising of funds via with the proposed issuance of USD denominated Notes under the External Commercial Borrowings (“ECB”) guidelines of the Reserve Bank of India (“RBI”), and proposed to be listed on India International Exchange (IFSC) Limited (“India INX”), and should not be relied upon for any other purpose.

These unaudited condensed interim consolidated financial statements are not the statutory accounts for the purpose of any statutory compliances or for regulatory requirements in any jurisdiction.

The unaudited condensed interim consolidated financial statements of the Company for the period from April 01, 2023 to December 31, 2023 were approved by the Board of Directors and authorized for issue on February 16, 2024.”

B. Statement of compliance

The unaudited condensed interim consolidated financial statements comprise of unaudited condensed interim financial statements of IRB Infrastructure Developers Limited and its subsidiaries (collectively, "the Group") and its joint ventures for the period from April 01, 2023 to December 31, 2023.

The unaudited condensed interim consolidated financial statements for the period April 01, 2023 to December 31, 2023 have been prepared in accordance with Indian Accounting Standards Ind AS 34. The unaudited condensed interim consolidated financial statement do not include all the notes of the type normally included in the annual financial statements. Accordingly, these unaudited condensed interim consolidated financial statements are to be read in conjunction with the statutory consolidated financial statements for the year ended March 31, 2023

The accounting policies adopted are consistent with those of the previous financial year ended March 31, 2023 and the corresponding interim reporting period, except for the estimation of income tax (see Note 3.01) and the adoption of new and amended standard, if any, as set out in Note 3 below.

3. Summary of material accounting policies

3.01 Taxes

Current income tax

Current income tax assets and liabilities have been determined based on management's estimate of the weighted average effective annual tax rate expected for the full financial year as required under Ind AS 34.

3.02 Standards issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During nine months period ended 31 December 2023, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023

	(Rs in million)	
	December 31, 2023	March 31, 2023
Financial liabilities		
Note 4 : Borrowings		
Non-current Borrowings		
Term loans		
Indian rupee loan from banks (secured)		
Project loans for SPVs (refer note i)	80,814.47	84,202.41
Equipment finance (refer note ii)	382.25	403.94
Other borrowings (refer note iii)	13,527.76	-
Less : current maturities	(10,743.21)	(7,936.67)
Total (a)	83,981.27	76,669.68
Indian rupee loan from financial institutions (secured)		
Project loans for SPVs (refer note i)	2,802.48	2,519.99
Equipment finance (refer note ii)	15.44	24.96
Other borrowings (refer note iii)	162.75	228.38
Less : current maturities	(229.83)	(215.80)
Total (b)	2,750.84	2,557.53
Redeemable non-convertible debentures (secured) (refer note iv)		
Project loans for SPVs		
From Others:		
- 45,000 (March 31, 2023: 45,000) Unlisted 8.75% (March 31, 2023 : 8.75%) Non Convertible Debentures of face value of Rs. 88,282.82 each (March 31, 2023: Rs. 92,099.91 each)	3,972.73	4,144.50
General purpose borrowing		
From banks		
- Nil (March 31, 2023: 2,000) Listed 9.55% Non Convertible Debentures of face value of Rs. 1,000,000 each (March 31, 2023: 1,000,000 each)	-	2,000.00
- 2,000 (March 31, 2023: 2,000) Listed 9.55% Non Convertible Debentures of face value of Rs. 607,500 each (March 31, 2023: 870,000 each)	1,215.00	1,740.00
- 3,500 (March 31, 2023 : 3,500) Listed 9.55% NCD of face value of Rs. 7,04,007.37 each (March 31,2023 : Rs.7,53,229.71 each)	2,464.02	2,636.30
From others		
- 218,455 (March 31, 2023: 218,455) Unlisted 9.927% Non Convertible Debentures of face value of Rs. 100,000 each	21,845.50	21,845.50
	29,497.25	32,366.30
Less : Effective interest rate impact	(5.88)	(281.73)
Less : current maturities	(23,743.06)	(3,158.88)
Total (c)	5,748.31	28,925.69
Deferred Premium Obligation (unsecured) (refer note v)	27,881.35	25,463.25
Total (d)	27,881.35	25,463.25
Less: Unamortised transaction cost (e)	(729.93)	(635.13)
Interest on premium deferment (f) (refer note v)	11,860.51	9,495.97
Total (g = a + b + c + d + e + f)	1,31,492.35	1,42,476.99
Current Borrowings		
From Banks (Secured)		
- Overdraft (refer note vi)	7,298.41	7,310.05
- Cash credit and working capital demand loan (refer note vii)	6,121.24	6,066.97
Unsecured loans (interest free)		
- Interest free loan from related parties (refer note 15)	13.67	13.67
Current maturities of non-current borrowings		
Indian rupee loan from banks	10,743.21	7,936.67
Indian rupee loan from financial institutions	229.83	215.80
Non-convertible debentures	23,743.06	3,158.88
Effective interest rate impact	(408.95)	(262.00)
Interest accrued but not due on borrowings (Secured)	893.10	479.83
Total current borrowings	48,633.57	24,919.87
Aggregate Secured loans	1,40,622.05	1,33,123.00
Aggregate Unsecured loans	27,895.02	25,476.92

IRB Infrastructure Developers Limited**Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023****Note 4 : Borrowings****(i) Project loans for SPVs**

Rs. 83,615.21 million (March 31, 2023 - Rs. 86,722.40 million) pertains to term loans taken by SPV's (Special Purpose Vehicles) for Project financing.

Rate of interest

Indian rupee term loan from banks and financial institutions carries interest rates linked to MCLR plus spread, which varies from 7.50% to 10.65% p.a. (March 31, 2023 : carries interest rates linked to MCLR plus spread which varies from 7.00% to 9.65% p.a)

Nature of security

a) Secured by first charge on the movable/immovable asset by way of mortgage/hypothecation; first charge on all intangible assets, present and future; assignment of all receivables; book debts and all rights and interest in project, both present and future, excluding the project assets of respective companies;

b) Secured by first charge on the Escrow Account, Debt Service Reserve Account and any other reserves and other bank accounts of the respective SPV Companies.

c) An irrevocable and unconditional corporate guarantee from IRB Infrastructure Developers Limited to meet shortfall (if any) between debt due and termination payments received from Concessioning Authority in case of termination of Concession Agreement for any reason in case of Project SPV's.

Repayment terms

The Indian rupee term-loans are repayable in structured monthly instalments commencing after commercial operation date such that the total tenor does not exceed 18 years and repayable as per the structured monthly repayment schedule specified in common loan agreement with the Lenders.

Loan amounting to Rs. 2,785.83 million (March 31, 2023 : Rs. 12,568.74 million) has been availed during the current reporting period.

Loan amounting to Rs. 5,882.94 million (March 31, 2023 : Rs. 14,560.50 million) has been repaid during the current reporting period.

(ii) Equipment finance

Rs. 399.43 million (March 31, 2023: Rs. 428.90 million) pertains to equipment finance, of which Indian rupee loan carries interest varying from 8.50% to 9.50% p.a. (March 31, 2023: 8.50% to 9.00% p.a.) Repayment term are usually 3 to 5 periods of monthly unstructured instalments. Equipment finance companies have a charge over the assets financed.

Loan amounting to Rs. 137.07 million (March 31, 2023 : Rs. 406.28 million) has been availed during the current reporting period

Loan amounting to Rs. 168.28 million (March 31, 2023 : Rs. 522.59 million) has been repaid during the current reporting period

(iii) Other borrowings

a) Indian rupee term loan from Banks and Financial institution:

a) Rate of interest and security

- Indian rupee term loan from banks of Rs. 13,527.76 millions (March 31, 2023 : Rs Nil millions) carries interest rate at the rate 9.50% to 9.55% (linked to MCLR plus applicable spread) (March 31, 2023 : Not applicable) and are secured by pledge of shares and units of its related parties, charge on escrow account opened with the banks and subservient charge on the current assets of the Company to the extent of 100% of the outstanding loan.

- Indian rupee term loan from financial institution of Rs.162.75 million (March 31, 2023: 228.38 million) carries interest at 9.90% p.a. (March 31, 2023: 9.90% p.a.) and is secured by first and exclusive charge of hypothecation of 16 unencumbered wind mills of MRMPL, first charge on the escrow of all receivables arising out of windmill assets, pledge of equity shares of MRMPL and Corporate Guarantee of the Company. Repayment of loan in structured installment as per loan agreement.

b) Repayment schedule**December 31, 2023:**

- Loan amounting to Rs. 4,800.00 millions is repayable in 10 structured quarterly instalments commencing from March 08, 2024
- Loan amounting to Rs. 4,921.76 millions is repayable in 54 structured monthly instalments commencing from January 31, 2024.
- Loan amounting to Rs. 3,806.00 millions is repayable in 66 structured monthly instalments commencing from January 31, 2024.

- Loan amounting to Rs. 14,000 million (March 31, 2023 : Rs. Nil millions) has been availed during the current reporting period/year.
- Loan amounting to Rs. 472.24 millions (March 31, 2023 : Rs. Nil millions) has been repaid during the current reporting period/year.

IRB Infrastructure Developers Limited

Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023

Note 4 : Borrowings

(iv) Non-convertible debentures (NCD)

a) Rate of interest and security

From banks:

i) From Bank - Listed NCD Nil (March 31, 2023 : 2,000) of face value of Rs.1,000,000 each:

- Secured, redeemable, listed Non-convertible Debentures of Rs. Nil (March 31, 2023 : 2,000.00 million) carries interest rates at 9.55% (March 31, 2023 : 9.55%) and are secured by pledge of equity shares of a subsidiary, subservient charge on the current assets of the Company to the extent of 100% to 125% of the outstanding NCD amount.

ii) From Bank - Listed NCD 2,000 (March 31, 2023 : 2,000) of face value of Rs.607,500 (March 31, 2023 : Rs.870,000) each:

- Secured, redeemable, listed Non-convertible Debentures of Rs. 1,215.00 million (March 31, 2023 : 1,740.00 million) carries interest rates at 9.55% (March 31, 2023 : 9.55%) and are secured by pledge of units of a joint venture and subservient charge on the current asset of the Company to the extent of 125% of the outstanding NCD amount and escrow account.

iii) From Bank - Listed NCD 3,500 (March 31, 2023 : 3,500) of face value of Rs.7,04,007.37 (March 31, 2023 : Rs. 7,53,229.71) each :

- Secured, redeemable, listed Non-convertible Debentures of Rs. 2,464.02 million (March 31, 2023 : 2,636.30) carries interest rates at 9.55% (March 31, 2023 : 9.55%) and are secured by pledge of units of joint-venture, subservient charge on the current assets of the Company to the extent of 175% of the outstanding NCD amount and escrow accounts.

iv) From Others - Unlisted NCD 45,000 of Original face value of Rs. 100,000 each :

45,000 Secured, redeemable, non-convertible debentures issued by IRBAV ('Issuer') of a face value of Rs. 82,282.82 each (March 31, 2023: Rs. 92,099.91) each on a private placement basis having rate of interest 8.75% (March 31, 2023: 8.75%) aggregating to Rs.3,972.73 million (March 31, 2023: 4,144.50 million) redeemable in 154 instalments commencing from March 31, 2018 as per the schedule provided in Debenture Trust Deed.

The unlisted NCD 45,000 secured by :

- first mortgage and charge on all the Issuer's immovable properties as, both present and future
- first charge on all the Issuer's moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future
- first charge over all accounts of the Issuer, including but not limited to the Escrow Account and the Sub-Accounts (or any account in substitution thereof), the Debt Service Reserve Account that may be opened in accordance with the Transaction Documents, and in all funds from time to time deposited therein (including the reserves) and the permitted investments or other securities representing all amounts credited to the Escrow Account and a first charge on the Receivables.
- Corporate Guarantee by the Company.

v) From Others - Unlisted NCD 218,455 (March 31, 2023 : 218,455) of face value of Rs. 100,000 each

The Company had raised Rs. 21,845.50.00 million through issue of 218,455, 9.927% Unlisted, Secured, Redeemable Non-Convertible Debentures ('9.927% NCD') to India Toll Roads during the year ended March 31, 2021. The tenure of 9.927% NCD is 7 years i.e. it will mature on February 2028 and carries interest rate of 9.927% per annum. Frequency of interest payment is semi-annually with bullet repayment of principal amount at the end of 7 years. The 9.927% NCD are secured by charge over certain cash flows from a subsidiary of the Company, pledge over a portion of holding of IRB in the subsidiary and 6 months Interest Service Reserve Account (ISRA).

The Company has an option to redeem the 9.927% NCD at any time prior to 19 February 2023, subject to applicable law, at a redemption price equal to 100% of principal amount and accrued interest upto redemption date plus applicable redemption premium if any. If the Company redeems the 9.927% NCD at anytime from 19 February 2023 to 18 February 2024, subject to applicable law, the redemption price is 102.75% of the principal amount and accrued interest upto redemption date plus applicable redemption premium, and if it is redeemed anytime on or after 19 February 2024, subject to applicable law, redemption price is 100% of principal amount and accrued interest upto redemption date plus applicable redemption premium. The 9.927% NCD will mature on the maturity date. The management does not intend to redeem the 9.927% NCD at anytime before the maturity date. The Determination agent had confirmed that there is no shortfall in funding as on December 31, 2023. Further, the Determination agent has confirmed that since neither the event of default or exercise of put option has triggered as on December 31, 2023, the redemption premium cannot be determined as on December 31, 2023 and hence no provision is created for the redemption premium in the financial statements.

The Holders of the 9.927% NCD have a Put option right on one business day prior to 19 August 2024 to redeem the 9.927% NCD. The Put right redemption price will be determined by the Holder or any agent acting on its behalf which will be the price at which Holders of the 9.927% NCD do not suffer a funding shortfall as a result of having exercised Put option right. Also, the Holders of the 9.927% NCD have the option to redeem the NCD at any time before its maturity date in the case of occurrence of event of default as mentioned in the Debenture Trust Deed. The economic characteristics and risks of this put option right are closely related to the host debt instrument and hence both are inseparable, and therefore the embedded derivative is not separated for accounting purpose.

IRB Infrastructure Developers Limited**Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023****b) Repayment schedule -**

i) From Bank - Listed NCD

December 31, 2023

- NCD amounting to Rs.1,215.00 million is repayable in 6 structured quarterly instalments commencing from March 29, 2024.
- NCD amounting to Rs. 2,464.02 million is repayable in 15 structured quarterly instalments commencing from March 31, 2024
- NCD amounting to Rs. 21,845.50 million is repayable in bullet payment on August 16, 2024.

March 31, 2023

Listed NCD 6,376.30 of face value of Rs. 1,000,000 each :

- NCD amounting to Rs. 2,000.00 million is repayable in bullet payment on May 20, 2023.
- NCD amounting to Rs. 1,740.00 million is repayable in 9 structured quarterly instalments commencing from June 29, 2023
- NCD amounting to Rs. 2,636.30 million is repayable in 18 structured quarterly instalments commencing from June 30, 2023

ii) From Others - Unlisted NCD 45,000 of Original face value of Rs. 100,000 each :

- redeemable in 154 instalments commencing from March 31, 2018 as per the schedule provided in Debenture Trust Deed.

iii) From Others - Unlisted NCD 218,455 of face value of Rs. 100,000 each

- NCD amounting to Rs. 21,845.50 million is repayable in bullet payment on August 16, 2024.

NCD amounting to Rs. Nil million (March 31, 2023: Rs. Nil million) has been availed during the current reporting period.

NCD amounting to Rs. 2,869.05 million (March 31, 2023 : Rs. 1,058.74 million) has been repaid during the current reporting period.

(v) 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 had been provided to NHAI. The repayment is in accordance with the cash surplus accruing to the SPV over the concession period (by FY 2035).

(vi) The bank overdraft is secured against fixed deposits which are repayable on demand, interest rate varies from 3.80% to 8.32% p.a. (March 31, 2023 : 3.71% to 7.50% p.a.).

(vii) Short-term borrowings and Cash credit is secured by way of pari pasu charge on stock and debtors and pari pasu charge by way of hypothecation on machinery/ equipment/ other fixed assets of MRMPL. The interest rate for cash credit is from 9.45% p.a. to 9.50% p.a. (March 31, 2023: 9.45% p.a. to 9.50% p.a.)

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023

Note 5 : Provisions

	(Rs in million)	
	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Provision for employee benefits		
- Gratuity	8.14	27.22
Others		
- Resurfacing expenses	711.53	510.30
Total	719.67	537.52
Movement for Resurfacing expenses		
Opening balance	510.30	282.04
Obligation on new toll projects	201.23	228.26
Utilised / reversed during the year	-	-
Closing balance	711.53	510.30

Note 6 : Income tax

Reconciliation of tax expenses and the accounting of profit multiplied by Indian Domestic tax rate for nine months ended December 31, 2023 and December 31, 2022 are:

	(Rs in million)	
	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
Profit before tax	6,424.18	8,714.53
Statutory tax rate	25.17%	25.17%
Expected income tax at India's statutory rate	1,616.84	2,193.27
Effect of expenses that are not deductible in determining taxable profit	268.82	124.34
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	399.02	290.35
Effect of unused tax losses and tax offsets recognised as deferred tax assets	(481.59)	-
Share of loss of joint ventures	451.84	176.80
Difference in tax rate on Minimum Alternate Tax compared to normal tax rates	55.74	50.52
Others	(67.66)	(14.87)
Adjustments recognised in the current period in relation to the current tax of prior years	11.79	(4.47)
Income tax expense reported in the condensed consolidated statement of profit and loss	2,254.80	2,815.94
Effective tax rate	35.10%	32.31%

IRB Infrastructure Developers Limited

Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023

Note 7 : Earnings per share (EPS)

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

	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
Profit attributable to equity holders for basic earnings (Rs in million)	4,169.38	5,898.59
Weighted average number of equity shares	6,03,90,00,000	6,03,90,00,000
Face value per share (Amount in Re.) - refer note below for share split *	1.00	1.00
Basic and Diluted earnings per share (not annualised)	0.69	0.98

Note : The Company does not have any potentially dilutive equity shares and therefore basic and dilutive EPS are the same.

*Pursuant to the approval of the shareholders accorded through Postal Ballot on February 06, 2023, each equity share of face value of Rs.10/- per share was subdivided into 10 equity shares of face value of Re.1/- per share.

Note 8 : Commitment and Contingencies

a. Capital commitments and other commitments

The Group has commitments related to further investment as sponsor's contribution (share capital, subordinated debt and non-convertible debentures) to the projects in the following joint venture :

	(Rs in million)	
	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Palsit Dankuni Tollway Private Limited (through IRB Infrastructure Trust)	1,235.99	1,235.99
Meerut Budaun Expressway Limited (refer note iii)	2,556.83	6,705.03
Samakhiyali Tollway Private Limited (through IRB Infrastructure Trust)	2,391.40	-
IRB Lalitpur Expressway Limited (through IRB Infrastructure Trust)	8,579.83	-
Total	14,764.05	7,941.02

i) The Group has entered into agreements with its joint ventures and IRB InvIT Fund to provide toll operations and maintenance services.

ii) IRB Kota Tollway Private Limited and IRB Gwalior Tollway Private Limited have been incorporated on January 01, 2024. Further, the Company's commitment related to sponsor's contribution through IRB Infrastructure Trust will amount to Rs.931.77 million and Rs.1,970.64 respectively.

iii) Meerut Budaun Expressway Limited (MBEL), a wholly owned subsidiary of the Company, has issued equity shares of Rs.5,332 million to GIC Affiliates (Rs. 2,612.92 million) and the Company (Rs. 2,719.08 million). Post this transaction, in MBEL, the Company and GIC Affiliates holds equity shares in the ratio of 51% and 49% respectively. On October 15, 2022, the parties vide Share Purchase Agreement (SPA) have gained joint control to direct the relevant activities of MBEL. Accordingly, MBEL ceases to be subsidiary on October 15, 2022 and is considered a joint venture of the Company.

b. Contingent liabilities

Contingent liabilities not provided for

	(Rs in million)	
	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Guarantees and counter guarantees on behalf of joint ventures given by the Company	1,910.70	2,921.80
Bank guarantees towards bids/tenders/authorities/etc	1,325.15	2,436.55
Total	3,235.85	5,358.35

i) The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

ii) The Group's pending litigations comprise of claims against the Group primarily by the commuters and regulators. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Group has not provided for or disclosed contingent liabilities for matters considered as remote for pending litigations/public litigations(PIL)/claims wherein the management is confident, based on the internal legal assessment and advice of its lawyers that these litigations would not result into any liabilities. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

iii. The Group has provided corporate guarantee to the lenders of the joint ventures entities to make good the shortfall, if any, between the secured obligations of the joint ventures entities and the termination payment received from the Authority in the event of termination of the Concession Agreement. As on 31 December 2023, since the termination clause has neither triggered nor expected to trigger in the foreseeable future for any of the joint venture companies, the said liability is considered as remote.

IRB Infrastructure Developers Limited

Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023

Note 8 : Commitment and Contingencies (Continued)

iv. The Group has no material tax litigations in the current period and previous year.

v. Provident Fund liability :

The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Company has started complying with this prospectively from the month of March 2019. In respect of the past period there are significant implementation and interpretative challenges that the management is facing and is awaiting for clarity to emerge in this regard, pending which, this matter has been disclosed under the Contingent liability in the consolidated financial statements. The impact of the same is not ascertainable.

vi. With respect to issuance of Non-convertible Debentures issued to India Toll Roads, the Group has an obligation to pay redemption premium to Initial investor in the event of exercise of put option right. The redemption premium payable is currently not determinable since the event is not triggered. Refer note 4(iv)(a)(v).

c. Litigation stamp duty matter

Mhaikar Infrastructure Private Limited (MIPL), a subsidiary of the company, had vide order dated September 9, 2005 received a demand from the Government of Maharashtra of Rs. 275.40 million in respect of stamp duty on the agreement dated August 4, 2004 entered into between Maharashtra State Road Developers Corporation Limited (MSRDC), MIPL and the Government of Maharashtra for right to collect tolls/fees, the cost of which has been provided and capitalised during the earlier years.

MIPL had vide order dated March 12, 2008 received demand from Chief Controlling Revenue Authority Maharashtra State, Pune of Rs.49.57 million in respect of penalty on said stamp duty. MIPL has filed a Writ Petition No.3000 of 2008 in the Bombay High Court for quashing the said order on the grounds that the said order is in violation of the provisions of Bombay Motor Vehicles Act and also in violation of the concession agreement between the Government of India and MSRDC.

The Writ Petition came up for admission on April 28, 2008 and the Hon'ble Court was pleased to admit the said Writ Petition and has directed the Petitioner to deposit 50% of the demand with the Collector of Stamps (Enforcement I) within eight weeks from the said Order dated April 28, 2008 and has directed the Registrar to seek direction from the Chief Justice of Bombay High Court for deciding as to whether the matter should be referred to a larger bench. Considering the facts and circumstances of the case and law, MIPL has made a provision of Rs. 275.40 million in books of accounts and paid 50% of the amount Rs.137.70 million under protest on June 19, 2008. Further, based on the legal opinion obtained by MIPL, the management is of the view that the possibility of penalty demanded by the authorities, becoming a liability, is remote.

Note 9 : Fair Values

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

	(Rs in million)			
	Carrying amount		Fair Value	
	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)
Financial assets				
<u>Financial assets measured at fair value through statement of Profit & Loss</u>				
Investments (Quoted)	3,045.63	1,793.14	3,046.98	1,957.62
Other Financial assets	37,489.33	35,776.26	37,489.33	35,776.26
Trade receivable	-	1,341.72	-	1,341.72
<u>Financial assets measured at fair value through other comprehensive income</u>				
Investments (Quoted)	7,693.85	7,777.29	6,391.08	6,256.66
Investments (Unquoted)	6.25	6.25	6.25	6.25
<u>Financial assets measured at amortised cost</u>				
Investments (Unquoted)	0.17	0.17	-	-
Loans	1,580.27	6,176.03	-	-
Other Financial assets	16,752.60	12,065.72	-	-
Trade receivable	5,989.26	16,352.31	-	-
Cash and cash equivalents	790.45	3,005.60	-	-
Other Bank balances	17,272.80	21,165.80	-	-

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 9 : Fair Values (Continued)

(Rs in million)

	Carrying amount		Fair Value	
	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)
Financial liabilities				
Financial liabilities measured at amortised cost				
Trade payables	5,814.18	5,022.30	-	-
Borrowings (net of unamortised transaction cost)	1,80,125.92	1,67,396.86	-	-
Lease liabilities	54.74	85.07	-	-
Other financial liabilities	1,11,054.89	1,14,857.79	-	-

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

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

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments. The above investments does not include equity investments in joint ventures which are carried at cost and hence are not required to be disclosed as per Ind AS 107 Financial Instrument Disclosure.

Note 10 : 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 in 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.

Quantitative disclosures fair value measurement hierarchy for financial instruments as at December 31, 2023:

	As on December 31, 2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	9,438.06	9,438.06	-	-
Investments (Unquoted) *	6.42	-	-	6.42
Other financial assets**	37,489.33	-	-	37,489.33
Liabilities				
Lease liabilities***	54.74	-	-	54.74
Non convertible debentures	3,679.02	-	3,719.59	-

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2023:

(Rs in million)

	As on March 31, 2023	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	8,214.28	8,214.28	-	-
Investments (Unquoted) *	6.42	-	-	6.42
Other financial assets**	35,776.26	-	-	35,776.26
Liabilities				
Lease liabilities***	85.07	-	-	85.07
Non convertible debentures	6,376.30	-	6,422.28	-

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 10 : Fair Value Hierarchy (Continued)

There have been no transfers between Levels during the period.

*The fair value in respect of the unquoted equity investments can not be reliably estimated and hence the same is valued at cost.

**The fair value measurements for the Receivable from IRB Infrastructure Trust ('Trust') have been categorised as Level 3 fair values based on the inputs to the valuation techniques used. The fair valuation is determined based on present value of projected cash flows and risk free discount rates. The significant unobservable inputs used are (a) applying probability for percentage of amount that will be collected against the claims raised / to be raised with customers including the timing of collection (over a period of three years) with weights being assigned to different probability scenarios; and (b) discount rate applied to determine present value is 10.00% (31 March 2023 - 11.90%).

Sensitivity: Higher probability by 5% and lower discount rate by 0.5% will increase the fair value by Rs. 4,446.51 million (31 March 2023 - Rs.4,166.87 million). Lower probability by 5% and higher discount rate by 0.5% will reduce fair value by Rs.4,197.70 million (31 March 2023 - Rs.3,946.06 million).

There were no significant inter-relationship between unobservable inputs that materially affects fair value .

Fair value movement for Receivable from Trust is as under:

Particulars	(Rs in million)	
	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)
At the beginning the period	35,776.26	35,167.02
Add: Adjustment on account of fair valuation	1,676.37	560.53
Add: Adjustment on account of interest unwinding and others	36.70	48.71
At the end of the period	37,489.33	35,776.26

Lease liabilities***

The sensitivity analysis below have been determined based on reasonably possible changes of the discounting rate occurring at the end of the reporting year, while holding all other assumptions constant.

If the discounting rate is 50 basis point higher (lower), the impact on profit would be decreased by Rs. 0.04 million (increased by Rs. 0.04 million).

Note 11 : 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 financial assets and liabilities based on contractual undiscounted payments:

As at December 31, 2023	(Rs in million)				
	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Current Investments	3,045.89	3,045.89	3,045.89	-	-
Trade receivables	5,989.26	5,989.26	5,989.26	-	-
Cash and cash equivalents	790.45	790.45	790.45	-	-
Bank balance	17,272.80	17,272.80	17,272.80	-	-
Loans	1,580.27	1,580.27	1,580.27	-	-
Other financial assets	54,241.93	54,241.93	5,633.17	40,249.88	8,358.88
Total	82,920.60	82,920.60	34,311.84	40,249.88	8,358.88

As at March 31, 2023	(Rs in million)				
	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Current Investments	1,956.99	1,956.99	1,956.99	-	-
Trade receivables	17,694.03	18,053.73	16,531.42	1,522.32	-
Cash and cash equivalents	3,005.60	3,005.60	3,005.60	-	-
Bank balance	21,165.80	21,165.80	21,165.80	-	-
Loans	6,176.03	6,176.03	6,176.03	-	-
Other financial assets	47,841.98	47,841.98	6,140.86	37,576.76	4,124.36
Total	97,840.43	98,200.13	54,976.70	39,099.08	4,124.36

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 11 : Liquidity risk (Continued)

(Rs in million)					
As at December 31, 2023	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Long term Borrowings (Gross of unamortised transaction cost)*	1,66,944.26	1,99,304.02	44,921.87	93,992.65	60,389.50
Short term borrowings	14,326.42	15,472.56	15,472.56	-	-
Lease liabilities	54.74	54.74	47.14	7.60	-
Other financial liabilities	1,11,054.89	1,11,054.89	8,625.73	13,173.55	89,255.61
Trade payables	5,814.18	5,814.18	5,814.18	-	-
Total	2,98,194.49	3,31,700.39	74,881.48	1,07,173.80	1,49,645.11

As at March 31, 2023	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Long term Borrowings (Gross of unamortised transaction cost)*	1,54,705.20	1,90,659.25	21,098.31	99,963.92	69,597.02
Short term borrowings	13,870.52	14,590.19	14,590.19	-	-
Lease liabilities	85.07	85.07	39.58	45.49	-
Other financial liabilities	1,14,857.79	1,14,857.79	8,367.53	22,085.70	84,404.56
Trade payables	5,022.30	5,022.30	5,022.30	-	-
Total	2,88,540.88	3,25,214.60	49,117.91	1,22,095.11	1,54,001.58

The Group has sufficient level of cash and bank balances, including highly marketable debt investments to meet the financial liabilities over the next twelve months. Moreover, the Group has maintained adequate sources of financing including debt tie up with banks/ financial institutions and overdraft facility from banks in respect of committed capital and operational outflows.

Note 12 : Dividend Distribution made

(Rs in million)		
	December 31, 2023	March 31, 2023
Cash dividend on equity shares declared and paid :		
Interim dividend for the period ended December 31, 2023 Rs. 0.175/- per share of face value of Rs.1 each (March 31, 2023: Rs.0.125/- share)	1,056.83	754.88
Total	1,056.83	754.88

Note 13 : IRB Pathankot Amritsar Toll Road Limited (IPATL)

The Group being an EPC contractor, recognised revenue in Q1 of FY 2022-23 aggregating Rs. 418 crores as one time income, in relation to claims awarded to IRB Pathankot Amritsar Toll Road Limited (IPATL), upon a favourable judicial award. As the matter was further disputed at the Higher Authority in July 2023, IPATL has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court which has been admitted. Based on legal opinion, the management believes that there is no material change in its financial position as at date.

Note 14 : Intra-group turnover and profits on BOT construction contracts

The BOT contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services incurred. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realised.

Accordingly, BOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intra group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Ind AS 110 "Consolidated financial statement"

The revenue and profit in respect of these transactions during the year is Rs.Nil (previous period: Rs.1,516.17 million) and Rs. Nil (previous period: Rs. 450.00 million) respectively.

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 15 : Related Party Disclosure

I. Names of Related Parties and description of relationship :	
Description of relationship	Names of related parties
a) Joint ventures/ Entities controlled by Joint ventures (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	MMK Toll Road Private Limited IRB Infrastructure Trust Meerut Budaun Expressway Limited (w.e.f October 15, 2022) <i>Subsidiaries of the Joint Venture - IRB Infrastructure Trust</i> IRB Westcoast Tollway Limited Solapur Yedeshi Tollway Limited Yedeshi Aurangabad Tollway Limited IRB Hapur Moradabad Tollway Limited AE Tollway Limited Udaipur Tollway Limited CG Tollway Limited Kishangarh Gulabpura Tollway Limited Kaithal Tollway Limited Palsit Dankuni Tollway Private Limited (w.e.f April 2, 2022) IRB Golconda Expressway Private Limited (w.e.f. August 11,2023) IRB Lalitpur Expressway Private Limited (w.e.f. November 10,2023) Samakhiyali Tollway Private Limited (w.e.f. Decemebr 28,2023)
b) Enterprises owned or significantly influenced by key management personnel or their relatives (Enterprises) (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	IRB Holding Private Limited (Formerly known as Mhaiskar Ventures Private Limited) V. D. Mhaiskar (HUF) VCR Toll Services Private Limited SDM Ventures Private Limited DSM Projects Private Limited Loch Fynne Ltd Ideal Toll and Infrastructure Private Limited Cintra Servicios de Infraestructuras SA Ciinfra India Private Ltd IRB Infrastructure Developers Limited Employees Group Gratuity Scheme (w.e.f November 1,2022) Modern Road Makers Private Limited Employees Group Gratuity Scheme (w.e.f November 1,2022) MRM Mining Private Limited Employees Group Gratuity Scheme (w.e.f November 1,2022) IRB Sindhudurg Airport Private Limited Employees Group Gratuity Scheme (w.e.f November 1,2022) IRB Infrastructure Private Limited Employees Group Gratuity Scheme (w.e.f November 1,2022) IRB Charitable Foundation
c) Key Management Personnel (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	Mr. Virendra D. Mhaiskar, Chairman and Managing Director Mrs. Deepali V. Mhaiskar, Whole Time Director Mr. Sudhir Rao Hoshing, Joint Managing Director (upto 29 December 2021) and Chief Executive Officer - Execution Mr. Jose Angel Tamariz Martel Goncer, Additional Non-Executive Director (w.e.f 29 December 2021) Mr. Carlos Ricardo Ugarte Cruz Coke, Additional Non-Executive Director (w.e.f 29 December 2021 and till August 5, 2022) Mr. Ravindra Dhariwal, Additional Non-Executive Director (w.e.f August 5, 2022) Mr. Chandrashekhar S. Kaptan, Independent Director Mr. Sunil H. Talati, Independent Director Mr. Sandeep Shah, Independent Director Ms. Priti Savla, Independent Director (w.e.f. February 10, 2022) Mr. Tushar Kawedia, Group Chief Financial Officer and Chief Financial Officer Mr. Mehul N. Patel, Company Secretary
d) Relatives of Key Management Personnel (Only with whom there have been transaction during the period / there was balance outstanding at the period end)	Mrs. Sudha Dattatraya Mhaiskar (Mother of Mr. Virendra D. Mhaiskar) Mrs.Sangeetaben Sandeep Shah (Wife of Mr. Sandeep Shah) Mr.Neel Sandeep Shah (Son of Mr. Sandeep Shah)
e) Entities having significant influence (Only with whom there have been transaction during the period / there was balance outstanding at the period end)	Cintra INR Investments BV (subsidiary of Ferrovia SA) (w.e.f. 29 December 2021)

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 15 : Related Party Disclosure :
II. Related Party Transactions

(Rs in million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives/Entities having significant influence		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)
1	Dividend paid	613.49	437.43	-	-	10.86	8.47
	Virendra D. Mhaikar	-	-	-	-	8.86	6.33
	Sudha D. Mhaikar	-	-	-	-	0.26	0.12
	Deepali V. Mhaikar	-	-	-	-	1.74	2.02
	SDM Ventures Private Limited	0.32	0.23	-	-	-	-
	DSM Projects Private Limited	0.32	0.23	-	-	-	-
	IRB Holding Private Limited (previously known as Mhaikar Ventures Private Limited)	350.07	249.27	-	-	-	-
	Ideal Toll and Infrastructure Private Limited	0.00*	-	-	-	-	-
	Cintra INR Investments B.V.	262.78	187.70	-	-	-	-
	V. D. Mhaikar (HUF)	0.00*	-	-	-	-	-
	Sandeep Shah	-	-	-	-	0.00*	-
	Sangeetaben Sandeep Shah	-	-	-	-	0.00*	-
	Neel Sandeep Shah	-	-	-	-	0.00*	-
2	Director sitting fees	-	-	-	-	3.25	1.92
	Virendra D. Mhaikar	-	-	-	-	0.08	0.07
	Deepali V. Mhaikar	-	-	-	-	0.04	0.03
	Sudhir Rao Hoshing	-	-	-	-	0.18	0.07
	Sunil H Talati	-	-	-	-	0.59	0.35
	Chandrashekhar S. Kaptan	-	-	-	-	0.73	0.43
	Sandeep Shah	-	-	-	-	0.89	0.59
	Tushar Kawedia	-	-	-	-	0.15	0.03
	Priti Savla	-	-	-	-	0.59	0.35
3	Remuneration paid	-	-	-	-	347.20	298.92
	Virendra D. Mhaikar	-	-	-	-	131.44	123.56
	Deepali V. Mhaikar	-	-	-	-	120.08	76.83
	Sudhir Rao Hoshing	-	-	-	-	59.63	72.51
	Mehul N. Patel	-	-	-	-	16.77	9.33
	Tushar Kawadia	-	-	-	-	19.28	16.69
4	Rent paid	-	-	-	-	0.63	2.38
	Virendra D Mhaikar	-	-	-	-	-	1.62
	Deepali V Mhaikar	-	-	-	-	0.63	0.76
5	Donation given	5.73	6.82	-	-	-	-
	IRB Charitable Foundation	5.73	6.82	-	-	-	-
6	Contract revenue	-	-	23,933.60	10,378.04	-	-
	IRB Westcoast Tollway Limited	-	-	370.18	266.31	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	56.38	-	-	-
	Solapur Yedeshi Tollway Limited	-	-	2.59	-	-	-
	AE Tollway Limited	-	-	7.82	-	-	-
	Udaipur Tollway Limited	-	-	3.32	68.86	-	-
	CG Tollway Limited	-	-	5.96	114.30	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	105.77	433.08	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	106.36	827.61	-	-
	Palsit Dankuni Tollway Private Limited	-	-	6,071.41	6,411.00	-	-
	Meerut Budaun Expressway Limited	-	-	12,541.75	2,256.88	-	-
	Samakhiali Tollway Private Limited	-	-	1,830.81	-	-	-
	IRB Golconda Expressway Private Limited	-	-	2,831.25	-	-	-

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 15 : Related Party Disclosure :
II. Related Party Transactions

(Rs in million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives/Entities having significant influence		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)
		-	-			-	-
7	Operation and maintenance revenue	-	-	3,234.74	1,781.00	-	-
	IRB Westcoast Tollway Limited	-	-	447.47	440.55	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	166.04	158.22	-	-
	Solapur Yedeshi Tollway Limited	-	-	119.95	114.29	-	-
	Kaithal Tollway Limited	-	-	427.47	130.44	-	-
	AE Tollway Limited	-	-	503.88	240.83	-	-
	Udaipur Tollway Limited	-	-	524.21	135.82	-	-
	CG Tollway Limited	-	-	230.11	219.30	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	160.13	152.64	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	88.22	56.51	-	-
	Palsit Dankuni Tollway Private Limited	-	-	260.36	132.40	-	-
	Samakhiyali Tollway Private Limited	-	-	1.31	-	-	-
	IRB Golconda Expressway Private Limited	-	-	305.59	-	-	-
8	Trading sales	-	-	-	588.05	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	-	588.05	-	-
9	Expenses incurred on behalf of (reimbursement)	-	-	4.90	1.50	-	-
	IRB Infrastructure Trust	-	-	4.10	-	-	-
	MMK Toll Road Private Limited	-	-	-	1.50	-	-
	IRB Golconda Expressway Private Limited	-	-	0.80	-	-	-
10	Interest unwinding on loan given	-	-	36.70	36.70	-	-
	IRB Infrastructure Trust	-	-	36.70	36.70	-	-
11	Investment - Units allotment	-	-	14,631.32	-	-	-
	IRB Infrastructure Trust	-	-	14,631.32	-	-	-
12	Guarantees given	-	-	1,910.70	-	-	-
	Samakhiyali Tollway Private Limited	-	-	1,333.40	-	-	-
	IRB Lalitpur Expressway Private Limited	-	-	280.10	-	-	-
	IRB Golconda Expressway Private Limited	-	-	297.20	-	-	-
13	Guarantees cancelled	-	-	2,921.80	-	-	-
	Meerut Budaun Expressway Limited	-	-	1,512.00	-	-	-
	Palsit Dankuni Tollway Private Limited	-	-	1,409.80	-	-	-
14	Short term loan given	-	-	2,124.83	1,532.74	-	-
	IRB Infrastructure Trust	-	-	400.00	1,532.48	-	-
	Samakhiyali Tollway Private Limited	-	-	97.66	-	-	-
	Meerut Budaun Expressway Limited	-	-	1,627.17	0.26	-	-
15	General advance received	-	-	8,362.67	4,752.54	-	-
	CG Tollway Limited	-	-	15.00	-	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	42.40	-	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	758.93	-	-	-
	Palsit Dankuni Tollway Private Limited	-	-	4,853.65	2,881.78	-	-
	Meerut Budaun Expressway Limited	-	-	2,690.63	1,870.76	-	-
	IRB Westcoast Tollway Limited	-	-	2.06	-	-	-
16	Unsecured loans repayment received	-	-	6,716.80	267.50	5.30	22.32
	IRB Infrastructure Trust	-	-	5,272.91	267.50	-	-
	Sudhir Rao Hoshing	-	-	-	-	5.30	22.32
	Meerut Budaun Expressway Limited	-	-	966.08	-	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	167.90	-	-	-
	Solapur Yedeshi Tollway Limited	-	-	90.82	-	-	-
	Udaipur Tollway Limited	-	-	219.09	-	-	-

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 15 : Related Party Disclosure :
II. Related Party Transactions

(Rs in million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives/Entities having significant influence		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)
17	Fair value gain on measurement of other receivable	-	-	1,676.37	356.63	-	-
	IRB Infrastructure Trust	-	-	1,676.37	356.63	-	-
18	Contract Expense	-	-	-	0.07	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	-	0.07	-	-
19	Professional Fees	228.70	199.49	-	-	-	-
	Cintra Servicios de Infraestructuras SA	75.14	108.38	-	-	-	-
	Ciinfra India Private Ltd	153.56	91.11	-	-	-	-
20	Non-convertible debentures acquired	-	-	4,148.20	707.20	-	-
	Meerut Budaun Expressway Limited	-	-	4,148.20	707.20	-	-
21	Advance paid for non-convertible debentures	-	-	-	2,133.00	-	-
	Meerut Budaun Expressway Private Limited	-	-	-	2,133.00	-	-
22	Repayment of advance paid for non-convertible debentures	-	-	-	1,386.50	-	-
	Meerut Budaun Expressway Private Limited	-	-	-	1,386.50	-	-
23	Interest on Non Current Investments	-	-	229.35	-	-	-
	IRB Infrastructure Trust	-	-	229.35	-	-	-
24	Subdebt Given	-	-	16,916.64	-	-	-
	IRB Westcoast Tollway Limited	-	-	6,394.89	-	-	-
	Udaipur Tollway Limited	-	-	2,834.10	-	-	-
	CG Tollway Limited	-	-	2,409.59	-	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	2,930.74	-	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	2,347.32	-	-	-
25	Mobilisation & Additional Mobilisation Advance received	-	-	680.08	-	-	-
	IRB Golconda Expressway Private Limited	-	-	680.08	-	-	-
26	Mobilisation advance repayment	-	-	33.68	-	-	-
	IRB Westcoast Tollway Limited	-	-	33.68	-	-	-
27	Return of Capital Received	-	-	562.94	-	-	-
	IRB Infrastructure Trust	-	-	562.94	-	-	-
	* The amounts are less than 5000						

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 15 : Related Party Disclosure :
III. Related Party Balances

(Rs. in million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives/Entities having significant influence		Joint Ventures/ Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)
1	Loan taken	13.67	13.67	-	-	-	-
	VCR Toll Services Private Limited	13.67	13.67	-	-	-	-
2	Other payables	-	-	0.01	-	73.36	30.07
	Virendra D. Mhaskar	-	-	-	-	32.87	17.43
	Deepali V. Mhaskar	-	-	-	-	37.49	10.68
	Sudhir Rao Hoshing	-	-	-	-	2.61	1.56
	Mehul N. Patel	-	-	-	-	0.29	0.38
	Tushar Kawedia	-	-	-	-	0.10	0.02
	Kishangarh Gulabpura Tollway Limited	-	-	0.01	-	-	-
3	Other receivable	-	-	894.11	1,173.05	-	-
	IRB Westcoast Tollway Limited	-	-	50.37	23.51	-	-
	Kaithal Tollway Limited	-	-	32.56	8.64	-	-
	AE Tollway Limited	-	-	48.85	24.02	-	-
	Udaipur Tollway Limited	-	-	38.65	22.17	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	42.65	17.45	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	18.39	133.62	-	-
	Solapur Yedeshi Tollway Limited	-	-	13.26	6.06	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	29.47	19.87	-	-
	CG Tollway Limited	-	-	25.43	11.63	-	-
	Palsit Dankuni Tollway Private Limited	-	-	370.76	262.85	-	-
	Meerut Budaun Expressway Limited	-	-	198.00	641.46	-	-
	Samakhiali Tollway Private Limited	-	-	24.56	-	-	-
	IRB Golconda Expressway Private Limited	-	-	0.67	-	-	-
	IRB Infrastructure Trust	-	-	0.49	1.77	-	-
4	Deferred consideration receivable towards sale of subsidiaries	-	-	37,489.33	35,776.26	-	-
	IRB Infrastructure Trust	-	-	37,489.33	35,776.26	-	-
5	Director sitting fees payable	-	-	-	-	0.28	0.30
	Virendra D. Mhaskar	-	-	-	-	0.04	0.02
	Deepali V. Mhaskar	-	-	-	-	0.01	0.01
	Dhananjay K. Joshi	-	-	-	-	0.10	0.08
	Sudhir Rao Hoshing	-	-	-	-	0.04	0.01
	Sandeep Shah	-	-	-	-	0.06	0.06
	Tushar Kawedia	-	-	-	-	0.03	0.01
	Sunil Tandan	-	-	-	-	-	0.11
6	Short term loan given	0.25	0.25	1,518.03	6,110.00	-	5.30
	IRB Charitable Foundation	0.25	0.25	-	-	-	-
	Udaipur Tollway Limited	-	-	-	219.09	-	-
	Solapur Yedeshi Tollway Limited	-	-	-	90.82	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	-	167.90	-	-
	IRB Infrastructure Trust	-	-	-	4,872.91	-	-
	Sudhir Rao Hoshing	-	-	-	-	-	5.30
	Meerut Budaun Expressway Limited	-	-	1,420.37	759.28	-	-
	Samakhiali Tollway Private Limited	-	-	97.66	-	-	-

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 15 : Related Party Disclosure :
III. Related Party Balances

(Rs. in million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives/Entities having significant influence		Joint Ventures/ Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)
7	Trade receivables	-	-	849.88	15,231.60	-	-
	IRB Westcoast Tollway Limited	-	-	76.92	1,507.47	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	55.42	529.54	-	-
	Solapur Yedeshi Tollway Limited	-	-	2.55	219.69	-	-
	Kaithal Tollway Limited	-	-	125.06	-	-	-
	AE Tollway Limited	-	-	119.49	9.53	-	-
	Udaipur Tollway Limited	-	-	142.12	2,865.46	-	-
	CG Tollway Limited	-	-	28.69	2,500.15	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	-	3,032.34	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	7.56	2,932.23	-	-
	Palsit Dankuni Tollway Private Limited	-	-	214.83	1,635.19	-	-
	IRB Golconda Expressway Private Limited	-	-	77.24	-	-	-
8	Mobilisation advance received	-	-	510.06	33.68	-	-
	IRB Westcoast Tollway Limited	-	-	-	33.68	-	-
	IRB Golconda Expressway Private Limited	-	-	510.06	-	-	-
9	Advance from customers	-	-	1,264.73	1,292.06	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	991.46	314.34	-	-
	AE Tollway Limited	-	-	81.57	81.57	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	-	0.03	-	-
	Palsit Dankuni Tollway Private Limited	-	-	111.51	896.12	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	42.40	-	-	-
	Meerut Budaun Expressway Private Limited	-	-	37.79	-	-	-
10	Retention money receivable	-	-	23.16	274.44	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	1.88	20.86	-	-
	AE Tollway Limited	-	-	-	15.79	-	-
	IRB Westcoast Tollway Limited	-	-	3.02	51.87	-	-
	Solapur Yedeshi Tollway Limited	-	-	-	0.38	-	-
	CG Tollway Limited	-	-	5.87	72.13	-	-
	Udaipur Tollway Limited	-	-	-	40.33	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	1.77	64.44	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	0.42	8.64	-	-
	Palsit Dankuni Tollway Private Limited	-	-	10.20	-	-	-
11	Guarantees given	-	-	1,910.70	2,921.80	-	-
	Palsit Dankuni Tollway Private Limited	-	-	-	1,409.80	-	-
	Meerut Budaun Expressway Limited	-	-	-	1,512.00	-	-
	IRB Lalitpur Expressway Private Limited	-	-	280.10	-	-	-
	Samakhiali Tollway Private Limited	-	-	1,333.40	-	-	-
	IRB Golconda Expressway Private Limited	-	-	297.20	-	-	-
12	Contract assets	-	-	8,914.44	5,836.79	-	-
	Udaipur Tollway Limited	-	-	-	51.72	-	-
	CG Tollway Limited	-	-	6.05	6.05	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	92.06	534.59	-	-
	IRB Westcoast Tollway Limited	-	-	8.79	-144.21	-	-
	Palsit Dankuni Tollway Private Limited	-	-	1,766.54	2,119.99	-	-
	Meerut Budaun Expressway Limited	-	-	3,420.14	3,268.65	-	-
	IRB Golconda Expressway Private Limited	-	-	1,698.75	-	-	-
	Samakhiali Tollway Private Limited	-	-	1,922.11	-	-	-
13	Trade payables	145.77	71.16	0.61	0.61	-	-
	AE Tollway Limited	-	-	0.51	0.51	-	-
	Loch Fynne Limited	18.79	3.97	-	-	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	0.10	0.10	-	-
	Cintra Servicios de Infraestructuras SA	111.62	36.48	-	-	-	-
	Ciinra India Private Ltd	15.36	30.71	-	-	-	-

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
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III. Related Party Balances

(Rs. in million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives/Entities having significant influence		Joint Ventures/ Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)
14	Non-convertible debentures acquired	-	-	4,855.40	707.20	-	-
	Meerut Budaun Expressway Limited	-	-	4,855.40	707.20	-	-
15	Post-employment benefit plan (Gratuity)	434.55	402.65	-	-	-	-
	Modern Road Makers Private Limited Employees Group Gratuity Scheme	289.23	264.42	-	-	-	-
	IRB Infrastructure Developers Limited Employees Group Gratuity Scheme	129.30	123.20	-	-	-	-
	MRM Mining Private Limited Employee Group Gratuity Scheme	11.20	10.82	-	-	-	-
	IRB Sindhudurg Airport Private Limited Employee Group Gratuity Scheme	1.28	1.14	-	-	-	-
	IRB Infrastructure Private Limited Employee Group Gratuity Scheme	3.54	3.07	-	-	-	-
16	Subdebt Given	-	-	16,916.64	-	-	-
	IRB Westcoast Tollway Limited	-	-	6,394.89	-	-	-
	Udaipur Tollway Limited	-	-	2,834.10	-	-	-
	CG Tollway Limited	-	-	2,409.59	-	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	2,930.74	-	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	2,347.32	-	-	-
17	Guarantee margin payable	-	-	30.95	-	-	-
	IRB Infrastructure Trust	-	-	30.95	-	-	-

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023

Note 16 : Segment Information:

- a) The Group has identified business segments in accordance with Indian Accounting Standard 108 "Operating Segment" notified under Section 133 of the Companies Act 2013, read together with relevant rules issued thereunder.
- b) The Group has identified two business segments viz., Built, Operate and Transfer ('BOT')/ Toll Operate and Transfer ('TOT') and Construction as reportable segments.
The business segments of the Group comprise of the following:
Segment Description of Activity
BOT/ TOT Projects Operation and maintenance of roadways
Construction Development of roads
- c) Performance is measured based on segment results (before tax), as included in the internal management reports that are reviewed by the Board of Directors. Segment results is used to measure performance as management believes that such information is more relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Segment results (before tax) differs from consolidated profit before tax in that it excludes unallocated corporate expenses, other income, unallocated finance expenses and share of loss from joint venture, as these items are not allocated to individual segments.
- d) The Group's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.
- e) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- f) Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.
- g) Details of Business Segment information is presented below:

Particulars	(Rs in million)					
	BOT/ TOT Projects			Construction		Total
	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
REVENUE						
Total external revenue	17,688.45	15,217.00	35,625.69	32,441.56	163.41	53,477.55
Inter segment revenue	-	-	-	-	-	-
Total Revenue (Net)	17,688.45	15,217.00	35,625.69	32,441.56	163.41	53,477.55
RESULT						
Segment Results	8,856.70	8,224.45	9,549.36	10,988.02	(125.88)	19,097.18
Unallocated corporate expenses						(494.04)
Operating Profit						17,212.08
Other Income						3,495.11
Unallocated financial expenses						2,227.37
Profit Before Exceptional Items and Tax						18,603.14
Share of loss from joint ventures (net)						(12,487.70)
Profit Before Tax						8,219.49
Current Tax						(1,795.31)
Deferred Tax						(702.47)
Profit for the period						6,424.18
OTHER INFORMATION						8,714.53
Capital expenditure incurred	1,338.25	2,687.71	246.33	267.58	-	2,955.29
Depreciation and Amortisation	6,779.74	5,676.37	282.50	276.30	144.96	6,099.93

Particulars	(Rs in million)					
	BOT/ TOT Projects			Construction		Total
	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Segment assets	2,38,627.41	2,53,208.36	88,055.73	87,648.84	1,14,871.79	4,41,554.93
Segment liabilities	1,08,530.44	1,17,125.29	13,641.10	7,987.41	1,82,287.69	3,04,459.23

Footnotes:-

- 1 Unallocated corporate assets includes current and non-current investments, goodwill, deferred tax assets, cash and bank balances and advance payment of income tax.
- 2 Unallocated corporate liabilities includes long term borrowings, short term borrowings, current maturities of long term borrowing, deferred tax liability and provision for taxation.
- 3 Unallocated corporate expenses under segment revenue and segment results includes Real Estate Development, Windmill (Sale of electricity generated by windmill), Hospitality and Airport Infrastructure.

IRB Infrastructure Developers Limited

Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023

Note 17 : Disclosure pursuant to Appendix - A to Ind AS 11 - "Service Concession Arrangements" ('SCA')**(A) Disclosures with regard to Toll Collection Rights (Intangible Assets)**

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable
1	IRB Ahmedabad Vadodara Super Express Tollway Private Limited	January 1, 2013	December 31, 2037	25 years	December 6, 2015

Note:

(1) The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the Respective Government Authorities:-

- a. Rights to use the Specified assets
- b. Obligations to provide or rights to expect provision of services
- c. Obligations to deliver or rights to receive at the end of the Concession.

(2) The actual concession period may vary based on terms of the respective concession agreements.

IRB Infrastructure Developers Limited

Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023

(B) Disclosures with regard to Hybrid Annuity Project

(i)	Name of Concessionaire	VM7 Expressway Private Limited	VK1 Expressway Private Limited*	Pathankot Mandi Highway Private Limited	Chittoor Thachur Highway Private Limited
(ii)	Description of the arrangement:	Construction of Eight Lane Access Controlled Expressway From KM 190,000 to KM 217.50 of Vadodara Mumbai Expressway (Gandeva to Ena section) in the state of Gujarat on Hybrid Annuity Mode (HAM) basis.	Eight lane 23.74 KM section of Expressway between Vadodara and Kim in Gujarat on a Hybrid Annuity Mode (HAM) basis.	Rehabilitation and Upgradation to Four Lane configuration & Strengthening of Punjab/HH Border to Mo from KM 11,000 to KM 42,000 (Design Length 28,700 KM) of Pathankot-Mandi Section in the state of Himachal Pradesh on Hybrid Annuity Mode (HAM).	Construction of Six Lining of Chittoor-Thachur road from KM. 96,040 (Pondavakkam) to KM. 116, 100 (Kannigaisipair) in the state of Tamil Nadu (Package-IV) on Hybrid Annuity mode (HAM).
(iii)	Significant terms of the arrangement:				
	Period of concession:	17 years from Appointed date	17 years from Appointed date	17 years from Appointed date	17 years from Appointed date
	Start of concession period under concession agreement (Appointed date)	November 09, 2021	January 18, 2019	May 18, 2022	January 24, 2023
	End of concession period under concession agreement	November 08, 2038	December 29, 2036	May 16, 2039	January 22, 2040
	Remuneration:	Annuitiy, interest and O&M	Annuitiy, interest and O&M	Annuitiy, interest and O&M	Annuitiy, interest and O&M
	Investment grant from concession grant	Yes	Yes	Yes	Yes
	Investment return to grantor at end of concession:	Yes	Yes	Yes	Yes
	Investment and renewal obligations:	No	No	No	No
	Repricing dates:	Half yearly for O&M	Half yearly for O&M	Half yearly for O&M	Half yearly for O&M
	Basis upon which re-pricing or re-negotiation is determined:	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement
(iv)	Financial assets :				
	a) Current (Rs. in million)	Rs. 1,818.34 million (March 31, 2023 : Rs. 2,728.63 million)	Not Applicable (March 31, 2023 : Not Applicable)	Rs. 925.04 million (March 31, 2023 : 707.11 million)	Rs. 814.46 million (March 31, 2023 : Rs. 617.04 million)
	b) Non-current (Rs. in million)	Rs. 8,019.62 million (March 31, 2023 : Rs. 3,990.72 million)	Not Applicable (March 31, 2023 : Not Applicable)	Rs. 1,724.06 million (March 31, 2023 : Rs. 994.23 million)	Rs. 1,269.63 million (March 31, 2023 : Rs. 863.21 million)

*During the year ended March 31, 2023, the Company has concluded the sale of investment held in its wholly owned subsidiary, VK1 Expressway Private Limited ("VK1") for an agreed consideration of Rs.3,420 million vide Share Purchase Agreement (SPA) with IRB InvIT Fund on October 13, 2022 and thereafter VK1 ceased to be the subsidiary. The transaction has been consummated and the entire consideration has been received.

As at December 31, 2023, the project is under construction phase. Balance obligation as on December 31, 2023 is Rs. 17,314.26 million (March 31, 2023 : Rs.22,595.73 million).

Note:

In HAM projects, revenue is received / receivable as under:

- 40% of the total bid project cost with adjustment relating to Price Index Multiple, shall be due and payable to the Group in 5-10 equal installments during the construction period in accordance with the provisions of the SCA.
- The remaining bid project cost, with adjustment relating to Price Index Multiple, shall be due and payable in 30 bi-annual installments commencing from the 180th day of COD in accordance with the provision of the SCA.
- Interest shall be due and receivable on the reducing balance of Completion Cost at an interest rate equal to the applicable scheduled Bank Rate plus 1.25% - 3%. Such interest shall be due and receivable biannually along with each installment specified in of SCA.

IRB Infrastructure Developers Limited

Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023

(C) Disclosures with regard to Toll Operate Transfer Project

(i)	Name of Concessionaire	IRB MP Expressway Private Limited (IRBMP) (formerly known as NKT Road and Toll Private Limited)
(ii)	Description of the arrangement:	Tolling, operation, maintenance and transfer of Yashwantrao Chavan Expressway & National Highway NH-48 in the state of Maharashtra
(iii)	Significant terms of the arrangement:	
	Period of concession:	10 years 2 months
	Start of concession period under concession agreement	March 1, 2020
	End of concession period under concession agreement	April 30, 2030
	Payment terms:	Upfront payment of Rs. 65,000 million and further staggered payment of Rs. 8,500 million in year 2, Rs. 8,500 million in year 3 and Rs. 620 million in year 4, aggregating to Rs. 82,620 million

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 18 : Contract Revenue

- (a) The Group undertakes Engineering, Procurement and Construction business, toll collection and operation and maintenance work. The type of work in the contracts with the customers involve construction, engineering, designing etc.

	(Rs. in million)	
	For the period April 01,2023 to December 31,2023 (Unaudited)	For the period April 01,2022 to December 31,2022 (Unaudited)
Revenue from operations		
Contract revenue	35,265.99	31,932.00
Income arising out of toll collection (net)	17,688.45	15,217.00
Sale of electricity	84.27	79.62
Other operating revenue	438.85	588.02
Total	53,477.56	47,816.64

- (b) **Reconciliation of revenue as per Ind AS 115**

	(Rs. in million)	
Particulars	For the period April 01,2023 to December 31,2023 (Unaudited)	For the period April 01,2022 to December 31,2022 (Unaudited)
Contracted Price	31,858.83	30,033.58
Less: Fair value adjustment as per Ind AS 115	359.70	509.56
Revenue from Operations (as per Statement of Profit and Loss)		
- Construction Revenue (road construction)	31,499.13	29,524.02
- Operation and maintenance revenue	3,766.86	2,407.98
Total	35,265.99	31,932.00
Revenue from toll operations		
Revenue total collected	17,956.50	15,386.59
Less : Payment as revenue share*	268.05	169.59
Total	17,688.45	15,217.00

* Comprises double user fee from non fastag users in the current period of Rs. 268.05 million (December 31, 2022: Rs. 169.59 million)

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 19 : Disclosure on Ind-AS 116 Leases

Following are the changes in the carrying value of right of use assets for the year ended December 31, 2023:

	(Rs. in million)	
	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)
Balance at the beginning of the year	76.13	115.83
Additions/other adjustments	-	-
Depreciation	(29.91)	(39.70)
Balance at the end of the year	46.22	76.13

The following is the break-up of current and non-current lease liabilities as of December 31, 2023:

	(Rs. in million)	
	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)
lease liabilities - current	47.14	39.58
lease liabilities - non- current	7.60	45.49
	54.74	85.07

The following is the movement in lease liabilities for the period ended December 31, 2023 and December 31, 2022

	(Rs. in million)	
	April 01,2023 to December 31,2023 (Unaudited)	April 01,2022 to December 31,2022 (Unaudited)
Opening balance	85.07	119.98
Additions and other adjustments	-	-
Interest charged	5.40	8.35
Payments made	(35.73)	(34.01)
Closing balance	54.74	94.32

Rental expense recorded for short-term leases / Variable lease/ low-value leases was Rs.29.45 million (December 31, 2022: Rs 30.14 million) for the period ended December 31, 2023.

Maturity analysis

	Total	Less than 1 year	Between 1 and 3 years	More than 3 years	Weighted average effective interest rate %
December 31, 2023					
Lease liabilities	54.74	47.14	7.60	-	10.50%
March 31, 2023					
Lease liabilities	85.07	39.58	45.49	-	10.50%

IRB Infrastructure Developers Limited
Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023
Note 20 : Interest in joint ventures

The Group has 51% interest in IRB Infrastructure Trust (Trust), Meerut Budaun Expressway Limited (MBEL) and MMK Toll Road Private Limited (MMK) and has joint control over the said entities. The Group's interest in the consolidated financial statements of Trust and the standalone financial statements of MBEL and MMK are accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint ventures, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised Balance Sheet as at December 31, 2023 and March 31, 2023:

(Rs in million)

Particulars	December 31, 2023			March 31, 2023		
	MBEL	Trust	MMK	MBEL	Trust	MMK
Non-current assets including intangible assets	31,812.40	3,16,712.46	0.34	16,100.57	2,32,382.29	0.48
Current assets including cash and cash equivalents	250.56	22,095.82	128.94	651.43	11,096.20	103.89
Non-current liabilities including borrowings	(21,022.90)	(2,27,214.82)	(12.21)	(6,342.02)	(1,41,855.50)	(8.01)
Current liabilities including trade payables	(5,055.15)	(10,924.09)	(12.68)	(4,736.92)	(24,088.65)	(6.88)
Equity	5,984.91	1,00,669.37	104.39	5,673.06	77,534.34	89.47
Other Adjustment to Equity	-	-	0.12	-	-	0.12
Adjusted Equity	5,984.91	1,00,669.37	104.51	5,673.06	77,534.34	89.59
Proportion of Group's ownership	51%	51%	51%	51%	51%	51%
Carrying amount of investment	3,052.29	51,376.91	53.30	2,893.25	39,542.50	45.69

Summarised statement of profit and loss of the following entities:

Particulars	December 31, 2023			December 31, 2022		
	MBEL	Trust	MMK	MBEL	Trust	MMK
Total income	14,213.24	27,063.22	104.75	2,428.27	20,057.99	36.76
Road work and site expenses	(12,566.71)	(16,132.91)	-	(2,257.58)	(11,302.66)	-
Depreciation and amortisation expenses	-	(2,615.03)	(0.21)	-	(1,958.56)	-
Employee benefit expenses	-	-	(73.17)	-	-	(42.12)
Finance costs	(1,189.08)	(10,346.12)	-	(41.47)	(7,688.90)	-
Investment Manager Fees	-	(122.60)	-	-	(42.39)	-
Other expenses	(40.89)	(2,057.80)	(11.29)	(34.63)	(595.49)	(4.42)
Tax expenses	(104.70)	364.44	(5.16)	(23.81)	94.30	(2.42)
Re-measurement gains on defined benefit plans (net of tax)	-	-	-	-	-	-
(Loss)/Profit for the period	311.86	(3,846.80)	14.92	70.78	(1,435.71)	(12.20)
Proportion of ownership interest	51%	51%	51%	51%	51%	51%
Share of loss /(profit)	159.04	(1,961.96)	7.61	36.10	(732.35)	(6.22)

IRB Infrastructure Developers Limited**Notes to the unaudited condensed interim consolidated financial statements as at December 31, 2023****Note 21 : Subsequent events**

There are no subsequent events which require disclosure or adjustment subsequent to the balance sheet date.

As per our report of even date

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration Number: 105047W

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

SD/-

Siddharth Iyer

Partner

Membership No.: 116084

SD/-

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

SD/-

Deepali V. Mhaikar

Whole Time Director

DIN: 00309884

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

SD/-

Sudhir Rao Hoshing

Chief Executive Officer

SD/-

Tushar Kawedia

Chief Financial Officer

SD/-

Chinmaya Deval

Partner

Membership No.: 148652

SD/-

Mehul N. Patel

Company Secretary

Membership No.: A14302

Place: Mumbai

Date: February 16,2024

Place : Mumbai

Date: February 16,2024

INDEPENDENT AUDITORS' REPORT

To the Members of
IRB Infrastructure Developers Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have jointly audited the accompanying consolidated financial statements of IRB Infrastructure Developers Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including 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 consideration of reports of other auditors on separate financial statements of subsidiaries and joint ventures as were audited by other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India,

of their consolidated state of affairs of the Group and its joint ventures as at March 31, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our joint audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our joint audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our joint 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.

The Key Audit Matter	How the Key Audit Matter was addressed in our joint audit
Assessment of impairment of investment in and loans provided to joint ventures and fair valuation of other receivable (refer Note 5, 7 and 8 to the consolidated financial statements)	A) Impairment of investment in joint ventures: Our audit procedures included:
A) The Group has an investment in joint ventures of ₹ 43,188.64 million held at cost less impairment. Investments in joint ventures are considered to be associated with significant risk in respect of valuation. Changes in business environment could also have a significant impact on the valuation. The investments are carried at cost less any impairment in value of such investments. The investments are examined for impairment at each reporting date. These investments are unquoted and hence it is difficult to measure the recoverable amount. The Group performs an annual assessment of impairment for its investments in joint ventures at each cash generating unit (CGU) level, to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These models use several key assumptions, concerning estimates of future revenue growth, concession period, operations costs, the discount rate, qualitative assessments of the status of the project and cost of complete for balance work.	1. Evaluated the design and implementation and verified, on a test check basis the operating effectiveness of key controls placed around the impairment assessment and process of the recoverability of the investments made. It included estimating future cash flows forecasts, the process by which they were produced, and discount rates used. 2. Assessed Group's identification of CGU with reference to the guidance in the applicable accounting standards. 3. Verified on test check basis the underlying 'value in use' model to assess the adequacy of specific inputs such as the discount rate, long-term growth rate and use of methodology. 4. Assessed the net worth of joint ventures on the basis of latest available financial statements. 5. Evaluated sensitivity in the difference between the estimated value and book values of the projects, where change in assumptions could cause the carrying amount to exceed its estimated present value.

The Key Audit Matter

The Group's assessment of the remaining 'value in use' is judgmental because it is based on forecast results and uncertain outcomes. Further, determining these estimates may be subject to a degree of Group's bias.

- B) The Group has extended loans to joint ventures which are assessed for impairment at each year end. Financial assets, which include loans to joint ventures aggregated to ₹ 6,110.00 million at March 31, 2023. Further, The Group has receivable of ₹ 35,776.26 million as on March 31, 2023 from a joint venture on account of transfer of 9 project companies to the said joint venture.

Due to the nature of the business in the infrastructure projects, the Group is exposed to heightened risk in respect of the impairment of the loans granted to the aforementioned related parties and fair valuation of other receivables due from joint venture.

There is a judgment involved on the impairment of loans and other receivables which is dependent on number of infrastructure projects being completed as per the schedule timelines and generation of future cash flows.

There is also a judgement involved on assessing impairment of other receivables which rely on key assumptions such as timing of collection, the discount rate, and the probability of success in respect of the claims.

How the Key Audit Matter was addressed in our joint audit

6. Assessed the work performed by management's external valuation experts, including the valuation methodology and the key assumptions used. Further, also assessed the competence, capabilities and objectivity of the experts used by the management in the process of evaluating impairment models.
7. Involved our internal valuation specialists, to evaluate the reasonability of the methodology, approach and assumptions used in the valuation carried out for determining the value in use of investments in joint ventures.
8. Considered the adequacy of disclosures in respect of the investment in joint ventures.

B) Impairment of loans given to joint ventures and other receivable from joint venture:**Our audit procedures included:**

1. Evaluated the design and implementation and testing operating effectiveness of key internal controls placed around the impairment assessment process of the loans to joint ventures and other receivable from joint venture.
2. Obtained Group's assessment of the fair valuation of the other receivables which includes cash flow projections over the duration of the other receivables. These projections are based on underlying infrastructure project cash flows which are sensitive to some of the claims to be settled with the customers.
3. Examined the key controls in place for issuing new loans and evidenced the Board of Directors approval obtained.
4. Assessing the net worth of joint ventures based on latest available financial statements along with assessing that those joint ventures have historically been profit-making and are servicing the principal and interest schedule on timely basis.
5. Obtained Company's assessment of the impairment of the loans and other receivables, which includes cash flow projections over the duration of the loans/advances and other receivables. These projections are based on underlying infrastructure project cash flows which are sensitive to some of the claims to be settled with the customers.
6. Assessed the work performed by management's as well as management's external valuation expert, including the valuation methodology and the key assumptions used. Further, also assessed the competence, capabilities and objectivity of the expert used by the management in the process of evaluating impairment models.
7. Involved our internal valuation specialist, where appropriate, to evaluate the reasonability of the methodology, approach and assumptions used in the valuation carried out for determining the carrying amount of investments and fair value of other receivable from joint venture.
8. Obtained confirmations to evaluate the completeness and existence of loans to joint ventures and other receivables from joint ventures as on March 31, 2023.
9. Verified the classification and adequacy of disclosures of the loans and other receivables.

The Key Audit Matter	How the Key Audit Matter was addressed in our joint audit
Measurement of Construction revenue (refer Note 24 to the consolidated financial statements) Revenue from construction contracts represents 66.73 % of the total revenue from operations of the Group. Revenue from these contracts is recognised on satisfaction of performance obligation over time in accordance with the requirements of relevant accounting standards. The Group has construction contracts whose revenue recognition is dependent on a high level of judgement over the percentage of completion. It is based on their best estimate of the costs to complete valuation of contractual variations, claims and ability to deliver the contract within the contractual time limit. The Group uses the input method based on costs incurred to measure progress of the projects. Under this approach, the entity recognises revenue based on the costs incurred to date relative to the estimated total costs to complete the performance obligation. Profit is not recognised until the outcome of the contract is fairly certain. Revenue is a key performance indicator of the Group. Accordingly, there is a risk that the Group may influence the judgements and estimates of revenue recognition in order to achieve performance targets to meet market expectations or incentive links to performance. Revenues, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new knowledge about cost overruns and changes in scope/ term of a construction contract.	Measurement of construction Revenue Our audit procedures included: 1. Evaluated the accounting policy for revenue recognition of the Company and assessed compliance of the policy in terms of principles enunciated under Ind AS 115. 2. Evaluated the design and implementation and verified, on a test check basis, operating effectiveness of key controls around the contract price, estimation of costs to complete and billings to customers and management's testing of these attributes. 3. Obtained and verified on test check basis the contract and other related contractual provisions including contractually agreed deliverables, termination rights, penalties for delay, etc. to understand the nature and scope of the arrangements with the customer. 4. Assessed key judgements inherent in the estimation of significant construction contract projects. It includes comparing the stage-of completion and costs to completion on significant projects using Lender's Engineer latest certificate/Monthly Progress report. 5. Assessed the estimated costs to complete, variations in contract price and contract costs and sighted underlying invoices, signed contracts/ statements of work completed for all ongoing projects. 6. Obtained the Group's process for identifying related parties and recording related party transactions. Assessed Group's key controls in relation to the assessment and approval of related party transactions and examined Company's disclosures in respect of the transactions. 7. Verified samples of manual journals posted to revenue to identify unusual items. 8. Assessed that the disclosures made by the management is in compliance of Ind AS -115.
Impairment Testing for Intangible Assets– Toll Collection Rights (refer Note 4 to the consolidated financial statements) As at March 31, 2023, the carrying amount of intangible assets and intangible assets under development is ₹ 2,55,298.04 million and ₹ NIL million respectively. The Group and its joint ventures have toll collection rights as intangible assets pursuant to the concession agreement. The carrying value of these rights acquired under BOT & TOT basis is being compared to the recoverable value (which is value in use in the instant case) thereof to ascertain for impairment. The process involves estimating the value in use of the asset which is determined by forecasting and discounting future cash flows. The same is sensitive to changes in discount rate, traffic growth rates, toll rates, concession period etc. The determination of the recoverable amount of the toll collection right involves significant judgment due to inherent uncertainty in the assumptions evaluated for recoverable amount of these rights. Accordingly, the evaluation of impairment of toll collection rights has been determined a key audit matter.	Impairment Testing of Toll Collection Rights Our audit procedures included: 1. Evaluated the design and implementation and verified, on a test check basis the operating effectiveness of key controls around the estimation of future cash flows forecasts, the process by which they were produced and the discount rates used. 2. Understanding Group's and its joint venture assessment on impairment for intangible assets - toll collection rights and intangible under development. Assessed the model by testing the mathematical accuracy of the discounted cash flow model, evaluation of the assumption and methodologies on a test check basis that were used to arrive at the underlying recoverable value. 3. Engaged internal valuation specialists to evaluate the adequacy of specific inputs such as the discount rate, traffic growth rate, toll charges etc. 4. Focused on key assumptions such as discount rate, traffic growth rates, toll rates, concession period etc. which were most sensitive to the recoverable value of the intangible asset. 5. Evaluated the objectivity, independence and competence of specialists involved. 6. Checked the adequacy of disclosures in respect of the intangible assets - toll collection rights and intangible under development.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 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 joint 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 in the 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.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its Joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors and Management of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors and 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 and of its joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

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 Standards on Auditing ("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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- a. We did not audit the financial statements of 16 (sixteen) subsidiaries, whose financial statements reflect total assets of ₹ 2,85,002 million (before consolidation adjustments) as at March 31, 2023, total revenues of ₹ 54,175 million (before consolidation adjustments) and net cash flows amounting to ₹ 485 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss after tax (and total other comprehensive income) of ₹ 7 million for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 1 (one) joint venture, whose financial statements have not been audited by us. These financial statements 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 joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.
- b. The consolidated financial statements reflect total assets of ₹ 79,863 million (before consolidation adjustments) as at March 31, 2023, total revenues of ₹ 21,647 million (before consolidation adjustments) and net cash flows amounting to ₹ 66 million for the year ended on that date of 5 (five) subsidiaries, as considered in the consolidated financial statements which have been audited by Gokhale & Sathe, Chartered Accountants, one of the joint auditor of the Holding Company. The consolidated financial statements also include the Group's share of net loss after tax (and total other comprehensive income) of ₹ 1,063 million for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 2 (two) joint ventures whose financial statements have been

audited by Gokhale & Sathe, Chartered Accountants, one of the joint auditor of the Holding Company.

- c. The consolidated financial statements of the Company for the year ended March 31, 2022, were jointly audited by B S R & Co. LLP, Chartered Accountants and Gokhale & Sathe, Chartered Accountants, the statutory auditors of the Group whose report dated May 17, 2022 expressed an unmodified opinion on those statements.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies and its joint ventures incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and its joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures – Refer Note 33 to the consolidated financial statements.
 - ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and joint ventures incorporated in India.
 - iv. (a) The respective Managements of the Holding Company and its subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and joint ventures to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Holding Company and its subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint ventures respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries and joint ventures from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries and joint ventures shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (iv) (a) and (iv)(b) above, contain any material mis-statement.
- v. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries that are Indian companies under the Act, interim dividend declared and paid by the Holding Company and its subsidiaries during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013. The joint ventures have neither declared nor paid any dividend during the year.
- The 2nd interim dividend declared by the Holding Company for the year is in accordance with section 123 of the Companies Act 2012 to the extent it applies to declaration of dividend. However, the said dividend was not paid on the date of this audit report (Refer note 15(c) to the Consolidated financial statements).
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, and its subsidiary companies and joint ventures incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.
2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group and its joint ventures to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries, and joint venture in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sr. No.	Name of the Company	CIN	Holding /Subsidiary/ Joint Venture	Clause number of the CARO Report
1	IRB Infrastructure Developers Limited	L65910MH1998PLC115967	Holding Company	(3) (ix) d
2	Aryan Hospitality Private Limited	U55101MH2008PTC189243	Subsidiary	(3) (ix) d
3	Aryan Infrastructure Investment Private Limited	U45201MH2006PTC163684	Subsidiary	(3) (xvii)
4	Aryan Toll Road Private Limited	U45200MH2003PTC138808	Subsidiary	(3) (xvii)
5	ATR Infrastructure Private Limited	U45200MH2003PTC140999	Subsidiary	(3) (xvii)
6	GE1 Expressway Private Limited	U45400MH2016PTC272250	Subsidiary	(3) (xvii)
7	IRB Ahmedabad Vadodara Super Express Tollways Private Limited	U45400MH2011PTC218122	Subsidiary	(3) (ix) d
8	IRB Goa Tollway Private Limited	U45203MH2010PTC199746	Subsidiary	(3) (iii) e (3) (xvii)
9	IRB Kolhapur Integrated Road Development Company Private Limited	U51100MH2008PTC182054	Subsidiary	(3) (xvii)
10	IRB MP Expressway Private Limited	U45202MH2000PTC130112	Subsidiary	(3) (iii) e
11	IRB PS Highway Private Limited	U26940MH2010PTC203790	Subsidiary	(3) (xvii)
12	IRB Sindhudurg Airport Private Limited	U45200MH2009PTC195740	Subsidiary	(3) (xvii)
13	Thane Ghodbunder toll Road Private Limited	U45203MH2005PTC155349	Subsidiary	(3) (xvii)

Sr. No.	Name of the Company	CIN	Holding /Subsidiary/ Joint Venture	Clause number of the CARO Report
14	Samakhiyali Tollway Private Limited	U42101MH2023PTC398913	Subsidiary	(3) (xvii)
15	MMK Toll Road Private Limited	U45200MH2002PTC135512	Joint Venture	(3) (xvii)
16	Chittoor Thachur Highway Private Limited.	U45400MH2021PTC369357	Subsidiary	(3) (xvii)
17	Mhaskar Infrastructure Private Limited	U45200MH2004PTC144258	Subsidiary	(3) (xvii)
18	Pathankot Mandi Highway Private Limited	U45309MH2021PTC359447	Subsidiary	(3) (xvii)
19	Meerat Budaun Expressway Limited	U45309MH2022PLC374506	Joint Venture	(3) (xvii)

For **Gokhale & Sathe**
Chartered Accountants
ICAI Firm Registration No.103264W

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.105047W

Chinmaya Deval
Membership No.: 148652
UDIN: 23148652BGSVCK4273

Siddharth Iyer
Membership No.: 116084
UDIN: 23116084BGYONL3499

Mumbai
May 19, 2023

Mumbai
May 19, 2023

ANNEXURE A

to the Independent Auditor's Report on even date on the Consolidated Financial Statements of IRB Infrastructure Developers Limited

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

As part of a joint audit in accordance with SAs, we exercise professional judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating 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 and its joint ventures 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 and its joint ventures 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 and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities 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.

We communicate with those charged with governance of the Holding Company and such other entities 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 joint 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 joint audit of the consolidated financial statements for the year ended March 31, 2023 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.

For **Gokhale & Sathe**

Chartered Accountants

ICAI Firm Registration No.103264W

Chinmaya Deval

Membership No.: 148652

UDIN: 23148652BGSVCK4273

Mumbai

May 19, 2023

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.105047W

Siddharth Iyer

Membership No.: 116084

UDIN: 23116084BGYNL3499

Mumbai

May 19, 2023

ANNEXURE B

to the Independent Auditor's Report of even date on the Consolidated Financial Statements of IRB Infrastructure Developers Limited.

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of IRB Infrastructure Developers Limited on the consolidated Financial Statements for the year ended March 31, 2023]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our joint audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to consolidated financial statements of IRB Infrastructure Developers Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") and its Joint Ventures, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies

and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our joint audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our joint audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies and its joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may

occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 16 subsidiary companies and 1 joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Gokhale & Sathe**

Chartered Accountants

ICAI Firm Registration No.103264W

Chinmaya Deval

Membership No.: 148652

UDIN: 23148652BGSVCK4273

Mumbai

May 19, 2023

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.105047W

Siddharth Iyer

Membership No.: 116084

UDIN: 23116084BGYNL3499

Mumbai

May 19, 2023

CONSOLIDATED BALANCE SHEET

as at March 31, 2023

(₹ in Million)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,348.85	9,458.46
Capital work in progress	4	75.35	267.55
Right to use asset	51	76.13	115.83
Goodwill on consolidation	4	78.04	78.04
Other Intangible assets	4	2,55,298.04	2,63,058.62
Intangible assets under development	4	-	357.73
Financial assets			
i) Investments	5		
a. investment in joint-ventures		43,188.64	39,525.10
b. other investments		6,263.71	4,882.14
ii) Trade receivables	6	1,341.72	5,998.85
iii) Other financial assets	8	41,701.12	49,322.13
Deferred tax assets	9	636.60	1,289.09
Other non-current assets	10	2.58	38.10
Total non-current assets (A)		3,58,010.78	3,74,391.64
Current assets			
Inventories	11	2,990.01	3,174.59
Financial assets			
i) Investments	5	1,956.99	4,634.98
ii) Trade receivables	6	16,352.31	9,935.47
iii) Cash and cash equivalents	12A	3,005.60	529.75
iv) Bank balances other than (iii) above	12B	21,165.80	16,908.71
v) Loans	7	6,176.03	4,179.61
vi) Other financial assets	8	6,140.86	2,691.10
Current tax assets (net)	13	122.57	816.61
Other current assets	14	11,740.82	8,403.74
Total current assets (B)		69,650.99	51,274.56
TOTAL ASSETS (A+B)		4,27,661.77	4,25,666.20
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	6,039.00	6,039.00
Other equity	16	1,27,749.99	1,19,617.41
Total equity (A)		1,33,788.99	1,25,656.41
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	17	1,42,476.99	1,54,747.17
ii) Lease liabilities	19	45.49	85.06
iii) Other financial liabilities	20	1,06,490.26	1,12,063.99
Provisions	21	537.52	520.43
Deferred tax liabilities	9	1,273.83	853.71
Other non-current liabilities	22	3.88	2,965.63
Total Non-current liabilities (B)		2,50,827.97	2,71,235.99
Current liabilities			
Financial liabilities			
i) Borrowings	17	24,919.87	12,105.50
ii) Lease liabilities	19	39.58	34.92
iii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	18	419.20	514.59
b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	4,603.10	3,302.66
iv) Other financial liabilities	20	8,367.53	10,717.31
Other current liabilities	22	4,637.45	1,824.80
Provisions	21	34.39	75.80
Current tax liabilities (net)	23	23.69	198.22
Total Current liabilities (C)		43,044.81	28,773.80
TOTAL LIABILITIES (D=B+C)		2,93,872.78	3,00,009.79
TOTAL EQUITY AND LIABILITIES (A+D)		4,27,661.77	4,25,666.20
Summary of significant accounting policies	3		

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

As per our report of even date.

For M S K A & Associates

Chartered Accountants
ICAI Registration Number : 105047W

Siddharth Iyer

Partner
Membership No.: 116084

For Gokhale & Sathe

Chartered Accountants
ICAI Firm Registration Number : 103264W

Chinmaya Deval

Partner
Membership No.: 148652
Place : Mumbai
Date : May 19, 2023

For and on behalf of the Board of Directors of
IRB Infrastructure Developers Limited
CIN : L65910MH1998PLC115967

Virendra D. Mhaikar
Chairman & Managing Director
DIN: 00183554

Sudhir Rao Hoshing
Chief Executive Officer

Mehul N. Patel
Company Secretary
Membership No.: A14302
Place : Mumbai
Date : May 19, 2023

Deepali V. Mhaikar
Whole Time Director
DIN: 00309884

Tushar Kawedia
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

		(₹ in Million)	
	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	24	64,016.41	58,037.00
Other income	25	3,016.73	5,517.47
Total Income		67,033.14	63,554.47
Expenses			
Cost of material consumed		4,187.56	4,701.25
Road work and site expenses	26	20,767.30	19,083.84
Employee benefits expense	27	3,461.62	2,873.21
Finance costs	28	15,146.26	18,906.23
Depreciation and amortisation expense	29	8,321.20	6,827.70
Other expenses	30	3,309.60	3,403.77
Total expenses		55,193.54	55,796.00
Profit before tax and share of profit/(loss) of joint ventures		11,839.60	7,758.47
Profit/(Loss) from joint ventures	49	(1,070.09)	(2,262.15)
Profit before tax		10,769.51	5,496.32
Tax expenses			
Current tax (including earlier years ₹ (14.80) million (March 31, 2022: ₹ (37.23) million))	31	2,500.18	1,781.97
Deferred tax (credit)/charge		1,069.22	100.38
Total tax expenses		3,569.40	1,882.35
Profit after tax		7,200.11	3,613.97
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
(a) Mark to market gain/(loss) on fair value measurement of investments (net of tax)		1,682.60	244.74
(b) Re-measurement loss on defined benefit plans		16.83	(29.52)
(c) Tax on re-measurement loss on defined benefit plans		(4.26)	7.21
Other comprehensive income for the year, net of tax		1,695.17	222.43
Total comprehensive income for the year, net of tax		8,895.28	3,836.40
Profit for the year attributable to :			
Owners of the Company		7,200.11	3,613.97
Non-controlling interests		-	-
Other Comprehensive income attributable to :			
Owners of the Company		1,695.17	222.43
Non-controlling interests		-	-
Total Comprehensive income attributable to :			
Owners of the Company		8,895.28	3,836.40
Non-controlling interests		-	-
Earnings per share (of ₹1 each)			
Basic	32	1.19	0.87
Diluted	32	1.19	0.87
Summary of significant accounting policies	3		

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

As per our report of even date.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration Number : 105047W

Siddharth Iyer

Partner

Membership No.: 116084

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

Chinmaya Deval

Partner

Membership No.: 148652

Place : Mumbai

Date : May 19, 2023

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

Virendra D. Mhaskar

Chairman & Managing Director

DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Deepali V. Mhaskar

Whole Time Director

DIN: 00309884

Tushar Kawedia

Chief Financial Officer

Mehul N. Patel

Company Secretary

Membership No.: A14302

Place : Mumbai

Date : May 19, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

a. Equity Share Capital

(₹ in Million)

	March 31, 2023		March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 1 each issued (March 31, 2022: ₹10.00) , subscribed and fully paid-up				
At the beginning the year	60,39,00,000	6,039.00	35,14,50,000	3,514.50
Increase in Equity shares on sub-division of 1 (one) equity share of face value of ₹10 each into 10 (Ten) equity shares of face value of ₹ 1 each*	5,43,51,00,000	-	-	-
Addition during the year	-	-	25,24,50,000	2,524.50
At the end of the year	6,03,90,00,000	6,039.00	60,39,00,000	6,039.00

*Pursuant to the approval of the shareholders accorded through Postal Ballot on February 06, 2023, each equity share of face value of ₹ 10/- per share was subdivided into 10 equity shares of face value of ₹ 1/- per share.

b. Other Equity

(₹ in Million)

	Reserves and surplus				Items of Other comprehensive income (OCI)	Total
	Securities Premium	Capital Reserve	General reserve	Retained earnings	Mark to market gain / (loss) on fair value measurement of investments	
As at April 1, 2022	64,402.51	1,269.18	1,946.12	55,202.83	(3,203.23)	1,19,617.41
Profit for the year	-	-	-	7,200.11	-	7,200.11
Group share of unit issue expenses incurred by IRB Infrastructure Trust	-	-	-	(7.82)	-	(7.82)
Other comprehensive income/(loss) for the year	-	-	-	16.83	1,682.60	1,699.43
Tax on re-measurement loss on defined benefit plans	-	-	-	(4.26)	-	(4.26)
Total comprehensive income for the year	-	-	-	7,204.86	1,682.60	8,887.46
Dividend on equity shares (refer note 45)	-	-	-	(754.88)	-	(754.88)
As at March 31, 2023	64,402.51	1,269.18	1,946.12	61,652.81	(1,520.63)	1,27,749.99
As at April 1, 2021	14,060.09	1,269.18	1,946.12	51,665.77	(3,447.97)	65,493.19
Profit for the year	-	-	-	3,613.97	-	3,613.97
On fresh issue of shares (net of expenses of ₹ 599.47 million)	50,342.42	-	-	-	-	50,342.42
Group share of unit issue expenses incurred by IRB Infrastructure Trust	-	-	-	(54.60)	-	(54.60)
Other comprehensive income/(loss) for the year	-	-	-	(29.52)	244.74	215.22
Tax on re-measurement loss on defined benefit plans	-	-	-	7.21	-	7.21
Total comprehensive income for the year	50,342.42	-	-	3,537.06	244.74	54,124.22
As at March 31, 2022	64,402.51	1,269.18	1,946.12	55,202.83	(3,203.23)	1,19,617.41

Summary of significant accounting policies

3

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

As per our report of even date.

For M S K A & Associates

Chartered Accountants
ICAI Firm Registration Number : 105047W

Siddharth Iyer

Partner
Membership No.: 116084

For Gokhale & Sathe

Chartered Accountants
ICAI Firm Registration Number : 103264W

Chinmaya Deval

Partner
Membership No.: 148652

Place : Mumbai
Date : May 19, 2023

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director
DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Mehul N. Patel

Company Secretary
Membership No.: A14302

Place : Mumbai
Date : May 19, 2023

Deepali V. Mhaikar

Whole Time Director
DIN: 00309884

Tushar Kawedia

Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	10,769.51	5,496.32
Adjustments to reconcile before tax to net cash flows:		
Depreciation and amortisation	8,321.20	6,827.69
Resurfacing expenses	228.26	57.74
Net (gain) on sale of property, plant and equipment	(125.19)	(11.52)
Fair value (gain) on mutual funds	(45.83)	(84.11)
Gain on fair value measurement of other receivables	(560.53)	(2,161.31)
Share of loss (net) from joint ventures	1,070.09	2,262.15
Net (gain) on sale of current investment	(124.74)	(73.67)
Loss on sale on non current investment	18.76	-
Extinguishment of premium liability	-	(246.41)
Allowance for credit impaired	-	64.10
Finance costs	15,146.26	18,906.23
Interest income	(2,037.60)	(2,940.39)
Other non operating income	-	(197.11)
	32,660.19	27,899.71
Operating profit before working capital changes		
Increase/(Decrease) in trade payables	1,411.95	(3,326.86)
(Decrease)/Increase in provisions	(235.76)	168.73
(Decrease)/Increase in other financial liabilities	(590.78)	523.91
Increase/(Decrease) in other liabilities	1,296.10	(890.65)
(Increase) in trade receivables	(1,759.71)	(8,317.07)
Decrease in inventories	184.58	42.13
Decrease / (Increase) in loans	27.84	(1.06)
(Increase) in other financial assets	(8,864.78)	(5,744.63)
(Increase) in other assets	(4,468.69)	(4,750.14)
Cash generated from operations	19,660.94	5,604.07
Taxes paid (net)	(2,019.64)	(1,962.94)
Net cash flows generated from operating activities (A)	17,641.30	3,641.13
Cash flows from investing activities		
Addition to intangible assets including intangible assets under development and capital advances	(3,814.07)	(11,422.77)
Purchase of property, plant and equipment	(494.89)	(2,473.04)
Proceeds from sale of property, plant and equipment	207.62	152.39
Proceeds/redemptions from sale of non-current investments	301.30	333.69
Consideration received on sale of subsidiary (net)	3,418.19	-
Investment in joint venture	(4,663.03)	(1,946.33)
Loan given to joint ventures	(2,352.78)	(4,759.00)
Loan repaid by joint ventures	328.51	4,828.83
Proceeds from sale/(purchase) of current investment (net)	2,840.99	(1,354.61)
(Investment in)/proceeds from maturity of bank deposits (having original maturity of more than three months) (net)	(4,257.73)	(54.38)
Interest received	1,982.40	1,160.89
Net cash flows (used in) investing activities (B)	(6,503.49)	(15,534.33)
Cash flows from financing activities		
Proceeds from non-current borrowings	12,975.02	7,934.32
Proceeds from issue of non-convertible debentures	-	3,500.00
Repayment of non-convertible debentures	(1,058.74)	(16,210.00)
Repayment of non-current borrowings	(15,083.09)	(16,653.93)
(Repayment)/proceeds of current borrowings (net)	7,641.41	(8,901.29)
Proceeds from Issue of Equity Share Capital (net of issue expenses)	-	52,866.92
Payment of lease liabilities	(45.55)	(43.38)
Finance cost paid	(12,279.21)	(16,606.99)
Dividend paid on equity shares	(754.88)	-
Net cash flows generated from financing activities (C)	(8,605.04)	5,885.65

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(₹ in Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net (decrease) / increase in cash and cash equivalents (A+B+C)	2,532.77	(6,007.55)
Cash and cash equivalents at the beginning of the year	472.83	6,480.38
Cash and cash equivalents at the end of the year	3,005.60	472.83
Components of cash and cash equivalents		
Balances with banks: (refer note 12A)		
- Trust, retention and other escrow accounts	144.25	68.09
- Current accounts	2,311.87	246.46
- In deposit accounts with original maturity less than 3 months	439.16	100.78
Cash on hand	110.32	114.42
Less: Book overdraft (refer note 20)	-	(56.92)
Total cash and cash equivalents	3,005.60	472.83
Debt reconciliation statement in accordance with Ind AS 7		
Opening balance as at beginning of period		
Long term borrowings	1,54,747.17	1,70,524.15
Short term borrowings	12,105.50	21,572.80
Movements		
(a) Cash flows		
Long term borrowings	(3,166.81)	(21,429.61)
Short term borrowings	7,641.41	(8,901.29)
(b) Non cash changes (effective rate of interest accrued, unpaid moratorium interest converted into borrowings, etc)		
Long term borrowings	9,103.37	(5,652.63)
Short term borrowings	(5,172.96)	566.01
(c) Closing balance as at end of period		
Long term borrowings	1,42,476.99	1,54,747.17
Short term borrowings	24,919.87	12,105.50
Summary of significant accounting policies (refer note 3)		

The accompanying notes are an integral part of consolidated 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. The consolidated cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".
4. The above consolidated cash flows include ₹ 164.12 million (March 31, 2022: ₹ 201.32 million) towards Corporate Social Responsibility (CSR) activities (refer note 48).

As per our report of even date.

For M S K A & Associates

Chartered Accountants
ICAI Firm Registration Number : 105047W

Siddharth Iyer

Partner
Membership No.: 116084

For Gokhale & Sathe

Chartered Accountants
ICAI Firm Registration Number : 103264W

Chinmaya Deval

Partner
Membership No.: 148652

Place : Mumbai
Date : May 19, 2023

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director
DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Mehul N. Patel

Company Secretary
Membership No.: A14302

Place : Mumbai
Date : May 19, 2023

Deepali V. Mhaikar

Whole Time Director
DIN: 00309884

Tushar Kawedia

Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

1. Corporate Information

IRB Infrastructure Developers Limited ("the Company") is a Public Company domiciled in India and is incorporated under the provision of the Companies Act (the 'Act') applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office is located at 1101, Hiranandani Knowledge Park, 11th Floor, Technology Street, Hill Side Avenue, Opp Hiranandani Hospital, Powai, Mumbai – 400 076, Maharashtra.

2. Basis of preparation

A. Statement of compliance

The consolidated financial statements comprise of financial statements of IRB Infrastructure Developers Limited ('the Company' or 'the Holding Company') and its subsidiaries (collectively, "the Group") and its joint ventures for the year ended March 31, 2023.

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on May 19, 2023.

Details of the Group's accounting policies are included in Note 3. The accounting policies set out below have been applied consistently to the years presented in the consolidated financial statements.

B. Functional and presentation currency

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

C. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (refer note 3.23 under accounting policies regarding financial instruments) which have been measured at fair value.

3. Summary of significant accounting policies

3.01 Basis of consolidation

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Group is exposed to, or has the ability to affect

those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The consolidated financial statements of the Company and its subsidiaries have been combined on a line-by-line basis while eliminating the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of profit and loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in the consolidated statement of profit and loss. Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

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 Company, 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 subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial 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, except as stated in point iv. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

- of profits and losses resulting from intragroup transactions.
- iv. The Build, Operate and Transfer (BOT) / Design, Build, Finance, Operate and Transfer (DBFOT) contracts are governed by Service Concession Agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, revenue is recognised at fair value of construction services rendered and profit from such contracts is considered as realised.
- Accordingly, BOT / DBFOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intra group transactions on BOT / DBFOT contracts and the profits arising thereon are taken as realised and not eliminated.
- vi. The following entities are considered in the Consolidated Financial Statements listed below:
- v. A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it
- Derecognises the assets (including goodwill) and liabilities of the subsidiary at carrying amounts at the date when control is lost.
 - Recognises the fair value of the consideration
 - Recognises the fair value of any investment retained
 - Recognises any surplus or deficit in profit or loss
 - Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

Sr. No.	Name of Entity	Principal nature of activity	Proportion of ownership interest either directly or indirectly	
			As on March 31, 2023	As on March 31, 2022
Subsidiaries (Direct and indirect)				
1	Ideal Road Builders Private Limited (IRBPL)	Road Infrastructure	100%	100%
2	Mhaikar Infrastructure Private Limited (MIPL)	Road Infrastructure	100%	100%
3	Modern Road Makers Private Limited (MRMPL)	Road Infrastructure	100%	100%
4	Aryan Toll Road Private Limited (ATRPL)	Road Infrastructure	100%	100%
5	ATR Infrastructure Private Limited (ATRFL)	Road Infrastructure	100%	100%
6	IRB Infrastructure Private Limited (IRBFL)	Investment Manager	100%	100%
7	Thane Ghodbunder Toll Road Private Limited (TGTRPL)	Road Infrastructure	100%	100%
8	Aryan Infrastructure Investments Private Limited (AIPL)	Real Estate	100%	100%
9	IRB MP Expressway Private Limited (IRBMP) (formerly known as NKT Road and Toll Private Limited)	Road Infrastructure	100%	100%
10	VM7 Expressway Private Limited	Road Infrastructure	100%	100%
11	IRB Kolhapur Integrated Road Development Company Private Limited (IRBK)	Road Infrastructure	100%	100%
12	Aryan Hospitality Private Limited (AHPL)	Hospitality	100%	100%
13	IRB Sindhudurg Airport Private Limited (IRBSA)	Airport development	100%	100%
14	IRB Goa Tollway Private Limited (IRB Goa)	Road Infrastructure	100%	100%
15	IRB PS Highway Private Limited (formerly known as MRM Highways Private Limited) (IRBPS)	Road Infrastructure	100%	100%
16	IRB Ahmedabad Vadodara Super Express Tollway Private Limited (IRBAV)	Road Infrastructure	100%	100%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Sr. No.	Name of Entity	Principal nature of activity	Proportion of ownership interest either directly or indirectly	
			As on March 31, 2023	As on March 31, 2022
17	VK1 Expressway Private Limited (VK1) (upto October 12, 2022)	Road Infrastructure	100%	100%
18	GE1 Expressway Private Limited (formerly known as IRB PP Project Private Limited) (IRBPP)	Road Infrastructure	100%	100%
19	Palsit Dankuni Tollway Private Limited (w.e.f April 15, 2021 and upto April 01, 2022)	Road Infrastructure	100%	100%
20	Pathankot Mandi Highway Private Limited (w.e.f April 23, 2021)	Road Infrastructure	100%	100%
21	Chittoor Thachur Highway Private Limited (w.e.f October 13, 2021)	Road Infrastructure	100%	100%
22	Meerut Badaun Expressway Limited (w.e.f January 05, 2022 and upto October 14, 2022)	Road Infrastructure	100%	100%
23	Samakhiyali Tollway Private Limited (w.e.f March 14, 2023)	Road Infrastructure	100%	-
Indirect :				
24	MRM Mining Private Limited - Subsidiary of MRMPL	Road Infrastructure	100%	100%

All the above entities are incorporated in India.

Sr. No.	Name of Entity	Principal nature of activity	Proportion of ownership interest either directly or indirectly	
			As on March 31, 2023	As on March 31, 2022
	Joint Ventures (Direct and indirect)			
	Direct :			
1	IRB Infrastructure Trust	Private Trust	51%	51%
2	Meerut Badaun Expressway Limited (w.e.f October 15, 2022)	Road Infrastructure	51%	-
3	MMK Toll Road Private Limited	Investment Manager	51%	51%
	Indirect :			
1	IRB Westcoast Tollway Limited (IRB Westcoast)	Road Infrastructure	51%	51%
2	Solapur Yedeshi Tollway Limited (SYTL)	Road Infrastructure	51%	51%
3	Yedeshi Aurangabad Tollway Limited (YATL)	Road Infrastructure	51%	51%
4	Kaithal Tollway Limited (KTL)	Road Infrastructure	51%	51%
5	AE Tollway Limited (AETL)	Road Infrastructure	51%	51%
6	Udaipur Tollway Limited (UTL)	Road Infrastructure	51%	51%
7	CG Tollway Limited (CGTL)	Road Infrastructure	51%	51%
8	Kishangarh Gulabpura Tollway Limited (KGTL)	Road Infrastructure	51%	51%
9	IRB Hapur Moradabad Tollway Limited (IRBHM)	Road Infrastructure	51%	51%
10	Palsit Dankuni Tollway Private Limited (PDTPL) (w.e.f April 02, 2022)	Road Infrastructure	51%	51%

All the above entities are incorporated in India.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

3.02 Business combinations and goodwill

The excess of cost to the Group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

3.03 Investment in joint ventures

The Group's interests in equity accounted investees comprise interests in joint ventures. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in an entity; the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of other entity.

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

3.04 Current versus non-current classification

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

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
- 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

The Group classifies all other liabilities as non-current.

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

3.05 Use of estimates and judgements

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 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. The Group based its assumptions and estimates on parameters available when the consolidated 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. In the following items there is significant judgments and estimates which are key in preparation of consolidated financial statements:

- Fair value measurement of financial instruments (refer note 41)
- Revenue recognition based on percentage of completion (refer note 24)
- Impairment of non- financial assets and goodwill (refer note 3.28)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

3.06 Foreign currency transactions and balances

The Group's financial statements are presented in INR, which is also the Group's functional currency.

Transactions and balance

Transactions in foreign currencies are initially recorded by each entity in 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 at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss.

Exchange difference arising on non current foreign currency monetary items related to acquisition of property, plant and equipment are added/deducted from the cost of asset and amortised along with the construction cost.

3.07 Fair value measurement

The Group measures financial instruments, (refer note 41) at fair value at each balance sheet date.

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

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

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

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

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 consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest 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 consolidated 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 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Disclosures for valuation methods, significant estimates and assumptions (note 40 and 42)

Financial instruments (including those carried at amortised cost) (note 5, 6,7,8,12,17,18,19,40 and 42)

Quantitative disclosure of fair value measurement hierarchy (note 41)

3.08 Revenue recognition

The Group has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Contract revenue (construction contracts)

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively 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 upto the balance sheet date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Group provides for foreseeable loss. Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. For contracts where the Company bears certain indirect tax as it's own expense, and are effectively acting as principals and collecting the indirect taxes on their own account, revenue from operations is presented as gross of such indirect taxes. In cases, where the total consideration is exclusive of certain indirect taxes and other duties, the Company is acting as an agent and revenue from operations is accounted net of indirect taxes. Claims are recognised to the extent that it is probable that they will result in revenue, they are capable of being reliably measured and it is not unreasonable to expect ultimate collection.

Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Group, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised in line with the actual usage of the specific public utility facility, with a maximum of the duration of the concession.

Contract revenue from Hybrid Annuity Contracts

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bear to the estimated total contract costs and considering work certified by Independent Engineer. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Company provides for foreseeable loss.

Finance Income for concession arrangements under financial asset model is recognised using effective interest method.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost. In the financial assets model, the amount due from the grantor meet the identification of the receivable which is measured at fair value. Based on business model assessment, the Group measures such financial assets at fair value and subsequently also classifies the same as fair value through profit and loss ("FVTPL"). Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Operation and maintenance contracts

Revenue from maintenance contracts are recognised over the period of the contract as and when services are rendered.

Income from toll contracts

The income from Toll Contracts on BOT basis are recognised on actual collection of toll revenue (net of revenue share payable to NHAI) as per Concession Agreement. Revenue from electronic toll collection is recognised on accrual basis.

Revenue from wind-mill power generation (Sale of electricity)

Revenue from wind-mill power generation is recognised when the electricity is delivered to electricity distribution company at a common delivery point and the same is measured on the basis of meter reading.

Income from airport services

Revenue from airport operations i.e. Aeronautical and Non Aeronautical operations are recognized on accrual basis, net of Goods and Service Tax (GST), and applicable discounts when services are rendered. Aeronautical operations include user development fee (UDF), Landing, Parking

of aircraft, aerobridge charges and fuel farm. The main streams of revenue from non-aeronautical includes duty-free, retail, advertisement, food & beverages, cargo, ground handling, car parking and land and space rentals.

Land and Space Rentals pertains to granting Right to use land and space primarily for catering to the need of passengers, air traffic services and air transport services.

Revenue from commercial property development rights granted to concessionaires is recognized on accrual basis, as per the terms of the agreement entered into with the customers.

Interest income

For all financial assets 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.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Group performs its obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the Customer.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

3.09 Government Grants

Grants and subsidies from the government are recognised if the following conditions are satisfied:

- There is reasonable assurance that the Group will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant 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 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 in accordance the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or 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 recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

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 consolidated statement of profit and loss is recognised outside consolidated 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in the consolidated statement of profit and loss. Deferred tax is recognised in consolidated statement of profit and loss on the consolidated adjustments.

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Group's assessment, there are no material income tax uncertainties over income tax treatments.

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.

3.11 Property, plant and equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate,

only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the standalone Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress"

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Airport Assets

The Group depreciates airport assets in accordance with order no. 35/2017-18 (as amended from time to time), issue by Airport Economic Regulatory Authority (AERA) in the matter of determination of useful lives of Airport Assets and is calculated on Straight Line method (SLM) using the useful lives as prescribed under AERA. Land improvements cost has been bifurcated into buildings, Roads and Runway based on significant component accounting though useful life of land improvement and other class of assets is different.

Asset class	Useful life	As per AERA
Land improvement cost	Lease term (99 years)	Lease Term
Building	30-60 years	30-60 yrs
Runway, taxiway and apron	30 years	30 years
Electrical Installation	10 years	10 years
Plant and Equipment	15 years	15 years
Computers	3 years	3 years

Other than Airport Assets

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 based on technical evaluation.

Property, plant and equipment which are significant to the total cost the item of Property, plant and equipment having difference useful life are accounted and depreciated separately.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

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

Asset class	Useful life	As per Companies Act, 2013
Building	30 years	30 years
Plant & Machinery	9 years - 15 years	9 years - 15 years
Office equipment	5 years	5 years
Computers	3 years	3 years
Servers	6 years	6 years
Vehicles	8 years	8 years
Furniture & fixtures	10 years	10 years

3.12 Intangible Assets

The Group exercised first time adoption under Ind AS 101 and has elected to continue with the carrying value of its "Toll Collection Rights" (Intangible Assets) including corresponding obligation, as recognised in the consolidated financial statements as at the date of transition April 1, 2016 measured as per the Previous GAAP and uses that as its deemed cost as at date of transition.

With effect from 1 April 2016, toll collection rights are stated at cost, less accumulated amortisation, impairment losses and grant from government. Cost includes:

- For acquired Toll Collection Rights – fair value of upfront payments towards acquisition and incidental expenses related thereto.
- Toll Collection Rights awarded by the grantor against construction service rendered by the Group on BOT / DBFOT basis - Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.
- Toll Collection Rights in lieu of premium - Undiscounted premium obligation over the concession period.

Amortisation

Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as prescribed in Ind As-38. 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.

Intangible assets under development

Expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development". The same will be transferred to the respective intangible assets on completion of project.

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 between the foreign currency borrowing and the functional currency borrowing to the extent regarded as an adjustment to the borrowing costs.

3.14 Leases

The Group has adopted Ind AS 116-Leases effective 1 April, 2019, using the prospective method. Accordingly, previous period information has not been restated.

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 fulfilment 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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.15 Inventories

Inventories are valued as follows:

Construction materials, components, stores, spares and tools:

Lower of cost and net realisable value. Cost is determined on weighted average basis and includes all applicable costs in bringing goods to their present location and condition.

Work-in-progress and finished goods

Lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.

Land

Land of real estate business are valued at lower of cost and net realisable value.

Cost includes land, cost of acquisition, legal cost and all other cost to transfer the legal and beneficial ownership of land in the name of the Group.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.16 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.17 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.18 Premium Deferral

Premium Deferral (i.e. premium payable less paid after adjusting premium deferral) 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 consolidated statement of profit and loss.

3.19 Resurfacing expenses

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

3.20 Contingent Liability 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 consolidated financial statements.

3.21 Retirement and other employee benefits

i. 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 for the period when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

ii. Defined benefit plan

The Group has maintained a Group Gratuity Scheme with M/s. Life Insurance Corporation of India (LIC) managed by a separate Trust, towards which it annually contributes a sum based on the actuarial valuation made by M/s. LIC. 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.

Re-measurements, 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. Re-measurements 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

iii. Compensated absences

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. Accruals towards compensated

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

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.

3.22 Financial instruments

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, transaction costs that are attributable to the acquisition of the financial asset.

On initial recognition, a financial asset is classified as measured of

- amortised cost
- FVOCI - Debt instruments
- FVOCI - equity instruments
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the year, the Company changes its business model for managing financial assets.

Debt instruments at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Derecognition

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

- The rights to receive cash flows from the asset has 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.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 17
- -Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as contractual revenue receivables' in these consolidated financial statements)

- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables; and
- Other receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of profit and 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 Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through Statement of profit and 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 statement of profit and 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 consolidated 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 statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings. For more information refer note 17.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated 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.

3.23 Derivative instrument

The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

3.24 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises of 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, as they are considered an integral part of the Group's cash management.

3.25 Deferred consideration receivable

Deferred consideration is classified as an asset and is measured at fair value on the transaction date. Subsequently, contingent consideration is remeasured to fair value at each reporting date, with changes included in the statement of profit and loss.

3.26 Cash dividend to equity holders of the Group

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

3.27 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 of 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.28 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.29 Segment information

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Management ("the Board of Directors") evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Management evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

3.30 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.31 Recent Accounting Pronouncement:

- (i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements.
The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure. The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.
- (ii) Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors. The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Group financial statements.

- (iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes.

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

- (iv) The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

Based on the preliminary assessment, the group does not expect these amendment to have any significant impact on its Consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 4 : Property, Plant and Equipment and Capital work in progress

Particulars	Land	Building	Airport Assets	Plant and machinery	Office equipments	Computer	Vehicles	Furniture and fixture	Total	Capital work in progress	Grand Total
(₹ in Million)											
Cost											
At 31 March 2021	92.05	564.68	109.44	1,261.00	47.04	120.06	329.09	58.82	2,582.17	360.60	2,942.77
Additions	-	1,121.66	6,674.66	625.03	8.09	11.51	133.41	3.60	8,577.96	345.69	8,923.65
Disposals/ Adjustments	-	(236.30)	-	(3.96)	(1.15)	(1.65)	(30.54)	(0.10)	(273.70)	(438.74)	(712.44)
At 31 March 2022	92.05	1,450.04	6,784.10	1,882.07	53.98	129.92	431.96	62.32	10,886.43	267.55	11,153.98
Additions	45.14	-	5.31	117.41	7.19	10.14	306.09	3.61	494.89	161.27	656.16
Disposals/ Adjustments	(15.33)	(88.51)	(0.12)	(242.55)	(0.28)	(3.27)	(136.33)	(2.41)	(488.80)	(353.47)	(842.27)
At 31 March 2023	121.86	1,361.53	6,789.29	1,756.93	60.89	136.79	601.72	63.52	10,892.52	75.35	10,967.87
Depreciation											
At 31 March 2021	-	208.48	36.75	593.50	34.31	104.21	183.90	43.72	1,204.86	-	1,204.86
Additions	-	27.38	55.18	127.80	4.76	6.51	58.30	4.75	284.68	-	284.68
Disposals/ Adjustments	-	(26.16)	-	(3.76)	(1.04)	(1.59)	(28.93)	(0.09)	(61.57)	-	(61.57)
At 31 March 2022	-	209.70	91.93	717.54	38.03	109.13	213.27	48.38	1,427.97	-	1,427.97
Additions	-	43.28	140.66	195.25	5.77	9.42	123.34	4.35	522.07	-	522.07
Disposals/ Adjustments	-	(43.00)	-	(228.79)	(0.27)	(3.14)	(128.94)	(2.24)	(406.37)	-	(406.37)
At 31 March 2023	-	209.98	232.59	684.00	43.53	115.41	207.67	50.49	1,543.67	-	1,543.67
Net Book value											
At 31 March 2023	121.86	1,151.55	6,556.70	1,072.93	17.36	21.38	394.05	13.03	9,348.85	75.35	9,424.20
At 31 March 2022	92.05	1,240.34	6,692.17	1,164.53	15.95	20.79	218.69	13.94	9,458.46	267.55	9,726.01

(₹ in Million)		
Net Book value	March 31, 2023	March 31, 2022
Property, Plant and Equipment	9,348.85	9,458.46
Capital work-in-progress	75.35	267.55

Notes:

1. During the current and previous year, there has been no exchange loss/ (gain) differences and no borrowing cost which has been capitalised.
2. Title deeds of land and building are held in the name of the respective entities in the Group.
3. Airport Assets have been segregated from plant and machinery since commercial operation had commenced in the previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Intangible assets

(₹ in Million)				
Particulars	Goodwill	Toll collection rights	Intangible assets under development	Total
Cost				
At 31 March 2021	88.92	2,86,618.86	6,369.61	2,93,077.39
Additions	-	80.31	357.73	438.04
Deletions	-	-	(6,369.61)	(6,369.61)
At 31 March 2022	88.92	2,86,699.17	357.73	2,87,145.82
Additions	-	0.21	6,875.31	6,875.52
Deletions/transfer *	-	(1.37)	(7,233.04)	(7,234.41)
At 31 March 2023	88.92	2,86,698.01	-	2,86,786.93
Amortisation				
At 31 March 2021	10.88	17,139.20	-	17,150.08
Additions	-	6,511.29	-	6,511.29
Deletions	-	(9.94)	-	(9.94)
At 31 March 2022	10.88	23,640.55	-	23,651.43
Additions	-	7,759.42	-	7,759.42
Deletions	-	-	-	-
At 31 March 2023	10.88	31,399.97	-	31,410.85
Net Book value				
At 31 March 2023	78.04	2,55,298.04	-	2,55,376.08
At 31 March 2022	78.04	2,63,058.62	357.73	2,63,494.39

(₹ in Million)		
Net Book value	March 31, 2023	March 31, 2022
Goodwill	78.04	78.04
Toll collection rights	2,55,298.04	2,63,058.62
Intangible assets under development	-	357.73

* refer note 53

Capital Work in Progress (including intangible assets under development)

The following reflects the movement of Capital work in progress (including intangible assets under development) for ongoing projects during the period

(₹ in Million)		
Particulars	March 31, 2023	March 31, 2022
Opening CWIP (including assets under development) as at	625.28	6,730.21
(+) Additions during the year	7,036.58	703.42
(-) Capitalised / transfer during the year	(7,586.51)	(6,808.35)
Closing CWIP (Including intangible assets under development)	75.35	625.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

The following table represents CWIP (Including intangible assets under development) ageing

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Less than 1 year	75.35	625.28
1-2 Years	-	-
2-3 Years	-	-
More than 3 years	-	-
Total	75.35	625.28

Tangible and Intangible assets given as security

Refer note 17 for details of security against term loans.

Notes:

1. Net block of Toll collection rights includes unamortised portion of Toll Collection Rights in lieu of premium of ₹ 139,776.65 million (March 31, 2022: ₹ 141,230.02 million) in respect of IRBAV.
2. Goodwill of ₹ 78.04 million (March 31, 2022: 78.04 million) is on account of acquisition of subsidiary. As at March 31, 2023 and March 31, 2022, it is tested for impairment. The recoverable amount has been determined based on a fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as Level 3 fair value based on inputs in the valuation technique used. The key assumption used in the estimation of the recoverable amount was the expected cash flow from sale of boulders discounted at the rate of 10.00% (March 31, 2022: 10.00%). With regard to assessment of value in use, no reasonably possibly change in any of the above key assumptions would cause the carrying amount to exceed the recoverable amount.
3. As at 31st March 2023 and 31st March 2022, there are no projects which are suspended.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Financial Assets Note 5 : Investments

Particulars	(₹ in Million)				
	March 31, 2023				
	Face Value	No of Shares/ Units	Current	Non-current	
a) Investment in equity instruments					
Quoted (Fair Value Through Profit and Loss (FVTPL))					
Union Bank of India	10	9,177	-	0.63	0.36
			-	0.63	0.36
Unquoted (Fair Value Through Other Comprehensive Income (FVTOCI))					
Indian Highways Management Company Limited	10	5,55,370	-	5.55	5.55
The Kalyan Janta Sahakari Bank Limited	25	2,000	-	0.50	0.50
Dombivli Nagri Sahakari Bank Limited	50	4,000	-	0.20	0.20
Sangali Urban Co-operative Bank Limited	15	2	-	-**	-**
Purti Power and Sugar Limited *	1	18,50,000	-	1.85	1.85
Less:- Provision for Diminution in value of Investments			-	(1.85)	(1.85)
9% Redeemable Non cumulative Preference shares of Manas Agro Industries and Infrastructure Limited*	10	1,675	-	0.34	0.34
Less:- Provision for Diminution in value of Investments			-	(0.34)	(0.34)
Manas Agro Industries and Infrastructure Limited*	10	80,434	-	16.31	16.31
Less:- Provision for Diminution in value of Investments			-	(16.31)	(16.31)
			-	6.25	6.25
* Due to the demerger and capital reduction of Purti Power and Sugar Limited					
** value below ₹ 500/-.					
b) Investments in Joint Ventures					
i. Equity instruments					
Unquoted (Measured as per equity accounting method)					
MMK Toll Road Private Limited (refer note 49)	10	35,70,000	-	45.69	53.11
IRB Infrastructure Trust (refer note 49) *	100^	44,84,39,840	-	39,541.71	39,471.99
Meerut Budaun Expressway Limited (refer note 49)	10	27,19,58,000	-	2,893.25	-
Palshit Dankuni Tollway Private Limited (refer note 49)	10	50,000	-	0.79	-
ii. Non convertible debentures (unquoted) (at cost)					
Meerut Budaun Expressway Limited	1,00,000	7,072	-	707.20	-
			-	43,188.64	39,525.10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Particulars	March 31, 2023				March 31, 2022			
	Face Value	No of Shares/ Units	Current	Non-current	Face Value	No of Shares/ Units	Current	Non-current
c) Investments in Government or trust securities								
Unquoted (Amortised cost)								
National saving certificates	-	-	-	0.17	-	-	-	0.17
			-	0.17		-	-	0.17
d) Investments in Mutual Funds								
Quoted (Fair Value Through Profit or Loss (FVTPL))			-				-	
Aditya Birla Sun Life Liquid Fund - Direct Plan Growth	100	15,07,948	547.51	-	100	14,70,678	1,581.48	-
SBI Liquid Fund- Direct Plan Growth	-	-	-	-	1,000	5,09,541	1,698.35	-
SBI Banking & PSU Fund- Direct Plan Growth	1,000	5,07,920	1,409.48	-	1,000	5,07,920	1,355.15	-
			1,956.99	-			4,634.98	-
e) Investments in units of Fund								
Quoted (Fair Value Through Other Comprehensive Income (FVTOCI))								
IRB InvIT Fund (refer note 53)	102 [^]	9,27,05,000	-	6,256.66	102 [^]	9,27,05,000	-	4,875.36
				6,256.66			-	4,875.36
Total (a+b+c+d+e)			1,956.99	49,452.35			4,634.98	44,407.24
Aggregate book value of quoted investments			1,792.11	7,778.32			4,550.87	8,079.60
Market value of quoted investments			1,956.99	6,257.29			4,634.98	4,875.71
Aggregate amount of unquoted investments			-	43,195.06			-	39,531.52
Aggregate amount of impairment in value of investments			-	18.50			-	18.50
All the investments in shares/units are fully paid-up.								

[^] Issue price

Refer note 40 for determination of fair value of investments

* Refer note 17 for details of security against non-convertible debentures and borrowings from banks and financial institutions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 6 : Trade Receivable

(Unsecured, considered good, unless otherwise stated)

(₹ in Million)

Particulars	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Trade receivables - Related parties (refer note 35)*	13,889.88	1,341.72	7,078.48	5,998.85
Trade receivables - Others	2,462.43	-	2,856.99	-
Total	16,352.31	1,341.72	9,935.47	5,998.85

The current portion of trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The non-current portion of trade receivable are not interest bearing and receivable after one year.

There are no trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

*Refer note 17 for details of security against non-convertible debentures and borrowings from banks and financial institutions.

The Group has not identified any credit impairment loss as at March 31, 2023 and March 31, 2022.

The above trade receivables are undisputed

Refer note 42 for explanations on the Company's financial risk management processes and trade receivable ageing.

Note 7 : Loans

(Unsecured, considered good, unless otherwise stated)

(₹ in Million)

Particulars	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
- To related parties (interest free) (refer note 35)	6,115.55	-	4,114.51	-
Others				
- Loans to employees	60.48	-	65.10	-
Total	6,176.03	-	4,179.61	-

There are no current loans which has significant increase in credit.

The above loans to related parties includes loan to key managerial personnel of ₹ 5.30 million (March 31, 2022: ₹ 28.52 million) (refer note 35)

Except as disclosed above, there is no amount due from director, other officer of the Company, firms or joint-ventures in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 8 : Other financial assets

(Unsecured, considered good, unless otherwise stated)

(₹ in Million)

Particulars	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Security and other deposits	68.90	69.19	76.19	52.13
Interest accrued on fixed deposits	70.74	-	20.90	-
Retention money receivable				
- Related parties (refer note 35)	274.44	-	256.49	-
- Others	92.42	1.01	21.77	1.01
Interest receivable from others	-	-	43.35	-
Receivable from Government Authorities (NHAI / MSRDC)	220.45	-	185.22	-
Receivable under service concession arrangement (refer note 38(B)) *	4,206.54	5,854.66	1,889.62	14,101.97
Employees Group Gratuity Scheme (the Trust)	0.12	-	-	-
Receivable from related parties (refer note 35)				
- Deferred consideration towards sale of subsidiaries	-	35,776.26	-	35,167.02
- Others (receivable towards reimbursement of expenses)	1,173.03	-	197.56	-
Other receivable (receivable towards reimbursement of expenses)	34.22	-	-	-
Other receivable (from contractor) credit impaired	64.10	-	64.10	-
Less: Allowance for credit impairment	(64.10)	-	(64.10)	-
Total	6,140.86	41,701.12	2,691.10	49,322.13

*Refer note 17 for details of security against non-convertible debentures and borrowings from banks and financial institutions.

Except as disclosed above, there is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

Note 9 : Deferred tax assets /Deferred tax liabilities

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Deferred tax liabilities(net) :		
Deferred tax liabilities:		
- Fair valuation on current investments	1.40	1.40
- Fair valuation on Financial Asset receivables and loans	1,279.14	861.61
Deferred tax assets:		
- Expenditure allowed on payment basis - Gratuity	(6.71)	(9.14)
- Fair valuation on current investments	-	(0.16)
	1,273.83	853.71
Deferred tax assets (net):		
Deferred tax assets:		
MAT credit entitlement	95.84	172.53
Business Losses and unabsorbed depreciation	237.28	546.90
Financial Assets Receivables and Loans	241.01	452.08
Expenditure allowed on payment basis - Gratuity	11.51	65.49
Difference in depreciation/ amortisation and other differences	78.65	85.11
Deferred tax liabilities:		
Fair valuation on current investments	(27.69)	(33.02)
	636.60	1,289.09
Deferred tax liability (net)	(637.23)	435.38

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Movement in deferred tax assets/ liabilities

March 31, 2023

(₹ in Million)					
Particulars	Balance Sheet	Statement of profit and loss	OCI	Other adjustments	Balance Sheet
	March 31, 2022	April 1, 2022 to March 31, 2023			March 31, 2023
Deferred tax assets:					
MAT Credit Entitlement	172.53	(76.69)	-	-	95.84
Expenditure allowed on payment basis					
- Gratuity	74.63	(53.02)	(4.26)	0.87	18.22
Difference in depreciation/ amortisation and other differences	85.11	(6.46)	-	-	78.65
Tax losses	546.90	(309.62)	-	-	237.28
	879.17	(445.79)	(4.26)	0.87	429.99
Deferred tax liabilities:					
Difference in Depreciation/ amortisation and other differences	(34.26)	5.17	-	-	(29.09)
Fair valuation on Financial Asset receivables and loans	(409.53)	(628.60)	-	-	(1,038.13)
	(443.79)	(623.43)	-	-	(1,067.22)
Deferred tax Asset/ (Liability)	435.38	(1,069.22)	(4.26)	0.87	(637.23)

March 31, 2022

(₹ in Million)					
Particulars	Balance Sheet	Statement of profit and loss	OCI	Other adjustments	Balance Sheet
	March 31, 2021	April 1, 2021 to March 31, 2022			March 31, 2022
Deferred tax assets:					
MAT Credit Entitlement	143.81	387.53	-	(358.81)	172.53
Expenditure allowed on payment basis					
- Gratuity	52.67	14.75	7.21	-	74.63
Difference in depreciation/ amortisation and other differences	276.53	(191.42)	-	-	85.11
Tax losses	237.65	309.25	-	-	546.90
	710.66	520.11	7.21	(358.81)	879.17
Deferred tax liabilities:					
Difference in Depreciation/ amortisation and other differences	(24.06)	(10.20)	-	-	(34.26)
Fair valuation on Financial Asset receivables and loans	-	(409.53)	-	-	(409.53)
	(24.06)	(419.73)	-	-	(443.79)
Deferred tax Asset/ (Liability)	686.60	100.38	7.21	(358.81)	435.38

Note 10 : Other non - current assets

(Unsecured, considered good, unless otherwise stated)

(₹ in Million)		
Particulars	March 31, 2023	March 31, 2022
Capital advances	2.58	38.10
Total	2.58	38.10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 11 : Inventories

(valued at lower of cost and net realisable value)

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Construction material*	1,290.93	1,475.51
Land	1,699.08	1,699.08
Total	2,990.01	3,174.59

* Cash credit is secured by way of pari-pasu charge on stock

Note 12A : Cash and cash equivalents

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Cash and Bank balances		
Balances with banks:		
- on current accounts	2,311.87	246.46
- on escrow accounts	144.25	68.09
Deposits with banks		
- Original maturity less than 3 months	439.16	100.78
Cash on hand	110.32	114.42
Total	3,005.60	529.75

Note 12B : Bank balance other than cash and cash equivalents

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Maturity more than 3 months but less than 12 months		
Debt service reserve account with banks /earmarked balance*	2,365.55	2,458.87
Margin money deposits against bank guarantees**	3,770.48	344.88
Other deposits with banks	13,154.00	13,241.68
Maturity more than 12 months ***		
Debt service reserve account with banks /earmarked balance*	1,757.40	-
Margin money deposits against bank guarantees **	88.54	729.54
Other deposits with banks	22.67	125.94
Balances with Banks in :		
Unpaid dividends	7.16	7.80
Total	21,165.80	16,908.71

Debt service reserve account/ major maintenance reserve account and trust, retention and other escrow accounts

Bank deposits are marked lien / pledged against the non current secured loan as per term loan agreement with the lender, further the lenders have first charge on trust, retention and other escrow accounts.

* First charge on above to the extent of amount payable as per the waterfall mechanism as defined in the Concession Agreement / Common Loan Agreement.

** Margin money deposits are earmarked against bank guarantees taken by the Company and for subsidiaries of the Company.

*** The deposits to the extent of ₹ 1,845.94 million (March 31, 2022 : ₹ 729.54 million) maintained by the Group with bank includes time deposits, which are held against Debt Service Reserve (DSR) and margin money against bank guarantees, are considered as current portion under the head "Bank balance other than cash and cash equivalents" since the same are encashable by the lenders in the event of default by the Group, if any.

Current deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at the respective current deposit rates. Other time deposits earn interest at the rate of 3.00% to 8.00% p.a. (March 31, 2022: 3.15 % to 8.75% p.a.)

Refer note 17 for details of security against non-convertible debentures and borrowings from banks and financial institutions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

For the purpose of the Statement of cash flows, cash and cash equivalents comprises of the following:

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Balances with banks		
- Escrow accounts	144.25	68.09
- Current accounts	2,311.87	246.46
- In deposit accounts with original maturity less than 3 months	439.16	100.78
Cash on hand	110.32	114.42
Less: Book overdraft	-	(56.92)
Total Cash and cash equivalents	3,005.60	472.83

Cash and cash equivalents excludes bank overdraft of ₹ 7,310.05 million (March 31, 2022 : ₹ 3,366.37 million).

Against the said overdraft facility, the Company has deposits to the extent of ₹ 13,150.00 million (March 31, 2022 : ₹ 13,150.00 million) included under Bank balances other than cash and cash equivalents.

Note 13 : Current tax assets (net)

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Advance income-tax (net of provision for tax) of ₹ 7.51 million (March 31, 2022: ₹ 5,058.00 million)	122.57	816.61
Total	122.57	816.61

Note 14 : Other current assets (Unsecured, considered good, unless otherwise stated)

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Advance with suppliers	477.91	623.95
Mobilisation advances	3,497.20	456.19
Prepaid expenses	168.11	463.17
Duties and taxes receivable	1,315.35	1,945.02
Contract assets (refer note 35 for related party)	6,282.25	4,915.41
Total	11,740.82	8,403.74

Refer note 17 for details of security against non-convertible debentures and borrowings from banks and financial institutions.

Note 15 : Equity share capital

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Equity share capital		
Authorised share capital		
6,150,000,000 equity shares of ₹ 1 each (March 31, 2022 : 615,000,000 equity share of ₹ 10 each)	6,150.00	6,150.00
Issued, subscribed and fully paid-up shares of ₹ 1.00 each (March 31, 2022 : ₹ 10.00 each)		
At the beginning of the year 603,900,000 shares (March 31, 2022 : 351,450,000 shares)	6,039.00	3,514.50
Addition during the year - Nil (March 31, 2022 : 252,450,000 shares)	-	2,524.50
At the end of the year 6,039,000,000 shares of ₹ 1 each (March 31, 2022 : 603,900,000 shares of ₹ 10 each)	6,039.00	6,039.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares of ₹ 1 each issued, subscribed and fully paid-up

Particulars	(₹ in Million)			
	March 31, 2023		March 31, 2022	
	No. of shares	₹ in million	No. of shares	₹ in million
At the beginning of the year	60,39,00,000	6,039.00	35,14,50,000	3,514.50
Addition during the year	-	-	25,24,50,000	2,524.50
Increase in Equity shares on sub-division of 1 (one) equity share of face value of ₹ 10 each into 10 (Ten) equity shares of face value of ₹ 1 each	5,43,51,00,000	-	-	-
At the end of the year	6,03,90,00,000	6,039.00	60,39,00,000	6,039.00

b. Details of shareholders holding more than 5% shares in the Company

Name of shareholders	(₹ in Million)			
	March 31, 2023		March 31, 2022	
	No. of shares	% of total shares	No. of shares	% of total shares
IRB Holding Private Limited	1,99,41,50,150	33.02%	19,94,15,015	33.02%
Cintra INR Investments BV *	1,50,15,92,120	24.86%	15,01,59,212	24.86%
Bricklayers Investment Pte Ltd *	1,02,29,07,880	16.94%	10,22,90,788	16.94%

Shareholding of Promoters and Promoter entity

Name of shareholders	March 31, 2023		March 31, 2022		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
IRB Holding Private Limited	1,99,41,50,150	33.02%	19,94,15,015	33.02%	0.00%
Virendra D. Mhaikar	5,06,39,850	0.84%	39,83,985	0.66%	0.18%
Virendra D. Mhaikar HUF	10,000	0.00%	1,000	0.00%	0.00%
Deepali Virendra Mhaikar	1,61,44,000	0.27%	16,14,400	0.27%	0.00%

Shareholding of Promoters and Promoter entity

Name of shareholders	March 31, 2022		March 31, 2021		% Change during the year*
	No. of shares	% of total shares	No. of shares	% of total shares	
IRB Holding Private Limited	19,94,15,015	33.02%	19,94,15,015	56.74%	(23.72%)
Virendra D. Mhaikar	39,83,985	0.66%	39,83,985	1.13%	(0.47%)
Virendra D. Mhaikar HUF	1,000	0.00%	1,000	0.00%	0.00%
Deepali Virendra Mhaikar	16,14,400	0.27%	16,14,400	0.46%	(0.19%)

* During the previous year, the Company had allotted shares through preferential allotment to (i) Bricklayers Investment Pte Ltd - 16.94% shares and received ₹ 21,664.17 million and (ii) Cintra INR Investments BV - 24.86% shares and received ₹ 31,802.22 million aggregating ₹ 53,466.39 million as approved by the shareholders in Extra-Ordinary General Meeting conducted on November 20, 2021.

** Pursuant to the approval of the shareholders accorded through Postal Ballot on February 06, 2023, each equity share of face value of ₹ 10/- per share was subdivided into 10 equity shares of face value of ₹ 1/- per share.

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There were no shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

c. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1.00 per share post effect of share split (March 31, 2022 : ₹ 10.00 per share). Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, if any.

During the year ended March 31, 2023, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 1.25 per equity share of face value of ₹ 10 per each (March 31, 2022: ₹ Nil per equity share). (Refer note 15 (b))

The Board of Directors at its meeting held on May 19, 2023 has declared 2nd interim dividend of ₹ 0.075 per equity share of face value of ₹ 1 each.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 16 : Other Equity

(₹ in Million)		
Particulars	March 31, 2023	March 31, 2022
Attributable to the equity holders		
a. Securities premium		
At the beginning of the year	64,402.51	14,060.09
Addition during the year on fresh issue of equity shares (net of expenses)	-	50,342.42
At the end of the year	64,402.51	64,402.51
b. Other reserves		
1. Capital Reserve		
At the beginning and at the end of the year	1,269.18	1,269.18
2. General Reserve		
At the beginning and at the end of the year	1,946.12	1,946.12
3. Retained earnings		
At the beginning of the year	55,202.83	51,665.77
Profit for the year	7,200.11	3,613.97
Re-measurement gains/ (losses) on defined benefit plans (net of tax) during the year	16.83	(29.52)
Tax on re-measurement loss on defined benefit plans	(4.26)	7.21
Group share of unit issue expenses incurred by IRB Infrastructure Trust	(7.82)	(54.60)
Less: Appropriations		
Interim equity dividend of ₹ 1.25 per share of face value of ₹ 10 each (March 31, 2022 : ₹ Nil per share)	(754.88)	-
At the end of the year	61,652.81	55,202.83
4. Other Comprehensive Income		
i. Mark to market (losses) on fair value measurement of investments		
At the beginning of the year	(3,203.23)	(3,447.97)
Movement during the year	1,682.60	244.74
At the end of the year	(1,520.63)	(3,203.23)
Total other reserves (1+2+3+4)	63,347.48	55,214.90
Total - Other Equity (a + b)	1,27,749.99	1,19,617.41

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

- a) **Securities Premium** - Securities Premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.
- b) **Capital Reserve** - the excess of net assets taken over the cost of consideration paid is treated as capital reserve on account of consolidation.
- c) **General Reserve** - The Group had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- d) **Retained Earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- e) **Equity investments through OCI:** This represents the cumulative gains or losses arising on investments in equity instruments/ units of fund designated at fair value through other comprehensive income.
- f) **Remeasurements of defined benefit liability / (asset) through OCI :** Remeasurements of defined benefit liability / (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income). Below is the movement of remeasurement of defined benefit liability /(assets) :

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
At the beginning of the year	(99.31)	(77.00)
Movement during the year	12.57	(22.31)
At the end of the year	(86.74)	(99.31)

Financial liabilities

Note 17 : Borrowings

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Non-current Borrowings		
Term loans		
Indian rupee loan from banks (secured)		
Project loans for SPVs (refer note i)	84,202.41	91,209.21
Equipment finance (refer note ii)	403.94	438.44
Less : current maturities	(7,936.67)	(5,033.75)
Total (a)	76,669.68	86,613.90
Indian rupee loan from financial institutions (secured)		
Project loans for SPVs (refer note i)	2,519.99	7,056.73
Equipment finance (refer note ii)	24.96	13.45
General purpose borrowing (refer note iii)	228.38	315.18
Less : current maturities	(215.80)	(168.10)
Total (b)	2,557.53	7,217.26
Redeemable non-convertible debentures (secured) (refer note iv)		
Project loans for SPVs		
From Others:		
- 45,000 (March 31, 2022: 45,000) Unlisted 8.75% (March 31, 2022 : 9.25%) Non Convertible Debentures of face value of ₹ 92,099.91 each (March 31, 2022: ₹ 95,323.11 each)	4,144.50	4,289.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
General purpose borrowing		
From banks		
- 2,000 (March 31, 2022: 2,000) Listed 9.55% Non Convertible Debentures of face value of ₹ 1,000,000 each (March 31, 2022: 1,000,000 each)	2,000.00	2,000.00
- 2,000 (March 31, 2022: 2,000) Listed 9.55% Non Convertible Debentures of face value of ₹ 870,000 each (March 31, 2022: 1,000,000 each)	1,740.00	2,000.00
- 3,500 (March 31, 2022 : 3,500) Listed 9.55% NCD of face value of ₹ 7,53,229.71 each (March 31, 2022 : ₹ 940,000 each)	2,636.30	3,290.00
From others		
- 218,455 (March 31, 2022: 218,455) Unlisted 9.927% Non Convertible Debentures of face value of ₹ 100,000 each	21,845.50	21,845.50
	32,366.30	33,425.04
Less : Effective interest rate impact	(281.73)	(423.38)
Less : current maturities	(3,158.88)	(1,056.46)
Total (c)	28,925.69	31,945.20
Deferred Premium Obligation (unsecured) (refer note v)	25,463.25	22,626.65
Total (d)	25,463.25	22,626.65
Less: Unamortised transaction cost (e)	(635.13)	(756.69)
Interest on premium deferment (f)	9,495.97	7,100.85
Total (g = a + b + c + d + e + f)	1,42,476.99	1,54,747.17
Current Borrowings		
From Banks (Secured)		
- Overdraft (refer note vi)	7,310.05	3,366.37
- Cash credit and working capital demand loan	6,066.97	2,395.61
Unsecured loans (interest free)		
- Interest free loan from related parties (refer note 35)	13.67	13.67
Current maturities of non-current borrowings		
Indian rupee loan from banks	7,936.67	5,033.75
Indian rupee loan from financial institutions	215.80	168.10
Non-convertible debentures	3,158.88	1,056.46
Effective interest rate impact	(262.00)	(381.92)
Interest accrued but not due on borrowings (Secured)	479.83	453.46
Total current borrowings	24,919.87	12,105.50
Aggregate Secured loans	1,31,944.14	1,36,658.04
Aggregate Unsecured loans	25,476.92	22,640.32

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(i) Project loans for SPVs

₹ 86,722.40 million (March 31, 2022 - ₹ 98,265.94 million) pertains to term loans taken by SPV's (Special Purpose Vehicles) for Project financing.

Rate of interest

Indian rupee term loan from banks and financial institutions carries interest rates linked to MCLR plus spread, which varies from 7.00% to 9.65% p.a. (March 31, 2022 : carries interest rates linked to MCLR plus spread which varies from 8.35% to 9.60% p.a)

Nature of security

- a) Secured by first charge on the movable/immovable asset by way of mortgage/hypothecation; first charge on all intangible assets, present and future; assignment of all receivables; book debts and all rights and interest in project, both present and future, excluding the project assets of respective companies;
- b) Secured by first charge on the Escrow Account, Debt Service Reserve Account and any other reserves and other bank accounts of the respective SPV Companies.
- c) An irrevocable and unconditional corporate guarantee from IRB Infrastructure Developers Limited to meet shortfall (if any) between debt due and termination payments received from Concessioning Authority in case of termination of Concession Agreement for any reason in case of Project SPV's.

Repayment terms

The Indian rupee term-loans are repayable in structured monthly instalments commencing after commercial operation date such that the total tenor does not exceed 18 years and repayable as per the structured monthly repayment schedule specified in common loan agreement with the Lenders.

Loan amounting to ₹ 12,568.74 million (March 31, 2022 : ₹ 7,934.32 million) has been availed during the current reporting year.

Loan amounting to ₹ 14,560.50 million (March 31, 2022 : ₹ 15,511.41 million) has been repaid during the current reporting year

(ii) Equipment finance

₹ 428.90 million (March 31, 2022: ₹ 451.88 million) pertains to equipment finance, of which Indian rupee loan carries interest varying from 8.50% to 9.00% p.a. (March 31, 2022: 6.60% to 9.00% p.a.) Repayment term are usually 3 to 5 periods of monthly unstructured instalments. Equipment finance companies have a charge over the assets financed.

Loan amounting to ₹ 406.28 million (March 31, 2022 : ₹ 452.64 million) has been availed during the current reporting year

Loan amounting to ₹ 522.59 million (March 31, 2022 : ₹ 74.02 million) has been repaid during the current reporting year

(iii) General purpose borrowings

a) Indian rupee term loan from Financial institutions

- Indian rupee term loan from financial institution of ₹ 228.38 million (March 31, 2022: 315.18 million) carries interest at 9.90% p.a. (March 31, 2022: 9.90% p.a.) and is secured by first and exclusive charge of hypothecation of 16 unencumbered wind mills of MRMPL, first charge on the escrow of all receivables arising out of windmill assets, pledge of equity shares of MRMPL and Corporate Guarantee of the Company. Repayment of loan in structured installment as per loan agreement.

(iv) Non-convertible debentures (NCD)

a) Rate of interest and security

From banks:

- i) From Bank - Listed NCD 2,000 (March 31, 2022 : 2,000) of face value of ₹ 1,000,000 each:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

- Secured, redeemable, listed Non-convertible Debentures of ₹ 2,000.00 million (March 31, 2022 : 2,000.00 million) carries interest rates at 9.55% (March 31, 2022 : 9.55%) and are secured by pledge of equity shares of a subsidiary, subservient charge on the current assets of the Company to the extent of 100% to 125% of the outstanding NCD amount.
- ii) From Bank - Listed NCD 2,000 (March 31, 2022 : 2,000) of face value of ₹ 870,000 (March 31, 2022 : ₹ 1,000,000) each
- Secured, redeemable, listed Non-convertible Debentures of ₹ 2,000.00 million (March 31, 2022 : 2,000.00 million) carries interest rates at 9.55% (March 31, 2022 : 9.55%) and are secured by pledge of units of a joint venture and subservient charge on the current asset of the Company to the extent of 125% of the outstanding NCD amount and escrow account.
- iii) From Bank - Listed NCD 3,500 (March 31, 2022 : 3,500) of face value of ₹ 753,229.71 each :
- Secured, redeemable, listed Non-convertible Debentures of ₹ 2,636.30 million (March 31, 2022 : 3,290.00) carries interest rates at 9.55% (March 31, 2022 : 9.55%) and are secured by pledge of units of joint-venture, subservient charge on the current assets of the Company to the extent of 175% of the outstanding NCD amount and escrow accounts.
- iv) From Others - Unlisted NCD 45,000 of Original face value of ₹ 100,000 each :
45,000 Secured, redeemable, non-convertible debentures issued by IRBAV ('Issuer') of a face value of ₹ 92,099.91 each (March 31, 2022: ₹ 95,323.11) each on a private placement basis having rate of interest 8.75% (March 31, 2022: 9.25%) aggregating to ₹ 4,144.50 million (March 31, 2022: ₹ 4,289.54 million) redeemable in 154 instalments commencing from March 31, 2018 as per the schedule provided in Debenture Trust Deed.

The unlisted NCD 45,000 secured by :

- a. first mortgage and charge on all the Issuer's immovable properties as, both present and future
- b. first charge on all the Issuer's moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future
- c. first charge over all accounts of the Issuer, including but not limited to the Escrow Account and the Sub-Accounts (or any account in substitution thereof), the Debt Service Reserve Account that may be opened in accordance with the Transaction Documents, and in all funds from time to time deposited therein (including the reserves) and the permitted investments or other securities representing all amounts credited to the Escrow Account and a first charge on the Receivables.
- d. Corporate Guarantee by the Company.
- v) From Others - Unlisted NCD 218,455 (March 31, 2022 : 218,455) of face value of ₹ 100,000 each

The Company had raised ₹ 21,845.50.00 million through issue of 218,455, 9.927% Unlisted, Secured, Redeemable Non-Convertible Debentures ('9.927% NCD') to India Toll Roads during the year ended March 31, 2021. The tenure of 9.927% NCD is 7 years i.e. it will mature on February 2028 and carries interest rate of 9.927% per annum. Frequency of interest payment is semi-annually with bullet repayment of principal amount at the end of 7 years. The 9.927% NCD are secured by charge over certain cash flows from a subsidiary of the Company, pledge over a portion of holding of IRB in the subsidiary and 6 months Interest Service Reserve Account (ISRA).

The Company has an option to redeem the 9.927% NCD at any time prior to 19 February 2023, subject to applicable law, at a redemption price equal to 100% of principal amount and accrued interest upto redemption date plus applicable redemption premium if any. If the Company redeems the 9.927% NCD at anytime from 19 February 2023 to 18 February 2024, subject to applicable law, the redemption price is 102.75% of the principal amount and accrued interest upto redemption date plus applicable redemption premium, and if it is redeemed anytime on or after 19 February 2024, subject to applicable law, redemption price is 100% of principal amount and accrued interest upto redemption date plus applicable redemption premium. The 9.927% NCD will mature on the maturity date. The management does not intend to redeem the 9.927% NCD at anytime before the maturity date. The Determination agent had confirmed that there is no shortfall in funding as on March 31, 2023. Further, the Determination agent has confirmed that since neither the event of default or exercise of put option has triggered as on March 31, 2023, the redemption premium cannot be determined as on March 31, 2023 and hence no provision is created for the redemption premium in the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

The Holders of the 9.927% NCD have a Put option right on one business day prior to 19 August 2024 to redeem the 9.927% NCD. The Put right redemption price will be determined by the Holder or any agent acting on its behalf which will be the price at which Holders of the 9.927% NCD do not suffer a funding shortfall as a result of having exercised Put option right. Also, the Holders of the 9.927% NCD have the option to redeem the NCD at any time before its maturity date in the case of occurrence of event of default as mentioned in the Debenture Trust Deed. The economic characteristics and risks of this put option right are closely related to the host debt instrument and hence both are inseparable, and therefore the embedded derivative is not separated for accounting purpose.

b) Repayment schedule -

i) From Bank - Listed NCD

March 31, 2023

Listed NCD 6,376.30 of face value of ₹ 1,000,000 each :

- NCD amounting to ₹ 2,000.00 million is repayable in bullet payment on May 20, 2023.
- NCD amounting to ₹ 1,740.00 million is repayable in 9 structured quarterly instalments commencing from June 29, 2023
- NCD amounting to ₹ 2,636.30 million is repayable in 18 structured quarterly instalments commencing from June 30, 2023

March 31, 2022

Listed NCD 7,290 of face value of ₹ 1,000,000 each :

- NCD amounting to ₹ 2,000.00 million is repayable in bullet payment on May 20, 2023.
- NCD amounting to ₹ 2,000.00 million is repayable in 13 structured quarterly instalments commencing from June 29, 2022
- NCD amounting to ₹ 3,290.00 million is repayable in 22 structured quarterly instalments commencing from June 30, 2022

ii) From Others - Unlisted NCD 45,000 of Original face value of ₹ 100,000 each :

- redeemable in 154 instalments commencing from March 31, 2018 as per the schedule provided in Debenture Trust Deed.

iii) From Others - Unlisted NCD 218,455 of face value of ₹ 100,000 each

- NCD amounting to ₹ 21,845.50 million is repayable in bullet payment on August 16, 2024.

NCD amounting to ₹ Nil (March 31, 2022 : ₹ 3,500.00 million) has been availed during the current reporting year

NCD amounting to ₹ 1,058.74 million (March 31, 2022 : ₹ 16,210 million) has been repaid during the current reporting year

(v) 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 had been provided to NHAI. The repayment is in accordance with the cash surplus accruing to the SPV over the concession period (by FY 2035).

(vi) The bank overdraft is secured against fixed deposits which are repayable on demand, interest rate varies from 3.71% to 7.50% p.a. (March 31, 2022 : 3.71% to 4.10% p.a).

Short-term borrowings and Cash credit is secured by way of pari pasu charge on stock and debtors and pari pasu charge by way of hypothecation on machinery/ equipment/ other fixed assets of MRMPL. The interest rate for cash credit is from 9.45% p.a. to 9.50% p.a. (March 31, 2022: 9.50% p.a. to 10.50% p.a.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 18 : Trade payables

(₹ in Million)		
Particulars	March 31, 2023	March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 39)	419.20	514.59
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (refer note 35)	71.77	13.54
- Others	4,531.33	3,289.12
Total	5,022.30	3,817.25

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90 day terms.

Refer note 39 for ageing of MSME and ageing of creditors other than MSME.

Refer note 42 for explanations on the Group's credit risk management processes..

Note 19 : Lease Liabilities

(₹ in Million)				
Particulars	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Lease Liabilities (refer note 51)	39.58	45.49	34.92	85.06
Total	39.58	45.49	34.92	85.06

Note 20 : Other financial liabilities

(₹ in Million)				
Particulars	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Premium obligation / Negative grant to NHAI (refer note 47)	5,548.52	1,06,490.26	4,878.14	1,12,063.16
Obligation for construction/ concession fee	-	-	2,083.26	-
Directors sitting fees payable (refer note 35)	0.74	-	0.71	-
Unpaid dividend*	7.16	-	7.80	-
Book overdraft	-	-	56.92	-
Deposit	0.58	-	0.54	-
Retention money payable	2,393.88	-	3,366.85	0.83
Employee benefits payable	259.90	-	236.51	-
Capital creditors	15.67	-	63.94	-
Other payable	141.08	-	22.64	-
Total	8,367.53	1,06,490.26	10,717.31	1,12,063.99

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2023 (March 31, 2022: Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 21 : Provisions

(₹ in Million)

Particulars	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
- Leave encashment	34.39	-	14.57	-
- Gratuity (refer note 34)	-	27.22	61.23	238.39
Others				
- Resurfacing expenses	-	510.30	-	282.04
Total	34.39	537.52	75.80	520.43

The movement in provision for resurfacing expenses is as follows:

Movement for Resurfacing expenses

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Opening balance	282.04	224.30
Obligation on new toll projects	228.26	159.28
Utilised / reversed during the year	-	(101.54)
Closing balance	510.30	282.04

The above provisions are based on current best estimation of expenses that may be required to fulfill 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.

Note 22 : Other current liabilities

(₹ in Million)

Particulars	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Duties and taxes payable	1,076.44	-	497.85	-
Stamp duty payable (refer note 33)	275.40	-	275.40	-
Advance from customers				
- Related parties (refer note 35)	1,292.06	-	502.89	-
- Others	6.61	3.88	9.73	8.12
Deferred Revenue	-	-	99.91	1,390.55
Mobilisation advance				
- Related parties (refer note 35)	33.68	-	435.80	-
- Others	1,953.26	-	3.22	1,566.96
Total	4,637.45	3.88	1,824.80	2,965.63

Note 23 : Current tax liabilities (net)

(₹ in Million)

Particulars	March 31, 2023	March 31, 2022
Provision for current tax (net of advance tax) of ₹ 2,393.36 million (March 31, 2022: ₹1,344.42 million)	23.69	198.22
Total	23.69	198.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 24 : Revenue from operations

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Contract revenue (refer note 35 and 50)	42,717.65	39,304.91
Income arising out of toll collection (net) (refer note 47)	20,432.67	17,493.05
Sale of electricity	96.12	93.16
Other operating revenue	769.97	1,145.88
Total	64,016.41	58,037.00

Note 25 : Other income

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on		
- Bank deposits	817.70	627.90
- Investment in IRB InvIT Fund	500.61	491.34
- Others	670.58	1,772.45
- Unwinding of loan	48.71	48.71
Gain on sale of property, plant and equipment (net)	125.19	11.52
Profit on sale of current investments (net)	124.74	73.73
Gain on fair value measurement of other receivables (Refer note 41)	560.53	2,161.31
Fair value gain on mutual funds	45.83	84.11
Other non operating income	122.84	246.40
Total	3,016.73	5,517.47

Note 26 : Road work and site expenses

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Contract expenses	16,170.01	14,523.23
Stores, spares and tools consumed	205.80	164.83
Site and other direct expenses	2,396.51	2,445.11
Sub-contracting / Security expenses	411.69	405.83
Technical consultancy and supervision charges	1,387.25	1,340.37
Royalty charges paid	28.57	39.02
Hire charges	167.47	165.45
Total	20,767.30	19,083.84

Note 27 : Employee benefits expenses

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	3,070.89	2,549.25
Contribution to provident and other funds (refer note 34)	129.49	165.72
Gratuity expenses (refer note 34)	151.43	33.14
Staff welfare expenses	109.81	125.10
Total	3,461.62	2,873.21

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 28 : Finance costs

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense		
- Banks and financial institutions	7,611.11	9,183.63
- Debentures	3,442.43	5,760.46
- Premium deferment	2,395.12	1,610.46
- Overdraft/cash credit from banks	756.51	791.37
- Others	138.92	36.47
- Unwinding of interest accrued on deferred payment of sub concession fee	42.24	649.12
- Unwinding of retention money	35.94	11.05
- Interest on lease liabilities (refer note 51)	10.62	12.25
Other borrowing costs	713.37	851.42
Total	15,146.26	18,906.23

Note 29 : Depreciation and amortisation expenses

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 4)	522.08	284.68
Depreciation on right to use asset (refer note 51)	39.70	31.73
Amortisation on intangible assets (refer note 4)	7,759.42	6,511.29
Total	8,321.20	6,827.70

Note 30 : Other expenses

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Power and fuel	120.95	166.41
Rent	40.39	32.20
Rates and taxes	364.97	786.80
Water charges	7.08	7.34
Insurance	66.43	32.55
Repairs and maintenance		
- Plant and Machinery	205.63	182.52
Advertisement expenses	69.77	56.90
Travelling and conveyance	234.54	270.27
Vehicle expenses	54.87	51.93
Communication cost	28.71	29.79
Membership and subscription fees	2.53	1.63
Printing and stationery	14.16	13.35
Director sitting fees (refer note 35)	7.05	6.09
Corporate social responsibilities expenditure (refer note 48)	164.12	201.32
Legal and professional expenses	1,319.25	873.46
Payment to auditors	17.28	22.25
Donations (refer note 46)	411.70	434.77

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Security expenses	10.66	17.55
Loss/(Gain) on sale of investment	18.76	0.05
Bank charges	65.85	34.15
Allowance for bad and doubtful receivable	-	64.10
Miscellaneous expenses	84.90	118.34
Total	3,309.60	3,403.77
Payment to statutory auditor and other component auditors		
As auditor		
Audit fees	7.85	11.98
Tax fees *	-*	-*
Limited review	7.41	7.52
In other capacity		
Other services	1.03	2.50
Reimbursement of expenses	0.99	0.25
	17.28	22.25

* value below ₹ 500/-.

Note 31 : Income tax

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are:

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
a. Statement of profit and loss		
Income tax expense		
Current tax	2,514.98	1,819.20
Adjustment of tax relating to earlier periods	(14.80)	(37.23)
Current income tax expense	2,500.18	1,781.97
Deferred tax:		
Deferred tax relating to origination and reversal of temporary differences	1,069.22	100.38
	3,569.40	1,882.35
b. OCI Section		
Deferred tax related to items recognised in OCI during the year	(4.26)	7.21
	(4.26)	7.21

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Reconciliation of tax expenses and the accounting of profit multiplied by Indian Domestic tax rate for March 31, 2023 and March 31, 2022 are:

Particulars	(₹ in Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	10,769.51	5,496.32
Statutory tax rate	25.17%	25.17%
Expected income tax at India's statutory rate	2,710.47	1,383.31
Effect of expenses that are not deductible in determining taxable profit	144.92	160.09
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	-	357.92
Share of loss of joint ventures	269.32	569.34
Difference in tax rate on Minimum Alternate Tax compared to normal tax rates	44.53	6.33
Difference in Depreciation/ amortisation and other differences		
Others	414.96	(557.42)
Adjustments recognised in the current year in relation to the current tax of prior years	(14.80)	(37.23)
Income tax expense reported in the statement of profit and loss	3,569.40	1,882.35
Effective tax rate	33.14%	34.25%

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

No deferred tax assets have been recognised on the below due to uncertainty of future long term capital gains and certainty of taxable business income :

March 31, 2023

Particulars	(₹ in Million)	
	Amount of Loss	Deferred tax assets not recognised
Mark to market Losses on IRB Invit Fund (loss without expiration date)	1,520.63	177.12
Carried forward unabsorbed depreciation (loss without expiration date)	14,818.31	3,729.77
Indexation benefit on investment of subsidiaries and joint ventures (loss without expiration date)	2,431.85	486.37
Long -term capital loss of sale of subsidiaries (loss with expiration date)	8,245.15	1,886.49
Total	27,015.94	6,279.75

March 31, 2022

Particulars	(₹ in Million)	
	Amount of Loss	Deferred tax assets not recognised
Mark to market Losses on IRB Invit Fund (loss without expiration date)	3,203.23	373.11
Carried forward unabsorbed depreciation (loss without expiration date)	12,483.27	3,142.04
Indexation benefit on investment of subsidiaries and joint ventures (loss without expiration date)	2,156.33	431.27
Long -term capital loss of sale of subsidiaries (loss with expiration date)	8,531.48	1,952.00
Total	26,374.31	5,898.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 32 : Earnings per share (EPS)

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

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Profit attributable to equity holders for basic earnings (₹ million)	7,200.11	3,613.97
Weighted average number of equity shares	6,03,90,00,000	4,15,77,28,767
Face value per share (Amount in Re.) (refer note 15 for shares split)	1.00	1.00
Basic and Diluted earnings per share	1.19	0.87

Note : The Company does not have any potentially dilutive equity shares and therefore basic and dilutive EPS are the same.

Note 33 : Commitment and Contingencies

a. Capital commitments and other commitments

The Group has commitments related to further investment as sponsor's contribution (share capital, subordinated debt and non-convertible debentures) to the projects in the following joint venture :

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
IRB Infrastructure Trust (refer note i below)	-	1,272.35
Palsit Dankuni Tollway Private Limited *	1,235.99	-
Meerut Budaun Expressway Limited*	6,705.03	-
Total	7,941.02	1,272.35

- i) During the year ended 31 March 2020, the Group had transferred its nine subsidiaries to IRB Infrastructure Trust (Trust). However, based on the sponsor support agreement entered by the group with the lenders of the subsidiaries, the group continues to be liable for the balance equity commitment to the extent of 51%.
- ii) The Group has entered into agreements with its joint ventures and IRB InvIT Fund to provide toll operations and maintenance services.

*Refer note 53

b. Contingent liabilities

Contingent liabilities not provided for

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Guarantees and counter guarantees on behalf of joint ventures given by the Company (refer note 35)	2,921.80	-
Bank guarantees towards bids/tenders/authorities/etc	2,436.55	1,484.75
Total	5,358.35	1,484.75

- i) The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.
- ii) The Group's pending litigations comprise of claims against the Group primarily by the commuters and regulators. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Group has not provided for or disclosed contingent liabilities for matters considered as remote for pending litigations/public litigations(PIL)/claims wherein the management is confident, based on the internal legal assessment and advice of its lawyers that these litigations would not result into any liabilities. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.
- iii) The Group has provided corporate guarantee to the lenders of the joint ventures companies to make good the shortfall, if any, between the secured obligations of the joint ventures companies and the termination payment received from the Authority in the event of termination of the Concession Agreement. As on 31 March 2023, since the termination clause has neither triggered nor expected to trigger in the foreseeable future for any of the joint venture companies, the said liability is considered as remote.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

iv) The Group has no material tax litigations in the current and previous year.

v) Provident Fund liability :

The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Company has started complying with this prospectively from the month of March 2019. In respect of the past period there are significant implementation and interpretative challenges that the management is facing and is awaiting for clarity to emerge in this regard, pending which, this matter has been disclosed under the Contingent liability in the consolidated financial statements. The impact of the same is not ascertainable.

vi) With respect to issuance of Non-convertible Debentures issued to India Toll Roads, the Group has an obligation to pay redemption premium to Initial investor in the event of exercise of put option right. The redemption premium payable is currently not determinable since the event is not triggered. Refer note 17(iv)(a)(v).

c. Litigation stamp duty matter

Mhaikar Infrastructure Private Limited (MIPL), a subsidiary of the company, had vide order dated September 9, 2005 received a demand from the Government of Maharashtra of ₹ 275.40 million in respect of stamp duty on the agreement dated August 4, 2004 entered into between Maharashtra State Road Developers Corporation Limited (MSRDC), MIPL and the Government of Maharashtra for right to collect tolls/fees, the cost of which has been provided and capitalised during the earlier years.

MIPL had vide order dated March 12, 2008 received demand from Chief Controlling Revenue Authority Maharashtra State, Pune of ₹ 49.57 million in respect of penalty on said stamp duty. MIPL has filed a Writ Petition No.3000 of 2008 in the Bombay High Court for quashing the said order on the grounds that the said order is in violation of the provisions of Bombay Motor Vehicles Act and also in violation of the concession agreement between the Government of India and MSRDC.

The Writ Petition came up for admission on April 28, 2008 and the Hon'ble Court was pleased to admit the said Writ Petition and has directed the Petitioner to deposit 50% of the demand with the Collector of Stamps (Enforcement I) within eight weeks from the said Order dated April 28, 2008 and has directed the Registrar to seek direction from the Chief Justice of Bombay High Court for deciding as to whether the matter should be referred to a larger bench. Considering the facts and circumstances of the case and law, MIPL has made a provision of ₹ 275.40 million in books of accounts and paid 50% of the amount ₹ 137.70 million under protest on June 19, 2008. Further, based on the legal opinion obtained by MIPL, the management is of the view that the possibility of penalty demanded by the authorities, becoming a liability, is remote.

Note 34 : Gratuity and other post employment benefit plans

(a) Defined contribution plan

The following amount recognised as an expense in Consolidated 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.

Particulars	₹ in Million	
	March 31, 2023	March 31, 2022
Contribution in defined contribution plan - provident and other funds	129.49	165.72

(b) Defined benefit plan

During the current year, the Group has moved from unfunded gratuity plan to a funded 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 Gratuity is funded with Life Insurance Corporation of India (LIC). The group contributes in the fund every year as premium on the basis of demand raised by LIC. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Group contributes Gratuity liabilities to the Employees Group Gratuity Scheme (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the LIC as permitted by Indian law.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

The following tables summarise the components of net benefit expense recognised in the Consolidated Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	24.46	19.80
Past service cost	109.66	-
Interest cost on benefit obligation	17.31	13.34
Net benefit expense	151.43	33.14
Amount recorded in Other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	103.32	73.79
Remeasurement during the year due to :		
Actuarial loss / (gain) arising from change in financial assumptions	(18.89)	11.95
Actuarial loss / (gain) arising from change in demographic assumptions	12.24	15.01
Actuarial loss / (gain) arising on account of experience changes	-	2.57
Actual return on plan assets less interest on plan assets	(10.18)	-
Amount recognised in OCI outside statement of profit and loss	(16.83)	29.53
Closing amount recognised in OCI outside profit and loss statement	86.49	103.32
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit liability	299.62	261.71
Current service cost	24.46	19.80
Past service cost	109.66	-
Interest cost on benefit obligation	17.31	13.34
Actual benefits paid	(14.58)	(11.67)
Other adjustments	-	(13.09)
Remeasurement during the year due to :		
Actuarial loss / (gain) arising from change in financial assumptions	(18.89)	11.95
Actuarial loss / (gain) arising from change in demographic assumptions	12.24	15.01
Actuarial loss / (gain) arising on account of experience changes	-	2.57
Closing defined benefit liability	429.82	299.62

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(₹ in Million)		
Particulars	March 31, 2023	March 31, 2022
Movement of plan assets		
Opening fair value of plan assets	-	
Employer contributions	407.12	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	10.18	-
Benefits paid	(14.58)	-
Closing fair value of plan assets	402.72	-
Balance sheet		
The total amount of net liability / asset to be recorded in the balance sheet of the Company:		
Defined benefit obligation		
Present value of funded defined benefit obligation	429.82	-
Fair value of plan assets	402.72	-
Net funded obligation	27.10	-
Present value of unfunded defined benefit obligation	-	299.62
Net defined benefit liability / (assets) recognised in balance sheet	27.10	299.62

(₹ in Million)		
Particulars	March 31, 2023	March 31, 2022
Net liability/ (asset) is bifurcated as follows :		
Current	-	61.23
Non-current	27.22	238.39
Balance with Employees Group Gratuity Scheme (shown under other financial assets)	(0.12)	-
Net liability	27.10	299.62

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

	March 31, 2023	March 31, 2022
Discount rate	7.30%-7.50%	6.35%
Expected rate of return on plan assets (p.a.)	7.01%	N.A.
Salary escalation	10.00%	10.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

A quantitative analysis for significant assumption is as shown below:

Gratuity plan:

	(₹ in Million)	
	March 31, 2023	March 31, 2022
Assumptions -Discount rate		
Sensitivity Level	0.50%	0.50%
Impact of Increase in 50 bps on defined benefit obligation	418.01	8.62
Impact of Decrease in 50 bps on defined benefit obligation	442.22	9.11
Assumptions - Salary Escalation rate		
Sensitivity Level	0.50%	0.50%
Impact of Increase in 50 bps on defined benefit obligation	441.86	7.35
Impact of Decrease in 50 bps on defined benefit obligation	418.23	7.14

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 following payments are expected contributions to the defined benefit plan in future years

	(₹ in Million)	
Particulars	March 31, 2023	March 31, 2022
Within the next 12 months (next annual reporting period)	74.57	61.36
Between 2 and 5 years	208.48	148.86
Between 6 and 10 years	201.85	102.00
Beyond 10 years	218.42	148.06
Total expected payments	703.32	460.28
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	5.63 years	8.86 years

The expected contribution payable to the plan next year is therefore ₹ 21.58 million (31 March 2022 : Nil).

Compensated absences during the year ended 31 March 2023 is ₹ 25.75 million and for the year ended 31 March 2022 is ₹ 4.59 million is charged to the Consolidated Statement of Profit and loss.

Note 35 : Related Party Disclosure

I. Names of Related Parties and description of relationship :

Description of relationship	Names of related parties
a) Joint ventures/ Entities controlled by Joint ventures (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	MMK Toll Road Private Limited IRB Infrastructure Trust Meerut Budaun Expressway Limited (w.e.f October 15, 2022) Subsidiaries of the Joint Venture - IRB Infrastructure Trust IRB Westcoast Tollway Limited Solapur Yedeshi Tollway Limited Yedeshi Aurangabad Tollway Limited IRB Hapur Moradabad Tollway Limited AE Tollway Limited Udaipur Tollway Limited CG Tollway Limited Kishangarh Gulabpura Tollway Limited Kaithal Tollway Limited Palsit Dankuni Tollway Private Limited (w.e.f April 2, 2022)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Description of relationship	Names of related parties
b) Enterprises owned or significantly influenced by key management personnel or their relatives (Enterprises) (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	IRB Holding Private Limited (Formerly known as Mhaiskar Ventures Private Limited) V. D. Mhaiskar (HUF) VCR Toll Services Private Limited SDM Ventures Private Limited DSM Projects Private Limited Loch Fynne Ltd Ideal Toll and Infrastructure Private Limited Cintra Servicios de Infraestructuras SA Ciinfra India Private Ltd IRB Infrastructure Developers Limited Employees Group Gratuity Scheme (w.e.f November 1, 2022) Modern Road Makers Private Limited Employees Group Gratuity Scheme (w.e.f November 1, 2022) MRM Mining Private Limited Employees Group Gratuity Scheme (w.e.f November 1, 2022) IRB Sindhudurg Airport Private Limited Employees Group Gratuity Scheme (w.e.f November 1, 2022) IRB Infrastructure Private Limited Employees Group Gratuity Scheme (w.e.f November 1, 2022) IRB Charitable Foundation
c) Key Management Personnel (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	Mr. Virendra D. Mhaiskar, Chairman and Managing Director Mrs. Deepali V. Mhaiskar, Whole Time Director Mr. Mukeshlal Gupta, Joint Managing Director (upto December 29, 2021) Mr. Sudhir Rao Hoshing, Joint Managing Director (upto December 29, 2021) and Chief Executive Officer - Execution Mr. Jose Angel Tamariz Martel Goncer, Additional Non-Executive Director (w.e.f December 29, 2021) Mr. Carlos Ricardo Ugarte Cruz Coke, Additional Non-Executive Director (w.e.f December 29, 2021 and till August 5, 2022) Mr. Ravindra Dhariwal, Additional Non-Executive Director (w.e.f August 5, 2022) Mr. Chandrashekhar S. Kaptan, Independent Director Mr. Sunil H. Talati, Independent Director Mr. Sandeep Shah, Independent Director Ms. Priti Savla, Independent Director (w.e.f. February 10, 2022) Mrs. Heena Raja, Independent Director (upto February 10, 2022) Mr. Tushar Kawedia, Group Chief Financial Officer and Chief Financial Officer Mr. Mehul N. Patel, Company Secretary
d) Relatives of Key Management Personnel (Only with whom there have been transaction during the period / there was balance outstanding at the period end)	Late Dattatraya P. Mhaiskar (Father of Mr. Virendra D. Mhaiskar) (upto January 3, 2018) Mrs. Sudha Dattatraya Mhaiskar (Mother of Mr. Virendra D. Mhaiskar)
e) Entities having significant influence (Only with whom there have been transaction during the period / there was balance outstanding at the period end)	Cintra INR Investments BV (subsidiary of Ferrovial SA) (w.e.f. 29 December 2021)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

II. Related Party Transactions

(₹ in Million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
1	Dividend paid	437.43	-	-	-	8.47	-
	Virendra D. Mhaikar	-	-	-	-	6.33	-
	Sudha D. Mhaikar	-	-	-	-	0.12	-
	Deepali V. Mhaikar	-	-	-	-	2.02	-
	SDM Ventures Private Limited	0.23	-	-	-	-	-
	DSM Projects Private Limited	0.23	-	-	-	-	-
	Mhaikar Ventures Private Limited	249.27	-	-	-	-	-
	Cintra INR Investments B.V.	187.70	-	-	-	-	-
2	Director sitting fees	-	-	-	-	2.70	3.41
	Virendra D. Mhaikar	-	-	-	-	0.09	0.09
	Deepali V. Mhaikar	-	-	-	-	0.04	0.04
	Sudhir Rao Hoshing	-	-	-	-	0.09	0.11
	Sunil H Talati	-	-	-	-	0.47	0.69
	Chandrashekhar S. Kaptan	-	-	-	-	0.65	0.94
	Sandeep Shah	-	-	-	-	0.85	1.18
	Tushar Kawedia	-	-	-	-	0.04	0.03
	Heena Raja	-	-	-	-	-	0.26
	Priti Savla	-	-	-	-	0.47	0.07
3	Remuneration paid	-	-	-	-	400.04	255.57
	Virendra D. Mhaikar	-	-	-	-	167.20	82.47
	Deepali V. Mhaikar	-	-	-	-	105.10	60.84
	Sudhir Rao Hoshing	-	-	-	-	84.37	54.72
	Mukeshlal Gupta	-	-	-	-	-	22.24
	Mehul N. Patel	-	-	-	-	24.22	17.55
	Tushar Kawadia	-	-	-	-	19.15	17.75
4	Rent paid	-	-	-	-	3.18	3.09
	Virendra D Mhaikar	-	-	-	-	2.16	2.16
	Deepali V Mhaikar	-	-	-	-	1.02	0.93
5	Donation given	8.89	3.82	-	-	-	-
	IRB Charitable Foundation	8.89	3.82	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(₹ in Million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
6	Contract revenue	-	-	18,083.03	17,719.53	-	-
	IRB Westcoast Tollway Limited	-	-	305.28	2,364.16	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	-	1.56	-	-
	Solapur Yedeshi Tollway Limited	-	-	2.24	29.88	-	-
	AE Tollway Limited	-	-	-	20.73	-	-
	Udaipur Tollway Limited	-	-	120.59	2,200.79	-	-
	CG Tollway Limited	-	-	194.04	2,386.04	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	520.09	2,955.96	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	912.20	7,760.40	-	-
	Palsit Dankuni Tollway Private Limited	-	-	8,737.33	-	-	-
	Meerut Budaun Expressway Limited	-	-	7,291.26	-	-	-
7	Operation and maintenance revenue	-	-	2,364.01	1,737.77	-	-
	IRB Westcoast Tollway Limited	-	-	584.73	211.25	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	210.00	199.73	-	-
	Solapur Yedeshi Tollway Limited	-	-	151.70	144.29	-	-
	Kaithal Tollway Limited	-	-	173.12	164.55	-	-
	AE Tollway Limited	-	-	319.64	303.93	-	-
	Udaipur Tollway Limited	-	-	180.27	172.77	-	-
	CG Tollway Limited	-	-	291.07	276.79	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	202.59	192.59	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	75.00	71.87	-	-
	Palsit Dankuni Tollway Private Limited	-	-	175.89	-	-	-
8	Trading sales	-	-	616.05	1,555.19	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	588.05	1,555.19	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	28.00	-	-	-
9	Expenses incurred on behalf of (reimbursement)	-	-	-	1.77	-	-
	IRB Infrastructure Trust	-	-	-	1.77	-	-
10	Interest unwinding on loan given	-	-	48.71	48.71	-	-
	IRB Infrastructure Trust	-	-	48.71	48.71	-	-
11	Investment - Units allotment	-	-	1,236.75	1,946.33	-	-
	IRB Infrastructure Trust	-	-	1,236.75	1,946.33	-	-
12	Guarantees given on transfer of investments	-	-	1,512.00	-	-	-
	Meerut Budaun Expressway Limited	-	-	1,512.00	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(₹ in Million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
13	Guarantees cancelled	-	-	126.00	460.00	-	-
	AE Tollway Limited	-	-	-	460.00	-	-
	Meerut Budaun Expressway Limited	-	-	126.00	-	-	-
14	Short term loan given/Repaid	-	-	2,352.78	4,759.00	-	28.82
	IRB Infrastructure Trust	-	-	1,532.48	4,759.00	-	-
	Sudhir Rao Hoshing	-	-	-	-	-	28.82
	Meerut Budaun Expressway Limited	-	-	820.30	-	-	-
15	General advance received	-	-	5,695.18	3,066.89	-	-
	AE Tollway Limited	-	-	-	96.78	-	-
	Udaipur Tollway Limited	-	-	-	239.67	-	-
	CG Tollway Limited	-	-	-	154.58	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	-	2,543.52	-	-
	Solapur Yedeshi Tollway Limited	-	-	-	32.34	-	-
	Palsit Dankuni Tollway Private Limited	-	-	3,824.42	-	-	-
	Meerut Budaun Expressway Limited	-	-	1,870.76	-	-	-
16	Unsecured loans taken/repayment received	-	-	328.51	4,828.83	23.22	30.30
	IRB Infrastructure Trust	-	-	267.50	4,828.83	-	-
	Sudhir Rao Hoshing	-	-	-	-	23.22	30.30
	Meerut Budaun Expressway Limited	-	-	61.01	-	-	-
17	Retention and held-up amount during the year	-	-	150.69	116.89	-	-
	IRB Westcoast Tollway Limited	-	-	15.00	34.64	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	-	0.03	-	-
	CG Tollway Limited	-	-	23.51	32.10	-	-
	Udaipur Tollway Limited	-	-	-	1.21	-	-
	AE Tollway Limited	-	-	-	2.76	-	-
	Kishangarth Gulabpura Tollway Limited	-	-	4.24	4.40	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	107.56	41.77	-	-
	Solapur Yedeshi Tollway Limited	-	-	0.38	-	-	-
18	Retention and held-up amount release during the year	-	-	132.74	50.74	-	-
	AE Tollway Limited	-	-	7.29	-	-	-
	IRB Westcoast Tollway Limited	-	-	33.27	15.23	-	-
	Kaithal Tollway Limited	-	-	2.55	-	-	-
	CG Tollway Limited	-	-	-	35.50	-	-
	Solapur Yedeshi Tollway Limited	-	-	2.18	-	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	84.89	-	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	2.56	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(₹ in Million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
19	Fair value gain on measurement of other receivable	-	-	560.53	2,161.32	-	-
	IRB Infrastructure Trust	-	-	560.53	2,161.32	-	-
20	Contract Expense	-	-	0.07	-	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	0.07	-	-	-
21	Professional Fees	353.50	-	-	-	-	-
	Cintra Servicios de Infraestructuras SA	107.31	-	-	-	-	-
	Ciinfra India Private Ltd	246.19	-	-	-	-	-
22	Non-convertible debentures acquired	-	-	707.20	-	-	-
	Meerut Budaun Expressway Limited	-	-	707.20	-	-	-
23	Share application money given and allotment	-	-	2,719.08	-	-	-
	Meerut Budaun Expressway Limited	-	-	2,719.08	-	-	-
24	Post-employment benefit plan (Gratuity)	399.81	-	-	-	-	-
	Modern Road Makers Private Limited Employees Group Gratuity Scheme	264.41	-	-	-	-	-
	IRB Infrastructure Developers Limited Employees Group Gratuity Scheme	120.37	-	-	-	-	-
	MRM Mining Private Limited Employees Group Gratuity Scheme	10.82	-	-	-	-	-
	IRB Sindhudurg Airport Private Limited Employees Group Gratuity Scheme	1.14	-	-	-	-	-
	IRB Infrastructure Private Limited Employees Group Gratuity Scheme	3.07	-	-	-	-	-
25	Return on plan asset	10.18	-	-	-	-	-
	Modern Road Makers Private Limited Employees Group Gratuity Scheme	6.71	-	-	-	-	-
	IRB Infrastructure Developers Limited Employees Group Gratuity Scheme	3.09	-	-	-	-	-
	MRM Mining Private Limited Employees Group Gratuity Scheme	0.27	-	-	-	-	-
	IRB Sindhudurg Airport Private Limited Employees Group Gratuity Scheme	0.03	-	-	-	-	-
	IRB Infrastructure Private Limited Employees Group Gratuity Scheme	0.08	-	-	-	-	-
26	Sale of Property, Plant & Equipment	-	-	-	-	13.00	-
	Mr. Mehul N. Patel	-	-	-	-	13.00	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

III. Related Party Balances

(₹ in Million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures/ Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
1	Loan taken	13.67	13.67	-	-	-	-
	VCR Toll Services Private Limited	13.67	13.67	-	-	-	-
2	Other payables	-	-	-	-	30.07	5.10
	Virendra D. Mhaikar	-	-	-	-	17.43	2.28
	Deepali V. Mhaikar	-	-	-	-	10.68	1.84
	Sudhir Rao Hoshing	-	-	-	-	1.56	0.39
	Mehul N. Patel	-	-	-	-	0.38	0.29
	Tushar Kawedia	-	-	-	-	0.02	0.29
3	Other receivable	-	-	1,173.03	197.56	-	-
	IRB Westcoast Tollway Limited	-	-	23.51	0.16	-	-
	Kaithal Tollway Limited	-	-	8.64	1.72	-	-
	AE Tollway Limited	-	-	24.02	31.25	-	-
	Udaipur Tollway Limited	-	-	22.17	20.60	-	-
	MMK Toll Road Private Limited	-	-	-	2.37	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	17.45	14.45	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	133.62	125.24	-	-
	Solapur Yedeshi Tollway Limited	-	-	6.06	-	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	19.87	-	-	-
	CG Tollway Limited	-	-	11.63	-	-	-
	Palsit Dankuni Tollway Private Limited	-	-	262.85	-	-	-
	Meerut Budaun Expressway Limited	-	-	641.46	-	-	-
	IRB Infrastructure Trust	-	-	1.77	1.77	-	-
4	Deferred consideration receivable towards sale of subsidiaries	-	-	35,776.26	35,167.02	-	-
	IRB Infrastructure Trust	-	-	35,776.26	35,167.02	-	-
5	Director sitting fees payable	-	-	-	-	0.11	0.36
	Virendra D. Mhaikar	-	-	-	-	0.02	0.01
	Deepali V. Mhaikar	-	-	-	-	0.01	0.00
	Sudhir Rao Hoshing	-	-	-	-	0.01	0.03
	Chandrashekhar S. Kaptan	-	-	-	-	-	0.06
	Sandeep Shah	-	-	-	-	0.06	0.12
	Priti Paras Savla	-	-	-	-	-	0.06
	Tushar Kawedia	-	-	-	-	0.01	0.02
	Sunil H. Talati	-	-	-	-	-	0.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(₹ in Million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures/ Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
6	Short term loan given	0.25	0.25	6,110.00	4,085.74	5.30	28.52
	IRB Charitable Foundation	0.25	0.25	-	-	-	-
	Udaipur Tollway Limited	-	-	219.09	219.09	-	-
	Solapur Yedeshi Tollway Limited	-	-	90.82	90.82	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	167.90	167.90	-	-
	IRB Infrastructure Trust	-	-	4,872.91	3,607.93	-	-
	Sudhir Rao Hoshing	-	-	-	-	5.30	28.52
	Meerut Budaun Expressway Limited	-	-	759.28	-	-	-
7	Trade receivables	-	-	15,231.60	13,077.33	-	-
	IRB Westcoast Tollway Limited	-	-	1,507.47	1,765.12	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	529.54	580.22	-	-
	Solapur Yedeshi Tollway Limited	-	-	219.69	222.62	-	-
	Kaithal Tollway Limited	-	-	-	0.94	-	-
	AE Tollway Limited	-	-	9.53	9.53	-	-
	Udaipur Tollway Limited	-	-	2,865.46	2,797.63	-	-
	CG Tollway Limited	-	-	2,500.15	2,340.74	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	3,032.34	2,685.20	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	2,932.23	2,675.34	-	-
	Palsit Dankuni Tollway Private Limited	-	-	1,635.19	-	-	-
8	Mobilisation advance received	-	-	33.68	435.80	-	-
	IRB Westcoast Tollway Limited	-	-	33.68	230.42	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	-	205.38	-	-
9	Advance from customers	-	-	1,292.06	502.89	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	314.34	421.29	-	-
	AE Tollway Limited	-	-	81.57	81.57	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	0.03	0.03	-	-
	Palsit Dankuni Tollway Private Limited	-	-	896.12	-	-	-
10	Retention money receivable	-	-	274.44	256.49	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	20.86	23.42	-	-
	AE Tollway Limited	-	-	15.79	23.08	-	-
	IRB Westcoast Tollway Limited	-	-	51.87	70.14	-	-
	Solapur Yedeshi Tollway Limited	-	-	0.38	2.18	-	-
	Kaithal Tollway Limited	-	-	-	2.55	-	-
	CG Tollway Limited	-	-	72.13	48.62	-	-
	Udaipur Tollway Limited	-	-	40.33	40.33	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	64.44	41.77	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	8.64	4.40	-	-
11	Guarantees given	-	-	2,921.80	-	-	-
	Palsit Dankuni Tollway Private Limited	-	-	1,409.80	-	-	-
	Meerut Budaun Expressway Limited	-	-	1,512.00	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(₹ in Million)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures/ Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
12	Contract assets	-	-	5,836.79	2,812.85	-	-
	Udaipur Tollway Limited	-	-	51.72	-	-	-
	CG Tollway Limited	-	-	6.05	-	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	-	1,089.97	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	534.59	978.75	-	-
	IRB Westcoast Tollway Limited	-	-	-144.21	744.13	-	-
	Palsit Dankuni Tollway Private Limited	-	-	2,119.99	-	-	-
	Meerut Budaun Expressway Limited	-	-	3,268.65	-	-	-
13	Trade payables	71.16	11.63	0.61	1.90	-	-
	AE Tollway Limited	-	-	0.51	0.51	-	-
	MMK Toll Road Private Limited	-	-	-	1.39	-	-
	Loch Fynne Limited	3.97	11.63	-	-	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	0.10	-	-	-
	Cintra Servicios de Infraestructuras SA	36.48	-	-	-	-	-
	Ciinfra India Private Ltd	30.71	-	-	-	-	-
14	Non-convertible debentures acquired	-	-	707.20	-	-	-
	Meerut Budaun Expressway Limited	-	-	707.20	-	-	-
15	Post-employment benefit plan (Gratuity)	402.72	-	-	-	-	-
	Modern Road Makers Private Limited Employees Group Gratuity Scheme	264.42	-	-	-	-	-
	IRB Infrastructure Developers Limited Employees Group Gratuity Scheme	123.20	-	-	-	-	-
	MRM Mining Private Limited Employee Group Gratuity Scheme	10.82	-	-	-	-	-
	IRB Sindhudurg Airport Private Limited Employee Group Gratuity Scheme	1.14	-	-	-	-	-
	IRB Infrastructure Private Limited Employee Group Gratuity Scheme	3.14	-	-	-	-	-

Note 36 : Segment Information:

- a) The Group has identified business segments in accordance with Indian Accounting Standard 108 "Operating Segment" notified under Section 133 of the Companies Act 2013, read together with relevant rules issued thereunder.
- b) The Group has identified two business segments viz., Built, Operate and Transfer ("BOT")/ Toll Operate and Transfer ("TOT") and Construction as reportable segments.

The business segments of the Group comprise of the following:

Segment	Description of Activity
BOT/ TOT Projects	Operation and maintenance of roadways
Construction	Development of roads

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

- c) Performance is measured based on segment results (before tax), as included in the internal management reports that are reviewed by the Board of Directors. Segment results is used to measure performance as management believes that such information is more relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Segment results (before tax) differs from consolidated profit before tax in that it excludes unallocated corporate expenses, other income, unallocated finance expenses and share of loss from joint venture, as these items are not allocated to individual segments.
- d) The Group's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.
- e) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- f) Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.
- g) Details of Business Segment information is presented below:

(₹ in Million)

Particulars	BOT/ TOT Projects		Construction		Unallocated corporate		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
REVENUE								
Total external revenue	20,432.67	17,874.84	43,381.77	39,958.89	201.97	203.27	64,016.41	58,037.00
Inter segment revenue	-	-	-	-	-	-	-	-
Total Revenue (Net)	20,432.67	17,874.84	43,381.77	39,958.89	201.97	203.27	64,016.41	58,037.00
RESULT								
Segment Results	10,949.35	9,685.58	13,733.60	12,121.41	(137.99)	(23.65)	24,544.96	21,783.34
Unallocated corporate expenses							(575.83)	(636.11)
Operating Profit							23,969.13	21,147.23
Other Income							3,016.73	5,517.47
Unallocated financial expenses							(15,146.26)	(18,906.23)
Profit Before Exceptional items and Tax							11,839.60	7,758.47
Share of loss from joint ventures (net)							(1,070.09)	(2,262.15)
Profit Before Tax							10,769.51	5,496.32
Current Tax							2,500.18	1,781.97
Deferred Tax							1,069.22	100.38
Profit for the year							7,200.11	3,613.97
OTHER INFORMATION								
Segment assets	2,45,202.06	2,51,751.08	95,655.13	94,773.41	86,804.58	79,141.71	4,27,661.77	4,25,666.20
Segment liabilities	1,12,239.96	1,19,650.36	12,872.74	12,309.17	1,68,760.08	1,68,050.26	2,93,872.78	3,00,009.79
Capital expenditure incurred	3,814.07	11,422.77	494.89	2,473.04	-	-	4,308.96	13,895.81
Depreciation and Amortisation	7,744.20	6,511.12	393.57	234.68	183.43	81.90	8,321.20	6,827.70

Footnotes:-

- Unallocated corporate assets includes current and non-current investments, goodwill, deferred tax assets, cash and bank balances and advance payment of income tax.
- Unallocated corporate liabilities includes long term borrowings, short term borrowings, current maturities of long term borrowing, deferred tax liability and provision for taxation.
- Unallocated corporate expenses under segment revenue and segment results includes Real Estate Development, Windmill (Sale of electricity generated by windmill), Hospitality and Airport Infrastructure.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 37 : Information required for consolidated financial statements pursuant to schedule III of the Companies Act, 2013 :

Name of the entity	Net Assets i.e. total assets minus total liabilities				Share in Profit / (Loss)		
	March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)	As % of consolidated net profit	(₹ in million)	As % of consolidated net profit
Parent							
IRB Infrastructure Developers Limited	58%	77,385.97	56%	70,282.61	310%	22,353.10	241%
Subsidiaries							
Modern Road Makers Private Limited	9%	12,332.10	9%	10,828.77	(417)%	(29,989.90)	(398)%
Ideal Road Builders Private Limited	0%	171.09	(0)%	(0.57)	1%	90.06	16%
Mhaikar Infrastructure Private Limited	0%	296.77	(2)%	(2,195.83)	1%	46.10	0%
ATR Infrastructure Private Limited	0%	233.15	0%	107.29	(1)%	(53.45)	5%
Aryan Toll Road Private Limited	0%	41.11	0%	41.28	(0)%	(9.03)	1%
IRB MP Expressway Private Limited	11%	14,586.59	12%	14,858.09	40%	2,897.66	21%
IRB Infrastructure Private Limited	0%	18.48	0%	62.39	1%	48.35	1%
Thane Ghodbunder Toll Road Private Limited	0%	7.39	0%	11.62	(0)%	(1.16)	23%
Aryan Infrastructure Investments Private Limited	1%	1,710.52	1%	1,710.50	(0)%	(0.56)	(0)%
IRB Kolhapur Integrated Road Development Company Private Limited	0%	273.06	0%	354.24	(0)%	(0.93)	(24)%
Aryan Hospitality Private Limited	0%	113.72	0%	125.57	(0)%	(12.02)	(0)%
IRB Sindhudurg Airport Private Limited	6%	7,796.73	6%	7,918.15	(3)%	(214.09)	(3)%
IRB Goa Tollway Private Limited	1%	1,793.53	2%	2,723.14	(0)%	(11.06)	95%
IRB PS Highway Private Limited	0%	0.03	0%	2.47	(0)%	(0.29)	0%
MRM Mining Private Limited	(0)%	(7.22)	(0)%	(11.47)	(3)%	(245.46)	(5)%
IRB Ahmedabad Vadodara Super Express Tollway Private Limited	7%	9,800.63	9%	11,047.71	(13)%	(925.19)	(23)%
GE1 Expressway Private Limited (formerly known as IRB PP Project Private Limited)	0%	0.00	0%	1.48	(0)%	(0.24)	(0)%

(₹ in Million)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Name of the entity	Net Assets i.e. total assets minus total liabilities				Share in Profit / (Loss)			
	March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022	
	As % of consolidated net assets	(₹ in million)	As % of consolidated net assets	(₹ in million)	As % of consolidated net profit	(₹ in million)	As % of consolidated net profit	(₹ in million)
VK1 Expressway Private Limited (Upto 12 October 2022)	0 %	-	4 %	4,430.47	(11)%	(765.16)	139 %	5,007.35
VM7 Expressway Private Limited	3 %	4,056.49	2 %	2,371.75	77 %	5,550.07	74 %	2,665.41
Palsit Dankuni Tollway Private Limited (w.e.f 15 April 2021)	0 %	-	0 %	514.43	0 %	-	(0)%	(0.28)
Pathankot Mandi Highway Private Limited (w.e.f 23 April 2021)	1 %	1,543.12	0 %	251.65	28 %	2,049.29	(0)%	(0.20)
Chittoor Thachur Highway Private Limited (w.e.f 13 October 2021)	1 %	1,557.30	0 %	133.63	10 %	708.90	(0)%	(0.07)
Samakhiyali Tollway Private Limited	0 %	0.39	0 %	-	(0)%	(0.11)	0 %	-
Meerut Badaun Expressway Limited (w.e.f 05 January 2022 and upto 14 October 2022)	0 %	-	0 %	9.01	94 %	6,755.32	(0)%	(0.03)
Add: Adjustment for goodwill on consolidation	0 %	78.04	0 %	78.04	0 %	-	0 %	-
Less: Share of loss from joint venture	0 %	-	0 %	-	(15)%	(1,070.09)	(63)%	(2,262.15)
	100%	1,33,788.99	100%	1,25,656.41	100%	7,200.11	100%	3,613.97

Note: The above figures are net of intra-group elimination.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 37 : Information required for consolidated financial statements pursuant to schedule III of the Companies Act, 2013 :

Name of the entity	Share in Other Comprehensive income / (Loss)				Share in Total Comprehensive income / (Loss)			
	March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022	
	As % of Other comprehensive income / (loss)	(₹ in million)	As % of Other comprehensive income / (loss)	(₹ in million)	As % of total comprehensive income / (loss)	(₹ in million)	As % of total comprehensive income / (loss)	(₹ in million)
Parent								
IRB Infrastructure Developers Limited	99%	1,685.91	110%	245.70	270%	24,039.01	234%	8,959.30
Subsidiaries								
Modern Road Makers Private Limited	1 %	9.24	(9)%	(19.94)	(337)%	(29,980.66)	(376)%	(14,417.51)
Ideal Road Builders Private Limited	0 %	-	0 %	-	1 %	90.06	15 %	581.43
Mhaikar Infrastructure Private Limited	0 %	-	0 %	-	1 %	46.10	0 %	9.41
ATR Infrastructure Private Limited	0 %	-	(0)%	(0.50)	(1)%	(53.45)	5 %	189.11
Aryan Toll Road Private Limited	0 %	-	0 %	-	(0)%	(9.03)	0 %	18.08
IRB MP Expressway Private Limited	0 %	-	0 %	-	33 %	2,897.66	19 %	747.21
IRB Infrastructure Private Limited	0 %	0.21	(0)%	(0.26)	1 %	48.56	1 %	47.59
Thane Ghodbunder Toll Road Private Limited	0 %	-	0 %	-	(0)%	(1.16)	22 %	841.90
Aryan Infrastructure Investments Private Limited	0 %	-	0 %	-	(0)%	(0.56)	(0)%	(1.38)
IRB Kolhapur Integrated Road Development Company Private Limited	0 %	-	0 %	-	(0)%	(0.93)	(23)%	(881.85)
Aryan Hospitality Private Limited	0 %	-	0 %	-	(0)%	(12.02)	(0)%	(13.34)
IRB Sindhudurg Airport Private Limited	0 %	0.01	(0)%	(0.57)	(2)%	(214.08)	(3)%	(102.30)
IRB Goa Tollway Private Limited	0 %	-	0 %	-	(0)%	(11.06)	90 %	3,449.80
IRB PS Highway Private Limited	0 %	-	0 %	-	(0)%	(0.29)	0 %	0.01
MRM Mining Private Limited	(0)%	(0.20)	(1)%	(2.43)	(3)%	(245.66)	(5)%	(185.86)
IRB Ahmedabad Vadodara Super Express Tollway Private Limited	0 %	-	0 %	0.45	(10)%	(925.19)	(21)%	(814.88)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Name of the entity	Share in Other Comprehensive income / (Loss)				Share in Total Comprehensive income / (Loss)			
	March 31, 2023		March 31, 2022		March 31, 2023		March 31, 2022	
	As % of Other comprehensive income / (loss)	(₹ in million)	As % of Other comprehensive income / (loss)	(₹ in million)	As % of total comprehensive income / (loss)	(₹ in million)	As % of total comprehensive income / (loss)	(₹ in million)
GE1 Expressway Private Limited (formerly known as IRB PP Project Private Limited)	0 %	-	0 %	0 %	(0) %	(0.24)	(0) %	(0.30)
VK1 Expressway Private Limited (Upto 12 October 2022)	0 %	-	0 %	0 %	(9) %	(765.16)	131 %	5,007.35
VM7 Expressway Private Limited	0 %	-	0 %	0 %	62 %	5,550.07	69 %	2,665.41
Palsit Dankuni Tollway Private Limited (w.e.f 15 April 2021)	0 %	-	0 %	0 %	0 %	-	(0) %	(0.28)
Pathankot Mandi Highway Private Limited (w.e.f 23 April 2021)	0 %	-	0 %	0 %	23 %	2,049.29	(0) %	(0.20)
Chittoor Thachur Highway Private Limited (w.e.f 13 October 2021)	0 %	-	0 %	0 %	8 %	708.90	(0) %	(0.07)
Samakhiyal Tollway Private Limited	0 %	-	0 %	0 %	(0) %	(0.11)	0 %	-
Meerut Badaun Expressway Limited (w.e.f 05 January 2022 and upto 14 October 2022)	0 %	-	0 %	0 %	76 %	6,755.32	(0) %	(0.03)
Add: Adjustment for goodwill on consolidation	0 %	-	0 %	0 %	0 %	-	0 %	-
Less: Share of loss from joint venture	0 %	-	0 %	0 %	(12) %	(1,070.09)	(59) %	(2,262.15)
	100 %	1,695.17	100 %	222.43	100 %	8,895.28	100 %	3,836.40

Note: The above figures are net of intra-group elimination.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 38 : Disclosure pursuant to Appendix - A to Ind AS 11 - "Service Concession Arrangements" ('SCA')

(A) Disclosures with regard to Toll Collection Rights (Intangible Assets)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable
1	ATR Infrastructure Private Limited ⁽³⁾	September 25, 2003	October 8, 2021	18 years	December 20, 2005
2	IRB Ahmedabad Vadodara Super Express Tollway Private Limited	January 1, 2013	December 31, 2037	25 years	December 6, 2015
3	Samakhiyali Tollway Private Limited	Appointed date awaited		20 years	Appointed date awaited

Note:

- (1) The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the Respective Government Authorities:-
 - a. Rights to use the Specified assets
 - b. Obligations to provide or rights to expect provision of services
 - c. Obligations to deliver or rights to receive at the end of the Concession.
- (2) The actual concession period may vary based on terms of the respective concession agreements.
- (3) The Concession period for the project was successfully completed on 08th October, 2021.

(B) Disclosures with regard to Hybrid Annuity Project

(i)	Name of Concessionaire	VM7 Expressway Private Limited	VK1 Expressway Private Limited*	Pathankot Mandi Highway Private Limited	Chittoor Thachur Highway Private Limited
(ii)	Description of the arrangement:	Construction of Eight Lane Access Controlled Expressway From KM 190.000 to KM 217.50 of Vadodara Mumbai Expressway (Gandeva to Ena section) in the state of Gujarat on Hybrid Annuity Mode (HAM) basis.	Eight lane 23.74 KM section of Expressway between Vadodara and Kim in Gujarat on a Hybrid Annuity Mode (HAM) basis.	Rehabilitation and Upgradation to Four Lane configuration & Strengthening of Punjab/ HI Border to Mo from KM 11.000 to KM 42.000 (Design Length 28.700 KM) of Pathankot-Mandi Section in the state of Himachal Pradesh on Hybrid Annuity Mode (HAM).	Construction of Six Laning of Chittoor-Thachur road from KM. 96.040 (Pondavakkam) to KM. 116. 100 (Kannigaipair) in the state of Tamil Nadu (Package-IV) on Hybrid Annuity mode (HAM).
(iii)	Significant terms of the arrangement:				
	Period of concession:	17 years from Appointed date	17 years from Appointed date	17 years from Appointed date	17 years from Appointed date
	Start of concession period under concession agreement (Appointed date)	November 09, 2021	January 18, 2019	May 18, 2022	January 24, 2023
	End of concession period under concession agreement	November 08, 2038	December 29, 2036	May 16, 2039	January 22, 2040
	Remuneration:	Annuity, interest and O&M	Annuity, interest and O&M	Annuity, interest and O&M	Annuity, interest and O&M
	Investment grant from concession grantor:	Yes	Yes	Yes	Yes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Name of Concessionaire	VM7 Expressway Private Limited	VK1 Expressway Private Limited	Pathankot Mandi Highway Private Limited	Chittoor Thachur Highway Private Limited
Investment return to grantor at end of concession:	Yes	Yes	Yes	Yes
Investment and renewal obligations:	No	No	No	No
Repricing dates:	Half yearly for O&M	Half yearly for O&M	Half yearly for O&M	Half yearly for O&M
Basis upon which re-pricing or re-negotiation is determined:	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement
(iv) Financial assets :				
a) Current (₹ in Million)	₹ 2,728.63 million (March 31, 2022 : ₹ 1,148.59 million)	Not Applicable (March 31, 2022 : ₹ 599.15 million)	₹ 707.11 million (March 31, 2022 : Nil)	₹ 617.04 million (March 31, 2022 : Nil)
b) Non-current (₹ in Million)	₹ 3,990.72 million (March 31, 2022 : ₹ 1,722.89 million)	Not Applicable (March 31, 2022 : ₹ 12.372.58 million)	₹ 994.23 million (March 31, 2022 : Nil)	₹ 863.21 million (March 31, 2022 : Nil)

*During the year ended March 31, 2023, the Company has concluded the sale of investment held in its wholly owned subsidiary, VK1 Expressway Private Limited ("VK1") for an agreed consideration of ₹ 3,420 million vide Share Purchase Agreement (SPA) with IRB InvIT Fund on October 13, 2022 and thereafter VK1 ceased to be the subsidiary. The transaction has been consummated and the entire consideration has been received.

As at March 31 2023, the project is under construction phase. Balance obligation as on March 31, 2023 is ₹ 22,595.73 million (March 31, 2022 : ₹ 13,884.30 million).

Note:

In HAM projects, revenue is received / receivable as under:

- 40% of the total bid project cost with adjustment relating to Price Index Multiple, shall be due and payable to the Group in 5-10 equal installments during the construction period in accordance with the provisions of the SCA.
- The remaining bid project cost, with adjustment relating to Price Index Multiple, shall be due and payable in 30 bi-annual installments commencing from the 180th day of COD in accordance with the provision of the SCA.
- Interest shall be due and receivable on the reducing balance of Completion Cost at an interest rate equal to the applicable scheduled Bank Rate plus 1.25% - 3%. Such interest shall be due and receivable biannually along with each installment specified in of SCA.

(C) Disclosures with regard to Toll Operate Transfer Project

(i) Name of Concessionaire	IRB MP Expressway Private Limited (IRBMP) (formerly known as NKT Road and Toll Private Limited)
(ii) Description of the arrangement:	Tolling, operation, maintenance and transfer of Yashwantrao Chavan Expressway & National Highway NH-48 in the state of Maharashtra
(iii) Significant terms of the arrangement:	
Period of concession:	10 years 2 months
Start of concession period under concession agreement	March 1, 2020
End of concession period under concession agreement	April 30, 2030
Payment terms:	Upfront payment of ₹ 65,000 million and further staggered payment of ₹ 8,500 million in year 2, ₹ 8,500 million in year 3 and ₹ 620 million in year 4, aggregating to ₹ 82,620 million

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 39 : Trade Payable

a) Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no overdue amount to the Micro and Small enterprises as defined in the Micro, Small Medium Enterprises Development Act, 2006 except as set out in the following disclosures:

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the consolidated financial statement as at March 31, 2023 and March 31, 2022 based on the information received and available with the Group.

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Principal amount remaining unpaid to any supplier as at the period end	419.20	514.59
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.	-	-

MSME ageing schedule as at

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
MSME Undisputed Dues		
Not due	196.68	136.02
Less than 1 year	222.52	378.57
1-2 Years	-	-
2-3 Years	-	-
More than 3 years	-	-
Total	419.20	514.59

b) Ageing of creditors other than micro enterprises and small enterprises as at

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Others Undisputed Dues		
Not due	1,233.41	654.64
Less than 1 year	3,367.37	2,301.50
1-2 Years	1.66	343.17
2-3 Years	0.65	0.05
More than 3 years	-	0.96
Total	4,603.10	3,300.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 40 : Fair Values

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

(₹ in Million)

Particulars	Carrying amount		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Financial assets measured at fair value through statement of Profit & Loss				
Investments (Quoted) [#]	1,793.14	4,635.34	1,957.62	4,635.34
Other Financial assets	35,776.26	35,167.02	35,776.26	35,167.02
Trade receivable	1,341.72	5,998.85	1,341.72	5,998.85
Financial assets measured at fair value through other comprehensive income				
Investments (Quoted) [#]	7,777.29	8,078.59	6,256.66	4,875.36
Investments (Unquoted)	6.25	6.25	6.25	6.25
Financial assets measured at amortised cost				
Investments (Unquoted)	0.17	0.17	-	-
Loans	6,176.03	4,179.61	-	-
Other Financial assets	12,065.72	16,846.21	-	-
Trade receivable	16,352.31	9,935.47	-	-
Cash and cash equivalents	3,005.60	529.75	-	-
Other Bank balances	21,165.80	16,908.71	-	-

(₹ in Million)

Particulars	Carrying amount		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial liabilities				
Financial liabilities measured at amortised cost				
Trade payables	5,022.30	3,817.25	-	-
Borrowings (net of unamortised transaction cost)	1,67,396.86	1,66,852.67	-	-
Lease liabilities	85.07	119.98	-	-
Other financial liabilities	1,14,857.79	1,22,781.30	-	-

[#] The cost of quoted investment is ₹ 9,570.43 million (March 31, 2022: ₹ 12,713.93 million)

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

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

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

The above investments does not include equity investments in joint ventures which are carried at cost and hence are not required to be disclosed as per Ind AS 107 'Financial Instrument Disclosure'.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 41 : 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 in 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.

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2023:

Particulars	As on March 31, 2023	(₹ in Million)		
		Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	8,214.28	8,214.28	-	-
Investments (Unquoted) *	6.42	-	-	6.42
Other financial assets**	35,776.26	-	-	35,776.26
Liabilities				
Lease liabilities***	85.07	-	-	85.07
Non convertible debentures	6,376.30	-	6,422.28	-

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2022:

Particulars	As on March 31, 2022	(₹ in Million)		
		Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	9,510.70	9,510.70	-	-
Investments (Unquoted) *	6.42	-	-	6.42
Other financial assets**	35,167.02	-	-	35,167.02
Liabilities				
Lease liabilities***	119.98	-	-	119.98
Non convertible debentures	7,290.00	-	8,039.30	-

There have been no transfers between Levels during the year.

*The fair value in respect of the unquoted equity investments can not be reliably estimated and hence the same is valued at cost.

**The fair value measurements for the Receivable from IRB Infrastructure Trust ('Trust') have been categorised as Level 3 fair values based on the inputs to the valuation techniques used. The fair valuation is determined based on present value of projected cash flows and risk free discount rates. The significant unobservable inputs used are (a) applying probability for percentage of amount that will be collected against the claims raised / to be raised with customers including the timing of collection (over a period of three years) with weights being assigned to different probability scenarios; and (b) discount rate applied to determine present value is 11.90% (31 March 2022 - 10.30%).

Sensitivity: Higher probability by 5% and lower discount rate by 0.5% will increase the fair value by ₹ 4,166.87 million (31 March 2022 - ₹ 4,048.35 million). Lower probability by 5% and higher discount rate by 0.5% will reduce fair value by ₹ 3,946.06 million (31 March 2022 - ₹ 3,784.57 million). There were no significant inter-relationship between unobservable inputs that materially affects fair value .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Fair value movement for Receivable from Trust is as under:

	(₹ in Million)	
Particulars	March 31, 2023	March 31, 2022
At the Beginning of the year	35,167.02	32,957.00
Add: Adjustment on account of fair valuation	560.53	2,161.31
Add: Adjustment on account of interest unwinding and others	48.71	48.71
At the end of the year	35,776.26	35,167.02

Lease liabilities***

The sensitivity analysis below have been determined based on reasonably possible changes of the discounting rate occurring at the end of the reporting year, while holding all other assumptions constant.

If the discounting rate is 50 basis point higher (lower), the impact on profit would be decreased by ₹ 0.04 million (increased by ₹ 0.05 million).

Note 42 : 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 have 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 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, FVTOCI investments and derivative financial instruments.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments

Credit risk from balances with banks and financial institutions, trade receivables, loans and advances is managed by the Group's management in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Investment in Equity shares/units of joint ventures

The Group has investments in equity shares / units of joint ventures. The settlement of such instruments is linked to the completion of the respective underlying projects. Such Financial Assets are not impaired as on the reporting date.

Trade receivables

Concentration of credit risk with respect to trade receivables are high, due to the Group's customer base being limited. All trade receivables are reviewed and assessed for default on a quarterly basis. Based on historical experience of collecting receivables indicate a low credit risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

The following table provides information about the ageing of gross carrying amount of trade receivables as at :

	(₹ in Million)	
Gross Carrying Amount	March 31, 2023	March 31, 2022
Undisputed Trade receivables -considered good		
Less than 6 months	2,766.64	7,979.98
6 months - 1 year	7,028.82	6,313.96
1-2 Years	7,461.00	1,501.45
2-3 Years	435.97	59.18
More than 3 years	1.60	79.75
Total	17,694.03	15,934.32

Other financial assets and Loans

The Group has other receivables from related parties. The Group does not perceive any credit risk pertaining to other receivables except as given in the below table. The Group makes provision of expected credit losses to mitigate the risk of default payments and makes appropriate provision at each reporting date whenever outstanding is for a longer period and involves higher risk. The Group also has receivables from loans which are primarily provided in form of security deposits. The Group monitors the credit worthiness of such lessors where the amount of security deposits is material.

The movement in allowance for doubtful receivable is as follows:

	(₹ in Million)	
Particulars	March 31, 2023	March 31, 2022
Balance as at beginning of the year	64.10	-
Provision for credit impaired during the year	-	64.10
Balance as at end of the year	64.10	64.10

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.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

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 on fixed rate borrowing. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	(₹ in Million)	
Particulars	March 31, 2023	March 31, 2022
Long term borrowings - variable interest rate - (Gross of unamortised transaction cost)	1,12,842.93	1,21,659.66
Long term borrowings - fixed interest rate (Gross of unamortised transaction cost)	32,366.30	33,425.04
Short term borrowings - fixed interest rate	13,377.02	5,761.98
Short term borrowings - interest free	13.67	13.67
Financial assets - fixed interest rate	21,597.80	17,001.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Cash flow sensitivity analysis for variable rate instrument

	(₹ in Million)	
Gross Carrying Amount	March 31, 2023	March 31, 2022
Long term borrowings - Variable interest rate		
If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be		
- Decreased by	564.21	608.30
- Increased by	564.21	608.30
Long term borrowings - Variable interest rate		
If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be		
- Decreased by	161.83	167.13
- Increased by	161.83	167.13
Short term borrowings - fixed interest rate		
If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be		
- Decreased by	66.89	28.81
- Increased by	66.89	28.81
Financial assets - fixed interest rate		
If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be		
- Increased by	107.99	85.01
- Decreased by	107.99	85.01

Currency Risk

The Group conducts all the transactions in Indian Rupees which is also the functional currency of the Group. Hence, the sensitivity analysis is not required.

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 financial liabilities based on contractual undiscounted payments:

The Group maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 and March 31, 2022 is the carrying amounts of borrowings, trade payables and other financial liabilities. The Group maximum exposure relating to financial guarantees and financial instruments is noted in note 30 and the liquidity table below respectively:

	(₹ in Million)				
As at March 31, 2023	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Current Investments	1,956.99	1,956.99	1,956.99	-	-
Trade receivables	17,694.03	18,053.73	16,531.42	1,522.32	-
Cash and cash equivalents	3,005.60	3,005.60	3,005.60	-	-
Bank balance	21,165.80	21,165.80	21,165.80	-	-
Loans	6,176.03	6,176.03	6,176.03	-	-
Other financial assets	47,841.98	47,841.98	6,140.86	37,576.76	4,124.36
Total	97,840.43	98,200.13	54,976.70	39,099.08	4,124.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(₹ in Million)					
As at March 31, 2022	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Current Investments	4,634.98	4,634.98	4,634.98	-	-
Trade receivables	15,934.32	16,873.57	10,073.19	6,800.38	-
Cash and cash equivalents	529.75	529.75	529.75	-	-
Bank balance	16,908.71	16,908.71	16,908.71	-	-
Loans	4,179.61	4,179.61	4,179.61	-	-
Other financial assets	52,013.23	52,013.23	2,691.10	49,322.13	-
Total	94,200.60	95,139.85	39,017.34	56,122.51	-

(₹ in Million)					
As at March 31, 2023	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Long term Borrowings (Gross of unamortised transaction cost)*	1,54,705.20	1,90,659.25	21,098.31	99,963.92	69,597.02
Short term borrowings	13,870.52	14,590.19	14,590.19	-	-
Lease liabilities	85.07	85.07	39.58	45.49	-
Other financial liabilities	1,14,857.79	1,14,857.79	8,367.53	22,085.70	84,404.56
Trade payables	5,022.30	5,022.30	5,022.30	-	-
Total	2,88,540.88	3,25,214.60	49,117.91	1,22,095.11	1,54,001.58

(₹ in Million)					
As at March 31, 2022	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Long term Borrowings (Gross of unamortised transaction cost)*	1,62,185.55	2,03,693.89	16,322.22	1,01,000.71	86,370.96
Short term borrowings	6,229.11	6,873.24	6,873.24	-	-
Lease liabilities	119.98	119.98	34.92	85.06	-
Other financial liabilities	1,22,781.30	1,22,781.30	10,717.31	26,871.50	85,192.49
Trade payables	3,817.25	3,817.25	3,817.25	-	-
Total	2,95,133.19	3,37,285.66	37,764.94	1,27,957.27	1,71,563.45

*Refer note 17(iv)(a).

The Group has sufficient level of cash and bank balances, including highly marketable debt investments to meet the financial liabilities over the next twelve months. Moreover, the Group has maintained adequate sources of financing including debt tie up with banks/ financial institutions and overdraft facility from banks in respect of committed capital and operational outflows.

Note 43 : Loans or advances to specified persons

(₹ in Million)				
Types of borrower	March 31, 2023		March 31, 2022	
	Gross Carrying Amount outstanding*	% of Total ^	Gross Carrying Amount outstanding*	% of Total ^
1. Promoters	-	-	-	-
2. Directors	-	-	-	-
3. KMPs	-	-	-	-
4. Related Parties	477.81	7.74%	477.81	11.43%
Total aggregate loans	6,176.03		4,179.61	

* represents repayable on demand.

^ represents percentage to the total Loans and Advances in the nature of loan

There are no loan without specifying any terms or period of repayment in the current and previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 44 : 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, 2023 and March 31, 2022. 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 (Gross of unamortised transaction cost) less cash and cash equivalents.

	(₹ in Million)	
Particulars	March 31, 2023	March 31, 2022
Long term Borrowings (Note 17)	1,54,705.20	1,62,185.55
Short term Borrowings (Note 17)	13,870.52	6,229.11
Less: cash and cash equivalents (Note 12A and 20)	(3,005.60)	(472.83)
Net debt	1,65,570.12	1,67,941.83
Equity (Note 15 and 16)	1,33,788.99	1,25,656.41
Total equity	1,33,788.99	1,25,656.41
Capital and net debt	2,99,359.11	2,93,598.24
Gearing ratio (%)	55.31%	57.20%

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 45 : Dividend Distribution made

	(₹ in Million)	
Particulars	March 31, 2023	March 31, 2022
Cash dividend on equity shares declared and paid :		
Interim dividend for the year ended March 31, 2023 ₹ 1.25/- per share of face value of ₹ 10 each (refer note 15)	754.88	-
Total	754.88	-

Note 46 : Donation

During the current year, donation given to political parties amounts to ₹ 265.00 million (31 March 2022 - ₹ 250.00 million). Details are as under:

	(₹ in Million)	
Particulars	March 31, 2023	March 31, 2022
Donation through Electoral bonds	265.00	250.00
Total	265.00	250.00

Note 47 : Details of specific projects

IRBAV

- During the year ended March 31, 2015, the Group had received approval of NHAI for premium deferment for Ahmedabad Vadodara project. The Scheme is applicable to the Project from FY14-15 onwards. Such deferred premium is included in non current / other current financial liabilities.
- IRBAV has been awarded the contract on a DBFOT basis. As per the terms of the concession agreement, IRBAV is obligated to pay an amount of ₹ 148,806.38 million to NHAI as additional concession fee over the concession period. Accordingly, from financial year 2014-15, 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, 2023

- (c) IRB Ahmedabad Vadodara Super Express Tollway Private Limited ('IRBAV'), a subsidiary of the Company has received award from Hon'ble High court for continuation of relief from payment of Premium to NHAI till the outcome of Section 17 proceedings under Arbitration. Pending outcome of the matter, the said entity has paid premium to NHAI only to the extent of available cash surplus.

Note 48 : Corporate Social Responsibility

Particulars	₹ in Million	
	March 31, 2023	March 31, 2022
(a) Gross amount required to be spent by the Group during the year	160.83	196.22
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
In cash	-	-
Yet to be paid in cash	-	-
Total	-	-
(ii) On purposes other than (i) above		
In cash	164.12	201.32
Yet to be paid in cash	-	-
Total	164.12	201.32
(c) Shortfall at the end of the year	Nil	Nil
(d) Total of previous years shortfall	Nil	Nil
(e) Reason for shortfall	Not Applicable	Not Applicable
(f) Nature of CSR activities	Eradicating Poverty, Providing Healthcare and Education facilities	Eradicating Poverty, Providing Healthcare and Education facilities
(g) Details of related party transactions, e.g., contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

Note:

- i. The Company does not have any ongoing projects as at March 31, 2023.
- ii. The Company has elected not to carry forward any excess amount spent during the year

Note 49 : Interest in joint ventures

The Group has 51% interest in IRB Infrastructure Trust (Trust), Meerut Budaun Expressway Limited (MBEL) and MMK Toll Road Private Limited (MMK) and has joint control over the said entities. The Group's interest in the consolidated financial statements of Trust and the standalone financial statements of MBEL and MMK are accounted for using the equity method in the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Summarised financial information of the joint ventures, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised Balance Sheet as at March 31, 2023 and March 31, 2022:

Particulars				(₹ in million)	
	March 31, 2023			March 31, 2022	
	MBEL	Trust	MMK	Trust	MMK
Non-current assets including intangible assets	16,100.57	2,32,382.29	0.48	2,24,710.72	0.10
Current assets including cash and cash equivalents	651.43	11,096.20	103.89	6,864.15	115.71
Non-current liabilities including borrowings	(6,342.02)	(1,41,855.50)	(8.01)	(1,35,078.03)	(2.71)
Current liabilities including trade payables	(4,736.92)	(24,088.65)	(6.88)	(19,100.80)	(10.42)
Equity	5,673.06	77,534.34	89.47	77,396.04	102.68
Other Adjustment to Equity	-	-	0.12	-	1.48
Adjusted Equity	5,673.06	77,534.34	89.59	77,396.04	104.16
Proportion of Group's ownership	51%	51%	51%	51%	51%
Carrying amount of investment	2,893.25	39,542.50	45.69	39,471.99	53.11

Summarised statement of profit and loss of the following entities:

Particulars				(₹ in Million)	
	March 31, 2023			March 31, 2022	
	MBEL	Trust	MMK	Trust	MMK
Total income	7,743.10	27,175.66	49.03	12,504.97	36.49
Road work and site expenses	(7,305.51)	(15,513.22)	-	(3,989.80)	-
Depreciation and amortisation expenses	-	(2,810.42)	-	(1,674.90)	-
Employee benefit expenses	-	-	(53.61)	-	(28.50)
Finance costs	(139.36)	(10,254.69)	0.00	(9,538.70)	-
Investment Manager Fees	-	(56.52)	-	(42.48)	-
Other expenses	(48.88)	(845.29)	(6.35)	(2,406.43)	(7.42)
Tax expenses	(62.75)	32.88	(2.42)	711.36	(0.20)
Re-measurement gains on defined benefit plans (net of taxes)	-	-	0.14	-	-
(Loss)/Profit for the period	186.60	(2,271.60)	(13.21)	(4,435.98)	0.37
Proportion of ownership interest	51%	51%	51%	51%	51%
Share of loss /(profit)	95.16	(1,158.51)	(6.74)	(2,262.34)	0.19

Note 50 : Contract Revenue

(a) The Group undertakes Engineering, Procurement and Construction business, toll collection and operation and maintenance work. The type of work in the contracts with the customers involve construction, engineering, designing etc.

(b) Disaggregation of revenue from contracts with customers

The Group believes that the information provided under Note 24, Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers and also refer note (d).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

(c) Reconciliation of contract assets and liabilities:

	(₹ in Million)	
Particulars	March 31, 2023	March 31, 2022
Contract assets*		
Due from contract customers (contract assets)		
At the beginning of the reporting period	4,915.41	561.68
Cost incurred plus attributable profits on contracts-in-progress	42,717.65	39,219.37
Progress billings made towards contracts-in-progress	41,350.81	34,865.64
At the end of the reporting period	6,282.25	4,915.41
Contract liabilities**		
Advance from contract customers (contract liability)		
At the beginning of the reporting period	-	85.54
Revenue recognised during the year	-	85.54
Progress billings made towards contracts-in-progress	-	-
At the end of the reporting period	-	-

*The contract assets primarily relate to the Group's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Invoices are raised on the customers based on the agreed contractual terms and are collected as per agreed payment terms.

**The contract liability primarily relates to the advances from customer towards on-going EPC projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

(d) Reconciliation of revenue as per Ind AS 115

	(₹ in Million)	
Particulars	March 31, 2023	March 31, 2022
Contracted Price	39,630.93	36,368.23
Less: Fair value adjustment as per Ind AS 115	84.58	1,224.21
Revenue from Operations (as per Statement of Profit and Loss)		
- Construction Revenue (road construction)	39,546.35	35,144.02
- Operation and maintenance revenue	3,171.30	4,160.89
Total	42,717.65	39,304.91
Revenue from toll operations		
Revenue total collected	20,697.57	17,668.13
Less : Payment as revenue share*	264.90	175.08
Total	20,432.67	17,493.05

* Comprises double user fee from non fastag users in the current year of ₹ 264.90 million (March 31, 2022: ₹ 175.08 million)

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Performance obligation

The Group undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for road construction. The type of work in these contracts involve construction, engineering, designing, etc.

The Group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Group provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Group enters into multiple contracts with the same customer, the Group evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Group recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognizes the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

(e) Revenue recognition for future related to performance obligations that are unsatisfied (or partially satisfied) :

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Group has applied the practical expedient in Ind AS 115.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 87,071.51 million out of which 52.01% (March 31, 2022 : ₹ 1,04,594.58 million out of which 37.22%) is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Practical expedients:

Applying the practical expedient in paragraph 63 of Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for EPC contracts that have original expected duration of one year or less.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 51 : Disclosure on Ind-AS 116 Leases

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023 and March 31, 2022:

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	115.83	86.18
Additions/other adjustments	-	61.38
Depreciation	(39.70)	(31.73)
Balance at the end of the year	76.13	115.83

The following is the break-up of current and non-current lease liabilities as of March 31, 2023 and March 31, 2022

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
lease liabilities - current	39.58	34.92
lease liabilities - non- current	45.49	85.06
Total	85.07	119.98

The following is the movement in lease liabilities for the year ended March 31, 2023 and March 31, 2022

Particulars	(₹ in Million)	
	March 31, 2023	March 31, 2022
Opening balance	119.98	88.19
Additions and other adjustments	-	62.92
Interest charged	10.62	12.25
Payments made	(45.53)	(43.38)
Closing balance	85.07	119.98

Rental expense recorded for short-term leases / Variable lease/ low-value leases was ₹ 40.39 million (March 31, 2022: ₹ 32.20 million).

Maturity analysis

	(₹ in Million)				
	Total	Less than 1 year	Between 1 and 3 years	More than 3 years	Weighted average effective interest rate %
March 31, 2023					
Lease liabilities	85.07	39.58	45.49	-	10.50%
March 31, 2022					
Lease liabilities	119.98	34.92	85.06	-	10.50%

Note 52 : Intra-group turnover and profits on BOT construction contracts

The BOT contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets toll collection rights against the construction services incurred. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realised.

Accordingly, BOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intra group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Ind AS 110 Consolidated financial statement

The revenue and profit in respect of these transactions during the year is ₹ 1,516.17 million (previous year: ₹ 1,250.03 million) and ₹ 450.00 million (previous year: ₹ 329.13 million) respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 53 : Disclosure pursuant to Section 186 of the Companies Act, 2013

Investments in entities

(₹ in Million)						
Entity	Financial year ended	Opening Balance	Investment made	Sale of Investment/ capital reduction	Fair Value gain/(loss)	Closing Balance
Union Bank of India	31 March 2023	0.36	-	-	0.27	0.63
National Savings Certificates	31 March 2023	0.17	-	-	-	0.17
Indian Highways Management Company Limited	31 March 2023	5.55	-	-	-	5.55
The Kalyan Janta Sahakari Bank Limited	31 March 2023	0.50	-	-	-	0.50
The Dombivali Nagri Sahakari Bank Limited	31 March 2023	0.20	-	-	-	0.20
IRB InvIT Fund	31 March 2023	4,875.36	-	301.30	1,682.60	6,256.66
Total		4,882.14	-	301.30	1,682.87	6,263.71

Investments in entities - joint ventures

(₹ in Million)						
Entity	Financial year ended	Opening Balance	Investment/ Transfer made	Share of (loss)/ profit	Equity Share	Closing Balance
Equity Investments						
IRB Infrastructure Trust	31 March 2023	39,471.99	1,236.75	(1,159.21)	(7.82)	39,541.71
Palsit Dankuni Tollway Private Limited *	31 March 2023	-	0.09	0.70	-	0.79
Meerut Budaun Expressway Limited **	31 March 2023	-	2,798.09	95.16	-	2,893.25
MMK Toll Road Private Limited	31 March 2023	53.11	-	(6.74)	(0.68)	45.69
Total		39,525.10	4,034.93	(1,070.09)	(8.50)	42,481.44
Non Convertible debentures						
Meerut Budaun Expressway Limited	31 March 2023	-	707.20	-	-	707.20

Investments in entities

(₹ in Million)						
Entity	Financial year ended	Opening Balance	Investment made	Sale of Investment/ capital reduction	Fair Value gain/(loss)	Closing Balance
Union Bank of India	31 March 2022	0.31	-	-	0.05	0.36
National Savings Certificates	31 March 2022	0.17	-	-	-	0.17
Indian Highways Management Company Limited	31 March 2022	5.55	-	-	-	5.55
The Kalyan Janta Sahakari Bank Limited	31 March 2022	0.50	-	-	-	0.50
The Dombivali Nagri Sahakari Bank Limited	31 March 2022	0.20	-	-	-	0.20
IRB InvIT Fund	31 March 2022	4,964.35	-	333.73	244.74	4,875.36
Total		4,971.08	-	333.73	244.79	4,882.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Investments in entities - joint ventures

(₹ in Million)						
Entity	Financial year ended	Opening Balance	Investment made	Share of (loss)/ profit	Equity Share	Closing Balance
IRB Infrastructure Trust	31 March 2022	39,842.61	1,946.33	(2,262.35)	(54.60)	39,471.99
MMK Toll Road Private Limited	31 March 2022	52.92	-	0.19	-	53.11
Total		39,895.53	1,946.33	(2,262.16)	(54.60)	39,525.10

Management is of the view that investment in mutual fund shall not form part of disclosure under section 186 (11) read with Schedule VI of the Act since they do not fall under the definition of body corporate as defined in section 2 of Companies Act, 2013.

The Company and Group is engaged in the business of providing infrastructural facilities as per Section 186 (11) read with Schedule VI of the Companies Act 2013. Accordingly, disclosures under Section 186 of the Act in respect of loan made, investments, guarantees given or security provided is not applicable to the Company and Group.

* The Company has executed arrangement for implementation of Palsit Dankuni Tollway Private Limited (PDTPL) through the IRB Infrastructure Trust. Accordingly, PDTPL ceases to be subsidiary on April 1, 2022 and is considered a joint venture of the Company.

** Meerut Budaun Expressway Limited (MBEL), a wholly owned subsidiary of the Company, has issued equity shares of ₹ 5,332 million to GIC Affiliates (₹ 2,612.92 million) and the Company (₹ 2,719.08 million). Post this transaction, in MBEL, the Company and GIC Affiliates holds equity shares in the ratio of 51% and 49% respectively. On October 15, 2022, the parties vide Share Purchase Agreement (SPA) have gained joint control to direct the relevant activities of MBEL. Accordingly, MBEL ceases to be subsidiary on October 15, 2022 and is considered a joint venture of the Company.

Note 54 : Arbitration award

During the earlier year, pursuant to the measures approved by the Cabinet Committee on Economic Affairs ("CCEA") for revival of the construction sector, IRB Goa Tollway Private Limited (IRB Goa) has received from National Highways Authority of India (NHAI) ₹ 2,485.04 million against bank guarantee submitted by IRB Goa as 75% of the Arbitral Award amount pronounced by the Arbitral Tribunal. Subsequently NHAI had challenged the arbitration award in High Court. In the current financial year, the petition filed by NHAI challenging the Arbitral Award has been dismissed by the Honorable Delhi High Court and the Arbitral Award has been upheld. The amount of the Arbitral Award for Claim on termination of Concession agreement of the Project as determined by the Honorable High Court including accrued interest aggregate to ₹ 3701.79 million. Out of total claim amount ₹ 248.95 million (March 31, 2022 : ₹ 1,216.75 million) are yet to be receive from NHAI which has been shown as Trade Receivable.

Note 55 : Note on Board Consent for sale of Non core assets

During the year ended 31 March 2022, the board of directors has provided their consent and accorded for sale of the non-core assets in Ideal Road Builders Private Limited and Aryan Infrastructure Investments Private Limited to Mr. Virendra D. Mhasikar, the promoter of the Company.

A land measuring 13,047.80 sq. mtrs at Chandivali Village, Mumbai comprising of IRB Corporate Office and two residential properties which are owned by Ideal Road Builders Private Limited and certain equity shares of Aryan Infrastructure Investments Private Limited will be sold to the promoter at prevailing market prices on arm's length basis. The total consideration determined is not less than ₹ 4,150 million and not more than ₹ 4,200 million for both the transaction.

The Company is yet to commence the process of valuation of the underlying properties/instruments and it is unlikely that the sale will be effected in less than 12 months from the date of the Balance Sheet. Hence, the Group has not classified the non-current assets in Ideal Road Builders Private Limited and investments in certain equity shares of Aryan Infrastructure Investment Private Limited to assets held for sale as per Ind AS 105 - "Non-Current Assets Held for Sale and Discontinued Operations".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 56 : Disclosure required for Borrowings based on security of current Assets

The Company has been sanctioned overdraft limits of ₹ 13,128.70 million, in aggregate, from banks on the basis of security of fixed deposits placed with banks. The Company is not required to file quarterly returns or statements with such banks. The Company has not been sanctioned any working capital limits from any financial institutions.

In one of the subsidiary, Cash credit facilities from banks or financial institutions has been availed on the basis of security of current assets, there is no disagreement between books of account and quarterly statements of current assets filed by the subsidiary with banks or financial institutions during the year ended March 31, 2023 and year ended March 31, 2022.

Note 57 : Disclosure of Derivative Contracts

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. At the year end, the Company has reviewed and there are no long term contracts for which there are any material foreseeable losses.

Note 58 : Disclosure of Transactions with struck off companies

The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 59 : Other Statutory Information

- a) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- b) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- c) During the year, the Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- d) During the year ,the Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- e) The company is not declared as wilful defaulter by any bank of financial institution or other lenders.
- f) The Group does not have any approved schemes of arrangements during the year.
- g) The Group has not traded or invested in Crypto currency or Virtual Currency during the current year
- h) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2023

Note 60 : Subsequent events

There are no subsequent events which require disclosure or adjustment subsequent to the balance sheet date.

Note 61 : Other Matters

Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of Profit and Loss as specified in Schedule III to the Companies Act, 2013 is either 'nil' or 'not applicable' to the Group for the year.

As per our report of even date.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration Number : 105047W

Siddharth Iyer

Partner

Membership No.: 116084

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

Chinmaya Deval

Partner

Membership No.: 148652

Place : Mumbai

Date : May 19, 2023

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Deepali V. Mhaikar

Whole Time Director

DIN: 00309884

Tushar Kawedia

Chief Financial Officer

Mehul N. Patel

Company Secretary

Membership No.: A14302

Place : Mumbai

Date : May 19, 2023

Independent Auditors' Report

**To the Members of
IRB Infrastructure Developers Limited**

Report on the Audit of Consolidated Financial Statements

Opinion

We have jointly audited the consolidated financial statements of IRB Infrastructure Developers Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 of such subsidiaries and its joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at

March 31, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our joint audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs 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 and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Description of Key Audit Matters

Assessment of recoverability of investment in and loans provided to joint ventures and fair valuation of other receivables (refer Note 3.03, 5, 7, 8, 41, 42 and 50 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our joint audit
As at March 31, 2022, the Group has an investment in joint ventures of ₹ 39,522.52 millions held at cost less impairment. The Group has given loans to its joint ventures of ₹ 4,085.99 millions and has an other receivable of ₹ 35,167.02 millions from a joint venture which is carried at fair value. Recoverability of investment in and loans given to joint ventures The Group has investments in joint ventures which are considered to be associated with significant risk in respect of valuation of such investments. Changes in business environment could also have a significant impact on the valuation of these investments. These investments are carried at cost less any diminution in value of such investments. The investments are examined for impairment at each reporting date. These investments are unquoted and hence it is difficult to measure the realisable amount of these investments.	Recoverability of investment in and loans given to joint ventures Our audit procedures included: • we have evaluated the design and implementation and tested the operating effectiveness of key controls placed around the impairment assessment and process of the recoverability of the investments made and loans given. It included estimating future cash flows forecasts, the process by which they were produced and discount rates used. • we have assessed Group's identification of CGU with reference to the guidance in the applicable accounting standards. • assessed the net worth of joint ventures on the basis of latest available financial statements. • we verified on test check basis the underlying 'value in use' model to assess the adequacy of specific inputs such as the discount rate, long-term growth rate and use of methodology;

The Key Audit Matter

The Group performs an annual assessment of impairment for its investments in joint venture at each cash generating unit (CGU) level, to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These variables used to determine the value in use are evolving especially in light of uncertainty related to the COVID 19 pandemic.

These models use several key assumptions, concerning estimates of future revenue growth, concession period, operations costs, the discount rate, qualitative assessments of the status of the project and cost of complete for balance work.

The Group's assessment of the remaining 'value in use' is judgmental because it is based on forecast results and uncertain outcomes. Further, determining these estimates may be subject to a degree of Group's bias.

The Company has extended loans to joint ventures which are assessed for recoverability at each period end. Financial assets, which include loans to joint ventures aggregated to ₹ 4,085.99 millions at March 31, 2022

Due to the nature of the business in the infrastructure projects, the Company is exposed to heightened risk in respect of the recoverability of the loans and advances granted to the aforementioned related parties.

There is judgment involved on the recoverability of loans/ advances which rely on a number of infrastructure projects being completed as per the schedule timelines and generation of future cash flows.

Fair valuation of other receivable from joint venture

The Group has receivable of ₹ 35,167.02 millions as on March 31, 2022 from a joint venture on account of transfer of 9 project companies to the said joint venture.

Due to the nature of the business in the infrastructure projects, the Group is exposed to heightened risk in respect of the fair valuation of the other receivables due from the joint venture.

There is judgment involved on the recoverability of other receivables which rely on a number of infrastructure projects being completed as per the scheduled timelines and generation of future cash flows.

There is also judgement involved on assessing recoverability of other receivables which rely on key assumptions such as timing of collection, the discount rate, and the probability of success in respect of the claims.

How the matter was addressed in our joint audit

- we focused on the sensitivity in the difference between the estimated value and book values of the projects, where change in assumptions could cause the carrying amount to exceed its estimated present value.
- We examined and assessed the work performed by management's external valuation experts, including the valuation methodology and the key assumptions used. We also assessed the competence, capabilities and objectivity of the experts used by the management in the process of evaluating impairment models.
- Involved our internal valuation specialists, to evaluate the reasonability of the methodology, approach and assumptions used in the valuation carried out for determining the value in use of investments in joint venture.
- we focused on key assumptions which were most sensitive to the recoverable value of the investments. We also assessed the key assumptions were plausible and appropriate in the light of the current environment of the COVID 19 pandemic. We also assessed the historical accuracy of the estimates
- considered the adequacy of disclosures in respect of the investment in joint venture.

Recoverability of other receivable from joint venture

Our procedures included:

- we have examined the key controls in place for novation of loans and evidenced the Board of Directors approval obtained.
- we have obtained Group's assessment of the fair valuation of the other receivables which includes cash flow projections over the duration of the other receivables. These projections are based on underlying infrastructure project cash flows which are sensitive to some of the claims to be settled with the customers.
- we have involved our internal valuation specialists, to evaluate the reasonability of the methodology, approach and assumptions used in the valuation carried out for determining the fair value of other receivable from joint venture.
- we have held discussions with management as well as their legal teams on the admissibility and the likelihood of the claim settlement.
- we have independently requested and obtained confirmations to evaluate the completeness and existence of other receivables from joint venture as on March 31, 2022.
- we have verified the classification and disclosures of the other receivables in accordance with accounting standards.

Measurement of Construction revenue (refer Note 3.05, 3.08, 24 and 51 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
Revenue from construction contracts represents 64.68% of the total revenue from operations of the Group. Revenue from these contracts is recognised on satisfaction of performance obligation over time in accordance with the requirements of relevant accounting standards. The Group has construction contracts whose revenue recognition can be dependent on a high level of judgement over the percentage of completion. It is based on their best estimate of the costs to complete valuation of contractual variations, claims and ability to deliver the contract within the contractual time limit. The execution of construction contracts also requires assessment of execution risk resulting from uncertainty related to COVID 19 pandemic. The Group use the input method based on costs incurred to measure progress of the projects. Under this approach, the entity recognises revenue based on the costs incurred to date relative to the estimated total costs to complete the performance obligation. Profit is not recognised until the outcome of the contract is fairly certain. Revenue is a key performance indicator of the Group. Accordingly, there is a risk the Group may influence the judgements and estimates of revenue recognition in order to achieve performance targets to meet market expectations or incentive links to performance. Revenues, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new knowledge about cost overruns and changes in project scope over the term of a construction contract.	Our audit procedures included: • we obtained an understanding and consideration of the appropriateness of the policies in respect of revenue recognition against the criteria in the accounting standards. • we have evaluated the design and implementation and tested operating effectiveness of key controls around the contract price, estimation of costs to complete and billings to customers and management's testing of these attributes. • we understood and documented the contract and other related contractual provisions including contractually agreed deliverables, termination rights, penalties for delay, etc. to understand the nature and scope of the arrangements with the customer. • we assessed key judgements inherent in the estimation of significant construction contract projects. It includes comparing the stage-of-completion and costs to completion on significant projects using Lender's Engineer latest certificate/Monthly Progress report. • we assessed the estimated costs to complete, variations in contract price and contract costs and sighted underlying invoices, signed contracts/statements of work completed for all ongoing projects. • we tested samples of manual journals posted to revenue to identify unusual items. • we checked that the disclosures made in note 51 to the Group's consolidated financial statements are compliant with Ind AS -115.

Impairment Testing for Intangible Assets– Toll Collection Rights (refer Note 3.12 and 4 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
As at March 31, 2022, the carrying amount of intangible assets and intangible assets under development is ₹ 263,058.62 millions and ₹ 357.73 millions respectively. The Group and its joint ventures have toll collection rights as intangible assets pursuant to the concession agreement. The carrying value of these rights acquired under BOT basis is being compared to the recoverable value (which is value in use in the instant case) thereof to ascertain for impairment. The process involves estimating the value in use of the asset which is determined by forecasting and discounting future cash flows. The same is sensitive to changes in discount rate, traffic growth rates, toll rates, concession period etc. These variables are evolving especially in light of uncertainty related to the COVID 19 pandemic. The determination of the recoverable amount of the toll collection right involves significant judgment due to inherent uncertainty in the assumptions evaluated for recoverable amount of these rights. Accordingly, the evaluation of impairment of toll collection rights has been determined a key audit matter.	Our audit procedures included: • we have evaluated the design and implementation and tested the operating effectiveness of key controls around the estimation future cash flows forecasts, the process by which they were produced and discount rates used. • we understood Group and its joint ventures assessment on impairment for intangible assets - toll collection rights and intangible under development. We assessed the model by testing the mathematical accuracy of the discounted cash flow model, evaluation of the assumption and methodologies on a test check basis the underlying recoverable value. We also engaged specialists to evaluate the adequacy of specific inputs such as the discount rate, traffic growth rate, toll charges etc. • we focused on key assumptions such as discount rate, traffic growth rates, toll rates, concession period etc. which were most sensitive to the recoverable value of the intangible asset. We also assessed the key assumptions were plausible and appropriate in the light of the current environment of the COVID 19 pandemic. We also assessed the historical accuracy of Group's estimates. • we have evaluated the objectivity, independence and competence of specialists involved. • we have involved our internal valuation specialist, where appropriate, to evaluate the reasonability of the methodology, approach and assumptions used in the valuation carried out for determining the carrying amount of investments • we checked the adequacy of disclosures in respect of the intangible assets - toll collection rights and intangible under development

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' 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 joint 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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 and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group and its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors / Trustees of the companies / trust included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company / trust, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors / Trustees of the companies / trust included in the Group and its joint ventures are responsible for assessing the ability of each company / trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors / Trustees either intends to liquidate the company

/ trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors / Trustees of the companies / trust included in the Group and its joint ventures is responsible for overseeing the financial reporting process of each company / trust.

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 joint audit in accordance with SAs, we exercise professional judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 and its joint ventures 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 such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities 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. Our responsibilities in this regard are further described in sub-paragraph (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities 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 joint 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 auditors' 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

- (a) We did not audit the financial statements of sixteen (16) subsidiaries, whose financial statements reflect total assets of ₹ 253,899 millions (before consolidation adjustments) as at March 31, 2022, total revenues of

₹ 42,837 millions (before consolidation adjustments) and net cash outflows amounting to ₹ 288 millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 0.2 millions (before consolidation adjustments) for the year ended March 31, 2022, in respect of one (1) joint venture, whose financial statements have not been audited by us. These financial statements 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 joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and a joint venture is based solely on the audit reports of the other auditors.

- (b) The consolidated financial statements include the financial statements of one (1) subsidiary, whose financial statements reflect total assets of ₹ 19,068 millions (before consolidation adjustments) as at March 31, 2022, total revenue of ₹ Nil (before consolidation adjustments) and net cash outflows amounting to ₹ 7.4 millions for the year ended on that date, as considered in the consolidated financial statements, which have been audited by B S R & Co. LLP, Chartered Accountants, one of the joint auditors of the Holding Company.
- (c) The consolidated financial statements include the financial statements of six (6) subsidiaries whose financial statements reflect total assets of ₹ 100,309 millions (before consolidation adjustments) as at March 31, 2022, total revenue of ₹ 20,012 millions (before consolidation adjustments) and net cash inflows amounting to ₹ 1.8 millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 2,262 millions (before consolidation adjustments) for the year ended March 31, 2022, in respect of one (1) joint venture, which have been audited by Gokhale & Sathe, Chartered Accountants, one of the joint auditors of the Holding Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- B. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and a joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our joint audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
 - e) on the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and a joint venture incorporated in India, none of the directors of the Group and its joint venture incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) with respect to the adequacy of the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary companies and a joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- C. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and its joint ventures as noted in the 'Other Matters' paragraph:
- i. the consolidated financial statements disclose the impact of pending litigations as at March 31, 2022 on the consolidated financial position of the Group and its joint ventures. Refer Note 33 to the consolidated financial statements;
 - ii. the Group and its joint ventures did not have any material foreseeable losses on long-term contracts, including derivative contracts, during the year ended March 31, 2022;
 - iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Group and its joint ventures incorporated in India during the year ended March 31, 2022;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 55(A) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the note 55(B) to the consolidated financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us

to believe that the representations under sub-clause (iv)(a) and (iv)(b) contain any material mis-statement.

- v The Holding Company and its subsidiary companies and a joint venture company incorporated in India have neither declared nor paid any dividend during the year.
- D. With respect to the matter to be included in the Auditor's report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and a

joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and a joint venture to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies and a joint venture is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No: 105149

UDIN: 22105149AJBXUS1489

Mumbai

May 17, 2022

For **Gokhale & Sathe**

Chartered Accountants

ICAI Firm's Registration No: 103264W

Chinmaya Deval

Partner

Membership No: 148652

UDIN: 22148652AJBYJE4867

Mumbai

May 17, 2022

Annexure A

to the Independent Auditor's Report on Consolidated Financial Statements

(Referred to in our report of even date)

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the consolidated financial statements for the year ended March 31, 2022, we report the following:

- (i) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report
1	IRB Infrastructure Developers Limited	L65910MH1998PLC115967	Holding Company	(3) (iii) (e) (3) (ix) (d)
2	Palsit Dankuni Tollway Private Limited	U45201MH2021PTC359020	Subsidiary	(3) (ix) (d) (3) (xvii)
3	IRB Ahmedabad Vadodara Super Express Tollway Private Limited	U45400MH2011PTC218122	Subsidiary	(3) (ix) (d)
4	Mhaikar Infrastructure Private Limited	U45200MH2004PTC144258	Subsidiary	(3) (iii) (e) (3) (xvii)
5	Meerut Budaun Expressway Private Limited	U45309MH2022PTC374506	Subsidiary	(3) (xvii)
6	IRB Sindhudurg Airport Private Limited	U45200MH2009PTC195740	Subsidiary	(3) (xvii)
7	IRB Goa Tollway Private Limited	U45203MH2010PTC199746	Subsidiary	(3) (xvii)
8	Pathankot Mandi Highway Private Limited	U45309MH2021PTC359447	Subsidiary	(3) (xvii)
9	IRB PS Highway Private Limited (formerly known as MRM Highways Private Limited)	U26940MH2010PTC203790	Subsidiary	(3) (xvii)
10	GE1 Expressway Private Limited (formerly known as IRB PP Highway Private Limited)	U45400MH2016PTC272250	Subsidiary	(3) (xvii)
11	Chittoor Thachur Highway Private Limited	U45400MH2021PTC369357	Subsidiary	(3) (xvii)
12	Aryan Toll Road Private Limited	U45200MH2003PTC138808	Subsidiary	(3) (xvii)
13	Aryan Infrastructure Investments Private Limited	U45201MH2006PTC163684	Subsidiary	(3) (xvii)
14	Aryan Hospitality Private Limited	U55101MH2008PTC189243	Subsidiary	(3) (xvii)

For **BSR & Co. LLP**

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No: 105149

UDIN: 22105149AJBXUS1489

Mumbai

May 17, 2022

For **Gokhale & Sathe**

Chartered Accountants

ICAI Firm's Registration No: 103264W

Chinmaya Deval

Partner

Membership No: 148652

UDIN: 22148652AJBYJE4867

Mumbai

May 17, 2022

Annexure B

to the Independent Auditors' report on the consolidated financial statements of IRB Infrastructure Developers Limited for the year ended March 31, 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our joint audit of the consolidated financial statements of the IRB Infrastructure Developers Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and joint venture, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its joint venture have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our joint audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and a joint venture in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to sixteen (16) subsidiary companies and one (1) joint venture, which are companies incorporated in India and to whom internal control over financial statements is applicable, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No: 105149

UDIN: 22105149AJBXUS1489

Mumbai

May 17, 2022

For **Gokhale & Sathe**

Chartered Accountants

ICAI Firm's Registration No: 103264W

Chinmaya Deval

Partner

Membership No: 148652

UDIN: 22148652AJBYJE4867

Mumbai

May 17, 2022

Consolidated Balance sheet

as at March 31, 2022

(₹ in millions)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,458.46	1,377.31
Capital work in progress	4	267.55	360.60
Right to use asset	52	115.83	86.18
Goodwill on consolidation	4	78.04	78.04
Other Intangible assets	4	2,63,058.62	2,69,479.66
Intangible assets under development	4	357.73	6,369.61
Financial assets			
i) Investments	5		
a. investment in joint-ventures		39,525.10	39,895.53
b. other investments		4,882.14	4,971.08
ii) Trade receivables	6	5,998.85	2,476.18
iii) Loans	7	-	0.04
iv) Other financial assets	8	49,322.13	31,002.45
Deferred tax assets	9	1,289.09	710.66
Other non-current assets	10	38.10	29.44
Total non-current assets (A)		3,74,391.64	3,56,836.78
Current assets			
Inventories	11	3,174.59	3,216.72
Financial assets			
i) Investments	5	4,634.98	3,122.58
ii) Trade receivables	6	9,935.47	3,403.08
iii) Cash and cash equivalents	12A	529.75	6,534.85
iv) Bank balances other than (iii) above	12B	16,908.71	16,854.88
v) Loans	7	4,179.61	4,248.34
vi) Other financial assets	8	2,691.10	13,127.44
Current tax assets (net)	13	816.61	767.03
Other current assets	14	8,403.74	3,624.74
Total current assets (B)		51,274.56	54,899.66
TOTAL ASSETS (A+B)		4,25,666.20	4,11,736.44
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	6,039.00	3,514.50
Other equity	16	1,19,617.41	65,493.19
Total equity (A)		1,25,656.41	69,007.69
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	17	1,54,747.17	1,70,524.14
ii) Lease liabilities	19	85.06	43.17
iii) Other financial liabilities	20	1,12,063.99	1,19,283.37
Provisions	21	520.43	421.55
Deferred tax liabilities	9	853.71	24.06
Other non-current liabilities	22	2,965.63	
Total Non-current liabilities (B)		2,71,235.99	2,90,296.29
Current liabilities			
Financial liabilities			
i) Borrowings	17	12,105.50	21,572.80
ii) Lease liabilities	19	34.92	45.02
iii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	18	514.59	777.59
b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	3,302.66	6,368.02
iv) Other financial liabilities	20	10,717.31	17,427.32
Other current liabilities	22	1,824.80	5,681.09
Provisions	21	75.80	80.18
Current tax liabilities (net)	23	198.22	480.44
Total Current liabilities (C)		28,773.80	52,432.46
TOTAL LIABILITIES (D=B+C)		3,00,009.79	3,42,728.75
TOTAL EQUITY AND LIABILITIES (A+D)		4,25,666.20	4,11,736.44
Summary of significant accounting policies	3		

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

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 101248W/W-100022

Aniruddha Godbole

Partner

Membership No.: 105149

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

Chinmaya Deval

Partner

Membership No.: 148652

Place : Mumbai

Date : May 17, 2022

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Mehul N. Patel

Company Secretary

Membership No.:A14302

Place : Mumbai

Date : May 17, 2022

Deepali V. Mhaikar

Whole Time Director

DIN: 00309884

Tushar Kawedia

Chief Financial Officer

Consolidated Statement of Profit and Loss

or the year ended March 31, 2022

		(₹ in millions)	
	Notes	March 31, 2022	March 31, 2021
Income			
Revenue from operations	24	58,037.00	52,986.30
Other income	25	5,517.47	1,889.00
Total Income		63,554.47	54,875.30
Expenses			
Cost of material consumed		4,701.25	3,990.75
Road work and site expenses	26	19,083.84	17,627.90
Employee benefits expense	27	2,873.21	2,618.57
Finance costs	28	18,906.23	16,924.43
Depreciation and amortisation expense	29	6,827.70	5,817.04
Other expenses	30	3,403.77	3,622.46
Total expenses		55,796.00	50,601.15
Profit before tax and share of profit/(loss) of joint ventures		7,758.47	4,274.15
Profit/(Loss) from joint ventures	50	(2,262.15)	(1,657.96)
Profit before tax		5,496.32	2,616.19
Tax expenses			
Current tax (including earlier years ₹ (37.23) millions (March 31, 2021: ₹ 8.83 millions))	31	1,781.97	1,862.39
Deferred tax (credit)/charge		100.38	(417.69)
Total tax expenses		1,882.35	1,444.70
Profit after tax		3,613.97	1,171.49
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
(a) Mark to market gain/(loss) on fair value measurement of investments (net of tax)		244.74	2,775.59
(b) Re-measurement loss on defined benefit plans		(29.52)	(14.61)
(c) Tax on re-measurement loss on defined benefit plans		7.21	3.68
Other comprehensive income/(loss) for the year, net of tax		222.43	2,764.66
Total comprehensive income for the year, net of tax		3,836.40	3,936.15
Profit for the year attributable to :			
Owners of the Company		3,613.97	1,171.49
Non-controlling interests		-	-
Other Comprehensive income attributable to :			
Owners of the Company		222.43	2,764.66
Non-controlling interests		-	-
Total Comprehensive income attributable to :			
Owners of the Company		3,836.40	3,936.15
Non-controlling interests		-	-
Earnings per share (of ₹10 each)			
Basic	32	8.69	3.33
Diluted	32	8.69	3.33
Summary of significant accounting policies	3		

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

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 101248W/W-100022

Aniruddha Godbole

Partner

Membership No.: 105149

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

Chinmaya Deval

Partner

Membership No.: 148652

Place : Mumbai

Date : May 17, 2022

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

Deepali V. Mhaikar

Whole Time Director

DIN: 00309884

Sudhir Rao Hoshing

Chief Executive Officer

Tushar Kawedia

Chief Financial Officer

Mehul N. Patel

Company Secretary

Membership No.:A14302

Place : Mumbai

Date : May 17, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

a. Equity Share Capital

	March 31, 2022		March 31, 2021	
	(₹ in millions)			
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid-up				
At the beginning the year	35,14,50,000	3,514.50	35,14,50,000	3,514.50
Addition during the year	25,24,50,000	2,524.50	-	-
At the end of the year	60,39,00,000	6,039.00	35,14,50,000	3,514.50

b. Other Equity

	Owners of the Company					Total
	Reserves and surplus				Items of Other comprehensive income (OCI)	
	Securities Premium	Capital Reserve	General reserve	Retained earnings	Mark to market (losses) on fair value measurement of investments	
As at April 1, 2021	14,060.09	1,269.18	1,946.12	51,665.77	(3,447.97)	65,493.19
Profit for the year	-	-	-	3,613.97	-	3,613.97
On fresh issue of shares (net of expenses of ₹599.47 millions)	50,342.42	-	-	-	-	50,342.42
Group share of share issue expenses incurred by private trust	-	-	-	(54.60)	-	(54.60)
Other comprehensive (loss) for the year	-	-	-	(29.52)	244.74	215.22
Tax on re-measurement loss on defined benefit plans	-	-	-	7.21	-	7.21
Total comprehensive income for the year	50,342.42	-	-	3,537.06	244.74	54,124.22
As at March 31, 2022	64,402.51	1,269.18	1,946.12	55,202.83	(3,203.23)	1,19,617.41
As at April 1, 2020	14,060.09	1,269.18	1,946.12	52,262.46	(6,223.56)	63,314.29
Profit for the year	-	-	-	1,171.49	-	1,171.49
Other comprehensive (loss) for the year	-	-	-	(14.61)	2,775.59	2,760.98
Tax on re-measurement loss on defined benefit plans	-	-	-	3.68	-	3.68
Total comprehensive income for the year	-	-	-	1,160.56	2,775.59	3,936.15
Dividend on equity shares	-	-	-	(1,757.25)	-	(1,757.25)
As at March 31, 2021	14,060.09	1,269.18	1,946.12	51,665.77	(3,447.97)	65,493.19

Summary of significant accounting policies

3

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

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 101248W/W-100022

Aniruddha Godbole

Partner

Membership No.: 105149

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

Chinmaya Deval

Partner

Membership No.: 148652

Place : Mumbai

Date : May 17, 2022

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Deepali V. Mhaikar

Whole Time Director

DIN: 00309884

Tushar Kawedia

Chief Financial Officer

Mehul N. Patel

Company Secretary

Membership No.:A14302

Place : Mumbai

Date : May 17, 2022

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

Particulars	(₹ in millions)	
	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities		
Profit before tax	5,496.32	2,616.19
Adjustments to reconcile before tax to net cash flows:		
Depreciation and amortisation	6,827.69	5,817.04
Resurfacing expenses	57.74	86.87
Net (gain) on sale of property, plant and equipment	(11.52)	(4.35)
Fair value (loss) on mutual funds	(84.11)	(65.09)
Gain on fair value measurement of other receivables	(2,161.31)	(13.62)
Share of loss (net) from joint ventures	2,262.15	1,657.96
Net (gain) on sale of current investment	(73.67)	(43.31)
Extinguishment of premium liability	(246.41)	(834.95)
Allowance for credit impaired	64.10	-
Finance costs	18,906.23	16,924.43
Interest income	(2,940.39)	(1,590.40)
Other non operating income	(197.11)	(120.16)
	27,899.71	24,430.61
Operating profit before working capital changes		
(Decrease) in trade payables	(3,326.86)	(294.67)
Increase in provisions	168.73	6.64
Increase / (Decrease) in other financial liabilities	523.91	(3,164.78)
(Decrease) in other liabilities	(890.65)	(3,567.45)
(Increase) in trade receivables	(8,317.07)	(1,471.69)
Decrease in inventories	42.13	96.83
(Increase) / Decrease in loans	(1.06)	24.09
(Increase) in other financial assets	(5,744.63)	(5,458.72)
(Increase) / Decrease in other assets	(4,750.14)	238.65
Cash generated from operations	5,604.07	10,839.51
Taxes paid (net)	(1,962.94)	(2,171.47)
Net cash flows generated from operating activities (A)	3,641.13	8,668.04
Cash flows from investing activities		
Addition to intangible assets including intangible assets under development and capital advances	(11,422.77)	(77,780.00)
Purchase of property, plant and equipment	(2,473.04)	(153.04)
Proceeds from sale of property, plant and equipment	152.39	25.76
Proceeds/redemptions from sale of non-current investments	333.69	185.37
Consideration received on transfer of subsidiaries	-	1,792.36
Investment in joint ventures	(1,946.33)	(2,603.81)
Loan given to joint ventures	(4,759.00)	(4,155.57)
Loan repaid by joint ventures	4,828.83	-
Other recoverable/advance towards subscription of units in joint venture	-	(2,544.40)
Receipt of other recoverable/advance towards subscription of units	-	3,413.14
Proceeds from sale/(purchase) of current investment (net)	(1,354.61)	(2,886.19)
(Investment in)/proceeds from maturity of bank deposits (having original maturity of more than three months) (net)	(54.38)	1,423.56
Interest received	1,160.89	1,522.15
Net cash flows (used in) investing activities (B)	(15,534.33)	(81,760.67)
Cash flows from financing activities		
Proceeds from non-current borrowings	7,934.32	70,140.73
Proceeds from issue of non-convertible debentures (refer note 5)	3,500.00	41,783.35
Repayment of non-convertible debentures (refer note 5)	(16,210.00)	-
Repayment of non-current borrowings	(16,653.93)	(15,148.86)
(Repayment)/proceeds of current borrowings (net)	(8,901.29)	(4,842.85)
Proceeds from Issue of Equity Share Capital (net of issue expenses)	52,866.92	-
Payment of lease liabilities	(43.38)	(49.68)
Finance cost paid	(16,606.99)	(14,926.64)
Dividend paid on equity shares	-	(1,757.25)

Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ in millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net cash flows generated from financing activities (C)	5,885.65	75,198.80
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(6,007.55)	2,106.17
Cash and cash equivalents at the beginning of the year	6,480.38	4,374.21
Cash and cash equivalents at the end of the year	472.83	6,480.38
Components of cash and cash equivalents		
Balances with scheduled banks: (refer note 12A)		
- Trust, retention and other escrow accounts	68.09	54.01
- Current accounts	246.46	5,613.11
- In deposit accounts with original maturity less than 3 months	100.78	732.97
Cash on hand	114.42	134.76
Less: Book overdraft (refer note 20)	(56.92)	(54.47)
Total cash and cash equivalents	472.83	6,480.38
Debt reconciliation statement in accordance with Ind AS 7		
Opening balance as at beginning of period		
Long term borrowings	1,70,524.15	64,580.70
Short term borrowings	21,572.80	27,807.54
Movements		
(a) Cash flows		
Long term borrowings	(21,429.61)	96,775.22
Short term borrowings	(8,901.29)	(4,842.85)
(b) Non cash changes (effective rate of interest accrued, unpaid moratorium interest converted into borrowings, etc)		
Long term borrowings (refer note 4)	(5,652.63)	(9,168.23)
Short term borrowings	566.01	1,391.89
(c) Closing balance as at end of period		
Long term borrowings	1,54,747.17	1,70,524.15
Short term borrowings	12,105.50	21,572.80
Summary of significant accounting policies (refer note 3)		

The accompanying notes are an integral part of consolidated 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. The consolidated cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".
4. As per RBI's Statement on Developmental and Regulatory Policies issued on March 27, 2020 and subsequently on May 22, 2020, the Company and its certain subsidiaries have availed the relief provided by its' lenders by way of moratorium on certain principal repayments. The unpaid interest during the moratorium period has been converted into borrowings amounting to ₹ 511.36 millions in the previous year.
5. During the current year, for better presentation of the cash flows from financing activities, the proceeds on issuance and repayment of non-convertible debentures have been disclosed as separate line items from that of non-current borrowings. To conform with the current year classification, the previous period numbers have also been appropriately re-classified as per the requirements of the applicable accounting standard.
6. The above consolidated cash flows include ₹ 201.32 millions (March 31, 2021: ₹285.12 millions) towards Corporate Social Responsibility (CSR) activities (refer note 49).

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 101248W/W-100022

Aniruddha Godbole

Partner

Membership No.: 105149

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

Chinmaya Deval

Partner

Membership No.: 148652

Place : Mumbai

Date : May 17, 2022

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Deepali V. Mhaikar

Whole Time Director

DIN: 00309884

Tushar Kawedia

Chief Financial Officer

Mehul N. Patel

Company Secretary

Membership No.:A14302

Place : Mumbai

Date : May 17, 2022

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

1. Corporate Information

IRB Infrastructure Developers Limited ("the Company") is a Public Company domiciled in India and is incorporated under the provision of the Companies Act (the 'Act') applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office is located at 1101, Hiranandani Knowledge Park, 11th Floor, Technology Street, Hill Side Avenue, Opp Hiranandani Hospital, Powai, Mumbai – 400 076, Maharashtra.

2. Basis of preparation

A. Statement of compliance

The consolidated financial statements comprise of financial statements of IRB Infrastructure Developers Limited ('the Company' or 'the Holding Company') and its subsidiaries (collectively, "the Group") and its joint ventures for the year ended March 31, 2022.

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on May 17, 2022.

Details of the Group's accounting policies are included in Note 3. The accounting policies set out below have been applied consistently to the years presented in the consolidated financial statements.

B. Functional and presentation currency

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

C. Basis of measurement

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

3. Summary of significant accounting policies

3.01 Basis of consolidation

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity. In assessing

control, potential voting rights are considered only if the rights are substantive. The consolidated financial statements of the Company and its subsidiaries have been combined on a line-by-line basis while eliminating the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of profit and loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in the consolidated statement of profit and loss. Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

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 Company, 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 subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial 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, except as stated in point iv. 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- iv. The Build, Operate and Transfer (BOT) / Design, Build, Finance, Operate and Transfer (DBFOT) contracts are governed by Service Concession Agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, revenue is recognised at fair value of construction services rendered and profit from such contracts is considered as realised.

Accordingly, BOT / DBFOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intra group transactions on BOT / DBFOT contracts and the profits arising thereon are taken as realised and not eliminated.

- v. A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it
- Derecognises the assets (including goodwill) and liabilities of the subsidiary at carrying amounts at the date when control is lost.
 - Recognises the fair value of the consideration
 - Recognises the fair value of any investment retained
 - Recognises any surplus or deficit in profit or loss
 - Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

- vi. The following entities are considered in the Consolidated Financial Statements listed below:

Sr. No.	Name of Entity	Principal nature of activity	Proportion of ownership interest either directly or indirectly	
			As on March 31, 2022	As on March 31, 2021
Subsidiaries (Direct and indirect)				
1	Ideal Road Builders Private Limited (IRBPL)	Road Infrastructure	100%	100%
2	Mhaikar Infrastructure Private Limited (MIPL)	Road Infrastructure	100%	100%
3	Modern Road Makers Private Limited (MRMPL)	Road Infrastructure	100%	100%
4	Aryan Toll Road Private Limited (ATRPL)	Road Infrastructure	100%	100%
5	ATR Infrastructure Private Limited (ATRFL)	Road Infrastructure	100%	100%
6	IRB Infrastructure Private Limited (IRBFL)	Investment Manager	100%	100%
7	Thane Ghodbunder Toll Road Private Limited (TGTRPL)	Road Infrastructure	100%	100%
8	Aryan Infrastructure Investments Private Limited (AIPL)	Real Estate	100%	100%
9	IRB MP Expressway Private Limited (IRBMP) (formerly known as NKT Road and Toll Private Limited)	Road Infrastructure	100%	100%
10	VM7 Expressway Private Limited	Road Infrastructure	100%	100%
11	IRB Kolhapur Integrated Road Development Company Private Limited (IRBK)	Road Infrastructure	100%	100%
12	Aryan Hospitality Private Limited (AHPL)	Hospitality	100%	100%
13	IRB Sindhudurg Airport Private Limited (IRBSA)	Airport development	100%	100%
14	IRB Goa Tollway Private Limited (IRB Goa)	Road Infrastructure	100%	100%
15	IRB PS Highway Private Limited (formerly known as MRM Highways Private Limited) (IRBPS)	Road Infrastructure	100%	100%
16	IRB Ahmedabad Vadodara Super Express Tollway Private Limited (IRBAV)	Road Infrastructure	100%	100%

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Sr. No.	Name of Entity	Principal nature of activity	Proportion of ownership interest either directly or indirectly	
			As on March 31, 2022	As on March 31, 2021
17	VK1 Expressway Private Limited (VK1)	Road Infrastructure	100%	100%
18	GE1 Expressway Private Limited (formerly known as IRB PP Project Private Limited) (IRBPP)	Road Infrastructure	100%	100%
19	Palsit Dankuni Tollway Private Limited (w.e.f April 15, 2021)	Road Infrastructure	100%	-
20	Pathankot Mandi Highway Private Limited (w.e.f April 23, 2021)	Road Infrastructure	100%	-
21	Chittoor Thachur Highway Private Limited (w.e.f October 13, 2021)	Road Infrastructure	100%	-
22	Meerut Budaun Expressway Private Limited (w.e.f January 05, 2022)	Road Infrastructure	100%	-
	Indirect :			
23	Modern Estate - Partnership Firm (Upto November 22, 2020)	Real Estate	-	100%
24	MRM Mining Private Limited - Subsidiary of MRMPL	Road Infrastructure	100%	100%
All the above entities are incorporated in India.				

Sr. No.	Name of Entity	Principal nature of activity	Proportion of ownership interest either directly or indirectly	
			As on March 31, 2022	As on March 31, 2021
	Joint Ventures (Direct and indirect)			
	Direct :			
	IRB Infrastructure Trust	Private Trust	51%	51%
	MMK Toll Road Private Limited	Investment Manager	51%	51%
	Indirect :			
1	IRB Westcoast Tollway Limited (IRB Westcoast)	Road Infrastructure	51%	51%
2	Solapur Yedeshi Tollway Limited (SYTL)	Road Infrastructure	51%	51%
3	Yedeshi Aurangabad Tollway Limited (YATL)	Road Infrastructure	51%	51%
4	Kaithal Tollway Limited (KTL)	Road Infrastructure	51%	51%
5	AE Tollway Limited (AETL)	Road Infrastructure	51%	51%
6	Udaipur Tollway Limited (UTL)	Road Infrastructure	51%	51%
7	CG Tollway Limited (CGTL)	Road Infrastructure	51%	51%
8	Kishangarh Gulabpura Tollway Limited (KGTL)	Road Infrastructure	51%	51%
9	IRB Hapur Moradabad Tollway Limited (IRBHM)	Road Infrastructure	51%	51%
All the above entities are incorporated in India.				

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

3.02 Business combinations and goodwill

The excess of cost to the Group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

3.03 Investment in joint ventures

The Group's interests in equity accounted investees comprise interests in joint ventures. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in an entity; the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of other entity.

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

3.04 Current versus non-current classification

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

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
- 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

The Group classifies all other liabilities as non-current.

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

3.05 Use of estimates and judgements

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 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. The Group based its assumptions and estimates on parameters available when the consolidated 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. In the following items there is significant judgments and estimates which are key in preparation of consolidated financial statements:

- Fair value measurement of financial instruments (refer note 42)
- Revenue recognition based on percentage of completion (refer note 24)
- Impairment of non- financial assets and goodwill (refer note 3.26)

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

3.06 Foreign currency transactions and balances

The Group's financial statements are presented in INR, which is also the Group's functional currency.

Transactions and balance

Transactions in foreign currencies are initially recorded by each entity in 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 at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss.

Exchange difference arising on non current foreign currency monetary items related to acquisition of property, plant and equipment are added/deducted from the cost of asset and amortised along with the construction cost.

3.07 Fair value measurement

The Group measures financial instruments, (refer note 42) at fair value at each balance sheet date.

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

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

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

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

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 consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest 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 consolidated 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 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 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.

3.07 Fair value measurement

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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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 42 and 44)

Financial instruments (including those carried at amortised cost) (note 5,6,7,8,12,17,18,19,42 and 44)

Quantitative disclosure of fair value measurement hierarchy (note 44)

3.08 Revenue recognition

The Group has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Contract revenue (construction contracts)

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively 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 upto the balance sheet date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Group provides for foreseeable loss. Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. For contracts where the Company bears certain indirect tax as it's own expense, and are effectively acting as principals and collecting the indirect taxes on their own account, revenue from operations is presented as gross of such indirect taxes. In cases, where the total consideration is exclusive of certain indirect taxes and other duties, the Company is acting as an agent and revenue from operations is accounted net of indirect taxes. Claims are recognised to the extent that it is probable that they will result in revenue, they are capable of being reliably measured and it is not unreasonable to expect ultimate collection.

Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Group, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised in line with the actual usage of the specific public utility facility, with a maximum of the duration of the concession.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Contract revenue from Hybrid Annuity Contracts

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively 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 bear to the estimated total contract costs and considering work certified by Independent Engineer. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Company provides for foreseeable loss.

Finance Income for concession arrangements under financial asset model is recognised using effective interest method.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost. In the financial assets model, the amount due from the grantor meet the identification of the receivable which is measured at fair value. Based on business model assessment, the Group measures such financial assets at fair value and subsequently also classifies the same as fair value through profit and loss ("FVTPL"). Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Operation and maintenance contracts

Revenue from maintenance contracts are recognised over the period of the contract as and when services are rendered.

Income from toll contracts

The income from Toll Contracts on BOT basis are recognised on actual collection of toll revenue (net of revenue share payable to NHA) as per Concession Agreement. Revenue from electronic toll collection is recognised on accrual basis.

Revenue from wind-mill power generation (Sale of electricity)

Revenue from wind-mill power generation is recognised when the electricity is delivered to electricity distribution company at a common delivery point and the same is measured on the basis of meter reading.

Income from airport services

Revenue from airport operations i.e. Aeronautical and Non Aeronautical operations are recognized on accrual basis, net of Goods and Service Tax (GST), and applicable discounts when services are rendered. Aeronautical operations include user development fee (UDF), Landing, Parking of aircraft, aerobridge charges and fuel farm. The main streams of revenue from non-aeronautical includes duty-free, retail, advertisement, food & beverages, cargo, ground handling, car parking and land and space rentals.

Land and Space Rentals pertains to granting Right to use land and space primarily for catering to the need of passengers, air traffic services and air transport services.

Revenue from commercial property development rights granted to concessionaires is recognized on accrual basis, as per the terms of the agreement entered into with the customers.

Interest income

For all financial assets 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.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Group performs its obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the Customer.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

3.09 Government Grants

Grants and subsidies from the government are recognised if the following conditions are satisfied:

- There is reasonable assurance that the Group will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant 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 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 in accordance the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or 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 recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

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 consolidated statement of profit and loss is recognised outside consolidated 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in the consolidated statement of profit and loss. Deferred tax is recognised in consolidated statement of profit and loss on the consolidated adjustments.

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Group's assessment, there are no material income tax uncertainties over income tax treatments.

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.

3.12 Property, plant and equipment

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date.

When parts of an item of property, plant and equipment having significant cost have different useful lives, then they

are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the standalone Statement of Profit and Loss during the period in which they are incurred.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress"

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

Airport Assets

The Group depreciates airport assets in accordance with order no. 35/2017-18 (as amended from time to time), issue by Airport Economic Regulatory Authority (AERA) in the matter of determination of useful lives of Airport Assets and is calculated on Straight Line method (SLM) using the useful lives as prescribed under AERA. Land improvements cost has been bifurcated into buildings, Roads and Runway based on significant component accounting though useful life of land improvement and other class of assets is different.

Asset class	Useful life	As per AERA
Land improvement cost	Lease term (99 years)	Lease Term
Building	30-60 years	30-60 yrs
Runway, taxiway and apron	30 years	30 years
Electrical Installation	10 years	10 years
Plant and Equipment	15 years	15 years
Computers	3 years	3 years

Other than Airport Assets

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 based on technical evaluation.

Property, plant and equipment which are significant to the total cost the item of Property, plant and equipment having

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

difference useful life are accounted and depreciated separately.

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

Asset class	Useful life	As per Companies Act, 2013
Building	30 years	30 years
Plant & Machinery	9 years - 15 years	9 years - 15 years
Office equipment	5 years	5 years
Computers	3 years	3 years
Servers	6 years	6 years
Vehicles	8 years	8 years
Furniture & fixtures	10 ears	10 years

3.13 Intangible Assets

The Group exercised first time adoption under Ind AS 101 and has elected to continue with the carrying value of its "Toll Collection Rights" (Intangible Assets) including corresponding obligation, as recognised in the consolidated financial statements as at the date of transition April 1, 2016 measured as per the Previous GAAP and uses that as its deemed cost as at date of transition.

With effect from April 1, 2016, toll collection rights are stated at cost, less accumulated amortisation, impairment losses and grant from government. Cost includes:

- For acquired Toll Collection Rights – fair value of upfront payments towards acquisition and incidental expenses related thereto.
- Toll Collection Rights awarded by the grantor against construction service rendered by the Group on BOT / DBFOT basis - Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.
- Toll Collection Rights in lieu of premium - Undiscounted premium obligation over the concession period.

Amortisation

Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as prescribed in Ind As-36. 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.

Intangible assets under development

Expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development". The same will be transferred to the respective intangible assets on completion of project.

3.14 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 between the foreign currency borrowing and the functional currency borrowing to the extent regarded as an adjustment to the borrowing costs.

3.15 Leases

The Group has adopted Ind AS 116-Leases effective April 1, 2019, using the prospective method. Accordingly, previous period information has not been restated.

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 fulfilment 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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.16 Inventories

Inventories are valued as follows:

Construction materials, components, stores, spares and tools:

Lower of cost and net realisable value. Cost is determined on weighted average basis and includes all applicable costs in bringing goods to their present location and condition.

Work-in-progress and finished goods

Lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.

Land

Land of real estate business are valued at lower of cost and net realisable value.

Cost includes land, cost of acquisition, legal cost and all other cost to transfer the legal and beneficial ownership of land in the name of the Group.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.17 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.18 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.19 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 consolidated statement of profit and loss.

3.20 Resurfacing expenses

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

3.21 Contingent Liability 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 consolidated financial statements.

3.22 Retirement and other employee benefits

i. 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 for the period when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

ii. 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

iii. Compensated absences

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. Accruals 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

3.23 Financial instruments

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, transaction costs that are attributable to the acquisition of the financial asset.

On initial recognition, a financial asset is classified as measured of

- amortised cost
- FVOCI - Debt instruments
- FVOCI - equity instruments
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the year, the Company changes its business model for managing financial assets.

Debt instruments at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- The rights to receive cash flows from the asset has 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.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as contractual revenue receivables' in these consolidated financial statements)
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables; and
- Other receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of profit and 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 Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through Statement of profit and 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 statement of profit and 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 consolidated 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 statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings. For more information refer note 17.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated 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.

3.24 Derivative instrument

The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

3.25 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises of 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, as they are considered an integral part of the Group's cash management.

3.26 Contingent consideration receivable

Contingent consideration is classified as an asset and is measured at fair value on the transaction date. Subsequently, contingent consideration is remeasured to fair value at each reporting date, with changes included in the statement of profit and loss.

3.27 Cash dividend to equity holders of the Group

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

3.28 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 of 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually as at March 31, and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31, at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.29 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.30 Segment information

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Management ("the Board of Directors") evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Management evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

3.31 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.32 Sch III Amendments disclosure

Ministry of Corporate Affairs ("MCA") issued notification dated March 24, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting April 1, 2021 and applied to the Consolidated financial statements:

- i) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- ii) Additional disclosure for shareholding of promoters.

- iii) Additional disclosure for ageing schedule of trade receivables, trade payables, Intangible assets under development and capital work-in-progress.
- iv) Specific disclosure such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc..
- v) Additional disclosure for relating to Corporate Social Responsibility (CSR) and undisclosed income.

3.33 Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs (MCA), vide notification dated March 23, 2022, has made the following amendments to Ind AS which are effective from April 1, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (201)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts – Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 4 : Property, Plant and Equipment and Capital work in progress

	Land	Building	Airport Assets	Plant and machinery	Office equipments	Computer	Vehicles	Furniture and fixture	Total	Capital work in progress	Grand Total
Cost											
At 1 April 2020	92.05	520.19	107.30	1,332.37	43.55	115.69	315.56	54.50		360.60	2,941.80
Additions	-	85.18	2.14	30.50	4.92	4.95	19.70	5.65		-	153.04
Disposals/ Adjustments	-	(40.69)	-	(101.87)	(1.43)	(0.58)	(6.17)	(1.33)		-	(152.07)
At March 31, 2021	92.05	564.68	109.44	1,261.00	47.04	120.06	329.09	58.82	2,582.17	360.60	2,942.77
Additions	-	1,121.66	6,674.66	625.03	8.09	11.51	133.41	3.60	8,577.96	345.69	8,923.65
Disposals/ Adjustments	-	(236.30)	-	(3.96)	(1.15)	(1.65)	(30.54)	(0.10)	(273.70)	(438.74)	(712.44)
At March 31, 2022	92.05	1,450.04	6,784.10	1,882.07	53.98	129.92	431.96	62.32	10,886.43	267.55	11,153.98
Depreciation											
At 1 April 2020	-	189.55	20.98	526.33	31.28	99.16	138.55	40.24		-	1,046.08
Additions	-	43.87	15.77	163.98	4.39	5.54	51.14	4.75		-	289.44
Disposals/ Adjustments	-	(24.94)	-	(96.81)	(1.36)	(0.49)	(5.79)	(1.27)		-	(130.66)
At March 31, 2021	-	208.48	36.75	593.50	34.31	104.21	183.90	43.72	1,204.86	-	1,204.86
Additions	-	27.38	55.18	127.80	4.76	6.51	58.30	4.75	284.68	-	284.68
Disposals/ Adjustments	-	(26.16)	-	(3.76)	(1.04)	(1.59)	(28.93)	(0.09)	(61.57)	-	(61.57)
At March 31, 2022	-	209.70	91.93	717.54	38.03	109.13	213.27	48.38	1,427.97	-	1,427.97
Net Book value											
At March 31, 2022	92.05	1,240.34	6,692.17	1,164.53	15.95	20.79	218.69	13.94	9,458.46	267.55	9,726.01
At March 31, 2021	92.05	356.20	72.69	667.50	12.73	15.85	145.19	15.10	1,377.31	360.60	1,737.91
Net Book value	March 31, 2022	March 31, 2021									
Property, Plant and Equipment	9,458.46	1,377.31									
Capital work-in-progress	267.55	360.60									

Notes:

1. During the current and previous year, there has been no exchange loss/ (gain) differences and no borrowing cost which has been capitalised.
2. Title deeds of land and building are held in the name of the respective entities in the Group
3. Airport Assets have been segregated from Plant & Machinery since the commercial operations have been commenced during the year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Intangible assets

	(₹ in millions)			
	Goodwill	Toll collection rights	Intangible assets under development	Total
Cost				
At 1 April 2020	88.92	286,617.36	3,669.71	290,375.99
Additions	-	1.50	2,699.90	2,701.40
Deletions	-	-	-	-
At 31 March 2021	88.92	286,618.86	6,369.61	293,077.39
Additions	-	80.31	357.73	438.04
Deletions	-	-	(6,369.61)	(6,369.61)
At 31 March 2022	88.92	286,699.17	357.73	287,145.82
Amortisation				
At 1 April 2020	10.88	11,642.62	-	11,653.50
Additions	-	5,496.58	-	5,496.58
Deletions	-	-	-	-
At 31 March 2021	10.88	17,139.20	-	17,150.08
Additions	-	6,511.29	-	6,511.29
Deletions	-	(9.94)	-	(9.94)
At 31 March 2022	10.88	23,640.55	-	23,651.43
Net Book value				
At 31 March 2022	78.04	263,058.62	357.73	263,494.39
At 31 March 2021	78.04	269,479.66	6,369.61	275,927.31

	(₹ in millions)	
Net Book value	March 31, 2022	March 31, 2021
Goodwill	78.04	78.04
Toll collection rights	2,63,058.62	2,69,479.66
Intangible assets under development	357.73	6,369.61

Capital Work in Progress (including intangible assets under development)

The following reflects the movement of Capital work in progress (including intangible assets under development) for ongoing projects during the period

	(₹ in millions)	
Particulars	March 31, 2022	March 31, 2021
Opening CWIP (including assets under development) as at	6,730.21	4,030.31
(+) Additions during the year	703.42	2,699.90
(-) Capitalised during the year	(6,808.35)	-
Closing CWIP (Including intangible assets under development)	625.28	6,730.21

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

The following table represents CWIP (Including intangible assets under development) ageing

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Less than 1 year	625.28	2,699.90
1-2 Years	-	658.58
2-3 Years	-	823.25
More than 3 years	-	2,548.48
Total	625.28	6,730.21

Tangible and Intangible assets given as security

Refer note 17 for details of security against term loans.

Notes:

1. Net block of Toll collection rights includes unamortised portion of Toll Collection Rights in lieu of premium of ₹ 141,230.02 millions (March 31, 2021: ₹ 142,402.22 millions) in respect of IRBAV.
2. Goodwill of ₹ 78.04 millions (March 31, 2021: 78.04 millions) is on account of acquisition of subsidiary. As at March 31, 2022 and March 31, 2021, it is tested for impairment. The recoverable amount has been determined based on a fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as Level 3 fair value based on inputs in the valuation technique used. The key assumption used in the estimation of the recoverable amount was the expected cash flow from sale of boulders discounted at the rate of 10.00% (March 31, 2021: 10.00%). With regard to assessment of value in use, no reasonably possibly change in any of the above key assumptions would cause the carrying amount to exceed the recoverable amount.
3. As at March 31, 2022 and March 31, 2021, there are no projects which are suspended.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Financial Assets Note 5 : Investments

Particulars	March 31, 2022						March 31, 2021					
	Face Value			No of Shares/ Units			Face Value			No of Shares/ Units		
		Current	Non-current					Current	Non-current			
a) Investment in equity instruments												
Quoted (Fair Value Through Profit and Loss (FVTPL))												
Union Bank of India	10	9,177	-	0.36			10	9,177	-	0.31		
				0.36						0.31		
Unquoted (Fair Value Through Other Comprehensive Income (FVTOCI))												
Indian Highways Management Company Limited	10	5,55,370	-	5.55			10	5,55,370	-	5.55		
The Kalyan Janta Sahakari Bank Limited	10	80,000	-	0.60			10	80,000	-	0.60		
The Dombivali Nagri Sahakari Bank Limited	50	2,000	-	0.10			50	2,000	-	0.10		
Sangali Urban Co-operative Bank Limited	15	2	-	-			15	2	-	-		
Purti Power and Sugar Limited *	1	18,50,000	-	1.85			10	18,50,000	-	18.50		
Less:- Provision for Diminution in value of Investments		-	-	(1.85)			-	-	-	(18.50)		
9% Redeemable Non cumulative Preference shares of Manas Agro Industries and Infrastructure Limited*	10	1,675	-	0.34			-	-	-	-		
Less:- Provision for Diminution in value of Investments		-	-	(0.34)								
Manas Agro Industries and Infrastructure Limited*	10	80,434	-	16.31			-	-	-	-		
Less:- Provision for Diminution in value of Investments		-	-	(16.31)			-	-	-	-		
				6.25						6.25		
* Due to the demerger and capital reduction of Purti Power and Sugar Limited												
b) Investments in Joint Ventures												
Unquoted (Measured as per equity accounting method)												
MMK Toll Road Private Limited (refer note 50)	10	35,70,000	-	53.11			10	35,70,000	-	52.92		
IRB Infrastructure Trust (refer note 50) *	100	43,60,72,332	-	39,471.99			100	41,66,09,067	-	39,842.61		
				39,525.10						39,895.53		
c) Investments in Government or trust securities												
Unquoted (Amortised cost)												
National saving certificates	-	-	-	0.17			-	-	-	0.17		
				0.17						0.17		

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Particulars	March 31, 2022				March 31, 2021			
	Face Value	No of Shares/ Units	Current	Non-current	Face Value	No of Shares/ Units	Current	Non-current
d) Investments in Mutual Funds								
Quoted (Fair Value Through Profit or Loss (FVTPL))								
Canara Robeco Short Duration Fund Direct Growth	-	-	-	-	10	29,79,560	64.26	-
Canara Robeco Dual Advantage Fund Series 1 Direct Growth	-	-	-	-	10	20,00,000	25.64	-
Aditya Birla Sun Life Liquid Fund - Direct Plan Growth	100	14,70,678	1,581.48	-	100	27,553	9.13	-
SBI Premier Liquid Fund - Direct Plan - Daily Dividend	-	-	-	-	1,000	18,849	19.59	-
SBI Liquid Fund- Direct Plan Growth*	1,000	5,09,541	1,698.35	-	1,000	3,51,530	1,132.50	-
SBI Overnight Fund- Direct Plan Growth	-	-	-	-	1,000	15,671	52.52	-
SBI Banking & PSU Fund- Direct Plan Growth*	1,000	5,07,920	1,355.15	-	1,000	5,07,920	1,297.23	-
Union Liquid Fund - Direct Plan - Growth	-	-	-	-	1,000	2,52,308	500.09	-
Union Arbitrage Fund - Regular Plan - Growth	-	-	-	-	10	19,54,337	21.62	-
	-	-	4,634.98	-	-	-	3,122.58	-
e) Investments in units of Fund								
Quoted (Fair Value Through Other Comprehensive Income (FVTOCI))								
IRB InvIT Fund (refer note 54)	102 [^]	9,27,05,000	-	4,875.36	102 [^]	9,27,05,000	-	4,964.35
			-	4,875.36			-	4,964.35
Total (a+b+c+d+e)			4,634.98	44,407.24			3,122.58	44,866.61
Aggregate book value of quoted investments	-	-	4,550.87	8,079.60	-	-	3,057.51	8,413.34
Market value of quoted investments	-	-	4,634.98	4,875.71	-	-	3,122.58	4,964.66
Aggregate amount of unquoted investments	-	-	-	39,531.52	-	-	-	39,901.95
Aggregate amount of impairment in value of investments	-	-	-	18.50	-	-	-	18.50
Refer note 40 for determination of fair value of investments								

[^] Issue price

All the investments in shares/units are fully paid-up.

* Refer note 17 for details of security against long-term borrowings.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 6 : Trade Receivable (Unsecured, considered good)

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Trade receivables - Related parties (refer note 35)*	7,078.48	5,998.85	1,574.84	2,476.18
Trade receivables - Others	2,856.99	-	1,828.24	-
Total	9,935.47	5,998.85	3,403.08	2,476.18

The current portion of trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The non-current portion of trade receivable are not interest bearing and receivable after one year.

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

*Refer note 17 for details of security against short-term borrowings.

The Group has not identified any credit impairment loss as at March 31, 2022 and March 31, 2021.

For terms and conditions relating to related party receivables, refer Note 35.

The above trade receivables are undisputed

For explanations on the Company's financial risk management processes and trade receivable ageing, refer to note 42.

Note 7 : Loans (Unsecured, considered good)

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
- To related parties (interest free and repayable within 1 year) (refer note 36)	4,114.51	-	4,185.82	-
Others				
- Loans to employees	65.10	-	62.52	0.04
Total	4,179.61	-	4,248.34	0.04

There are no current loans which has significant increase in credit.

The above loans to related parties includes loan to key managerial personnel of ₹ 28.52 millions (March 31, 2021: ₹ 30.00 millions) (refer note 36)

Except as disclosed above, there is no amount due from director, other officer of the Company, firms or joint-ventures in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 8 : Other financial assets

(Unsecured, considered good, unless otherwise stated)

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Security and other deposits	76.19	52.13	72.69	45.96
Interest accrued on fixed deposits	20.90	-	43.83	-
Retention money receivable				
- Related parties (refer note 36)	256.49	-	190.34	-
- Others	21.77	1.01	15.84	1.01
Interest receivable from others	43.35	-	45.12	-
Receivable from Government Authorities (NHAI / MSRDC)	185.22	-	407.85	100.95
Receivable under service concession arrangement (refer note 38(B)) *	1,889.62	14,101.97	3,631.33	6,136.78
Receivable from related parties (refer note 36)				
- Deferred consideration towards sale of subsidiaries	-	35,167.02	8,239.25	24,717.75
- Others (receivable towards reimbursement of expenses)	197.56	-	195.79	-
Other receivable (contractors) considered good	-	-	285.40	-
Other receivable (from contractor) credit impaired	64.10	-	-	-
Less: Allowance for credit impairment	(64.10)	-	-	-
Total	2,691.10	49,322.13	13,127.44	31,002.45

*Refer note 17 for details of security against term loans.

Except as disclosed above, there is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

Note 9 : Deferred tax assets

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Deferred tax liabilities(net) :		
Deferred tax liabilities:		
- Difference in depreciation/ amortisation and other differences	-	24.06
- Fair valuation on current investments	1.40	-
- Fair valuation on Financial Asset receivables and loans	861.61	-
Deferred tax assets:		
-Expenditure allowed on payment basis - Gratuity	(9.14)	-
- Fair valuation on current investments	(0.16)	-
	853.71	24.06
Deferred tax assets (net):		
Deferred tax assets:		
MAT credit entitlement	172.53	143.81
Business Losses and unabsorbed depreciation	546.90	237.65
Financial Assets Receivables and Loans	452.08	-
Expenditure allowed on payment basis - Gratuity	65.49	52.67
Difference in depreciation/ amortisation and other differences	85.11	276.53
Deferred tax liabilities:		
Fair valuation on current investments	(33.02)	-
	1,289.09	710.66
Deferred tax assets (net)	435.38	686.60

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Movement in deferred tax assets/ liabilities

March 31, 2022

Particulars	(₹ in millions)			
	Balance Sheet	Statement of profit and loss	OCI	Other adjustments
	March 31, 2021	April 1, 2021 to March 31, 2022		
Deferred tax assets:				
MAT Credit Entitlement	143.81	387.53	-	(358.81)
Expenditure allowed on payment basis				
- Gratuity	52.67	14.75	7.21	-
Difference in depreciation/ amortisation and other differences	276.53	(191.42)	-	-
Tax losses	237.65	309.25	-	-
	710.66	520.11	7.21	(358.81)
Deferred tax liabilities:				
Difference in Depreciation/ amortisation and other differences	(24.06)	(10.20)	-	-
Fair valuation on Financial Asset receivables and loans	-	(409.53)	-	-
	(24.06)	(419.73)	-	-
Deferred tax Asset/ (Liability)	686.60	100.38	7.21	(358.81)
				435.38

March 31, 2021

Particulars	(₹ in millions)			
	Balance Sheet	Statement of profit and loss	OCI	Other adjustments
	March 31, 2020	April 1, 2020 to March 31, 2021		
Deferred tax assets:				
MAT Credit Entitlement	361.50	79.51	-	(297.20)
Expenditure allowed on payment basis				
- Gratuity	55.23	1.12	(3.68)	-
Difference in depreciation/ amortisation and other differences	168.78	107.75	-	-
Tax losses *	11.74	225.91	-	-
	597.25	414.29	(3.68)	(297.20)
Deferred tax liabilities:				
Difference in Depreciation/ amortisation and other differences	(27.01)	2.95	-	-
Fair valuation on Financial Asset receivables and loans	(0.45)	0.45	-	-
	(27.46)	3.40	-	-
Deferred tax Asset/ (Liability)	569.79	417.69	(3.68)	(297.20)
				686.60

* The Group has unabsorbed depreciation loss of ₹12,483.27 millions (March 31, 2021: ₹10,938.58) and deferred tax assets of ₹ 3,142.04 millions (March 31, 2021: ₹3,158.35) that are available for indefinite years.

Note 10 : Other non - current assets

(Unsecured, considered good)

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Capital advances	38.10	0.59
Mobilisation advance	-	28.85
Total	38.10	29.44

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 11 : Inventories

(valued at lower of cost and net realisable value)

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Construction material*	1,475.51	1,517.64
Land	1,699.08	1,699.08
Total	3,174.59	3,216.72

*Cash credit is secured by way of pari pasu charge on stock

Note 12A : Cash and cash equivalents

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Cash and Bank balances		
Balances with banks:		
- on current accounts	246.46	5,613.11
- on trust, retention and other escrow accounts	68.09	54.01
Deposits with banks		
- Original maturity less than 3 months	100.78	732.97
Cash on hand	114.42	134.76
Total	529.75	6,534.85

Note 12B : Bank balance other than cash and cash equivalents

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Maturity more than 3 months but less than 12 months		
Debt service reserve account with banks /earmarked balance*	2,458.87	1,354.66
Margin money deposits against bank guarantees**	344.88	779.02
Other deposits	13,241.68	13,366.73
Maturity more than 12 months ***		
Debt service reserve account with banks /earmarked balance*	-	1,155.76
Margin money deposits against bank guarantees **	729.54	188.21
Other deposits	125.94	2.16
Balances with Banks in :		
- Unpaid dividends	7.80	8.34
Total	16,908.71	16,854.88

Debt service reserve account/ major maintenance reserve account and trust, retention and other escrow accounts

Bank deposits are marked lien / pledged against the non current secured loan as per term loan agreement with the lender, further the lenders have first charge on trust, retention and other escrow accounts.

* First charge on above to the extent of amount payable as per the waterfall mechanism as defined in the Concession Agreement / Common Loan Agreement.

** Margin money deposits are earmarked against bank guarantees taken by the Company and for subsidiaries of the Company.

*** The deposits to the extent of ₹ 291.30 millions (March 31, 2021 : ₹ 1,346.13 millions) maintained by the Group with bank includes time deposits, which are held against Debt Service Reserve (DSR) and margin money against bank guarantees, are considered as current portion under the head "Bank balance other than cash and cash equivalents" since the same are encashable by the lenders in the event of default by the Group, if any.

Current deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at the respective current deposit rates. Other time deposits earn interest at the rate of 3.15% to 8.75% p.a. (March 31, 2021: 3.15 % to 8.75% p.a.)

Refer note 17 for details of security against term loans.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

For the purpose of the Statement of cash flows, cash and cash equivalents comprises of the following:

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Balances with scheduled banks:		
- Trust, retention and other escrow accounts	68.09	54.01
- Current accounts	246.46	5,613.11
- In deposit accounts with original maturity less than 3 months	100.78	732.97
Cash on hand	114.42	134.76
Less: Book overdraft	(56.92)	(54.47)
Total Cash and cash equivalents	472.83	6,480.38

Cash and cash equivalents excludes bank overdraft of ₹3,366.37 millions (March 31, 2021 : ₹9,391.77 millions).

Against the said overdraft facility, the Company has deposits to the extent of ₹13,150.00 millions (March 31, 2021 : ₹13,150.00 millions) included under Bank balances other than cash and cash equivalents.

Note 13 : Current tax assets (net)

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Advance income-tax (net of provision for tax) of ₹ 5,058.00 millions (March 31, 2021: ₹ 5,933.71 millions))	816.61	767.03
Total	816.61	767.03

Note 14 : Other current assets (Unsecured, considered good)

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Advance with suppliers	623.95	273.14
Mobilisation advances (refer note 35 for related party)	456.19	851.84
Prepaid expenses	463.17	116.48
Duties and taxes receivable	1,945.02	1,821.60
Contract assets (refer note 35 for related party)	4,915.41	561.68
Total	8,403.74	3,624.74

Refer note 17 for details of security against borrowings

Note 15 : Equity share capital

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Equity share capital		
Authorised share capital		
615,000,000 (March 31, 2021 : 615,000,000) equity shares of ₹10 each	6,150.00	6,150.00
Issued, subscribed and fully paid-up shares		
603,900,000 (March 31, 2021 : 351,450,000) equity shares of ₹10 each	6,039.00	3,514.50

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares of ₹ 10 each issued, subscribed and fully paid-up

Particulars	(₹ in millions)			
	March 31, 2022		March 31, 2021	
	No. of shares	₹ in millions	No. of shares	₹ in millions
At the beginning of the year	35,14,50,000	3,514.50	35,14,50,000	3,514.50
Movement during the year	25,24,50,000	2,524.50	-	-
At the end of the year	60,39,00,000	6,039.00	35,14,50,000	3,514.50

b. Details of shareholders holding more than 5% shares in the Company

Particulars	(₹ in millions)			
	March 31, 2022		March 31, 2021	
	No. of shares	% of total shares	No. of shares	% of total shares
IRB Holding Private Limited (Formerly known as Mhaiskar Ventures Private Limited)	19,94,15,015	33.02%	19,94,15,015	56.74%
Life Insurance Corporation of India	2,12,96,288	3.53%	2,31,30,755	6.58%
Bricklayers Investment Pte Ltd *	10,22,90,788	16.94%	-	-
Cintra INR Investments BV *	15,01,59,212	24.86%	-	-

Shareholding of Promoters and Promoter entity

	March 31, 2022		March 31, 2021		% Change during the year *
	No. of shares	% of total shares	No. of shares	% of total shares	
IRB Holding Private Limited (Formerly known as Mhaiskar Ventures Private Limited)	19,94,15,015	33.02%	19,94,15,015	56.74%	(23.72%)
Virendra D. Mhaiskar	39,83,985	0.66%	39,83,985	1.13%	(0.47%)
Virendra D. Mhaiskar HUF	1,000	0.00%	1,000	0.00%	0.00%
Deepali Virendra Mhaiskar	16,14,400	0.27%	16,14,400	0.46%	(0.19%)

Shareholding of Promoters and Promoter entity

	March 31, 2021		March 31, 2020		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
IRB Holding Private Limited (Formerly known as Mhaiskar Ventures Private Limited)	19,94,15,015	56.74%	19,94,15,015	56.74%	0.00%
Virendra D. Mhaiskar	39,83,985	1.13%	7,58,992	0.22%	0.92%
Virendra D. Mhaiskar HUF	1,000	0.00%	1,000	0.00%	0.00%
Deepali Virendra Mhaiskar	16,14,400	0.46%	16,14,400	0.46%	0.00%

* During the year, the Company has allotted shares through preferential allotment to (i) Bricklayers Investment Pte Ltd - 16.94% shares and received ₹ 2,166.42 crores and (ii) Cintra INR Investments BV - 24.86% shares and received ₹ 3,180.22 crores aggregating to ₹5,346.64 crores as approved by the shareholders in Extra-Ordinary General Meeting conducted on November 20, 2021.

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There were no shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

c. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, if any.

During the year ended March 31, 2022, the amount of per share dividend recognised as distributions to equity shareholders is ₹ Nil (March 31, 2021: ₹ 5 per equity share).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 16 : Other Equity

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Attributable to the equity holders		
a. Securities premium		
At the beginning of the year	14,060.09	14,060.09
Add: On fresh issue of shares (net of expenses of ₹599.47 millions)	50,342.42	-
At the end of the year	64,402.51	14,060.09
b. Other reserves		
1. Capital Reserve		
At the beginning and at the end of the year	1,269.18	1,269.18
2. General Reserve		
At the beginning and at the end of the year	1,946.12	1,946.12
3. Retained earnings		
At the beginning of the year	51,665.77	52,262.46
Profit for the year	3,613.97	1,171.49
Re-measurement gains/ (losses) on defined benefit plans (net of tax) during the year	(22.31)	(10.93)
Group share of share issue expenses incurred by private trust	(54.60)	-
Less: Appropriations		
Final equity dividend including tax Nil per share (March 31, 2021 : ₹5 per share)	-	(1,757.25)
Tax on equity dividend		-
At the end of the year	55,202.83	51,665.77
4. Other Comprehensive Income		
i. Mark to market (losses) on fair value measurement of investments		
At the beginning of the year	(3,447.97)	(6,223.56)
Movement during the year	244.74	2,775.59
At the end of the year	(3,203.23)	(3,447.97)
Total other reserves (1+2+3+4)	55,214.90	51,433.10
Total - Other Equity (a + b)	1,19,617.41	65,493.19

a) **Securities Premium** - Securities Premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

b) **Capital Reserve** - the excess of net assets taken over the cost of consideration paid is treated as capital reserve on account of consolidation.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- c) **General Reserve** - The Group had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- d) **Retained Earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- e) **Equity investments through OCI:** This represents the cumulative gains or losses arising on investments in equity instruments/ units of fund designated at fair value through other comprehensive income.
- f) **Remeasurements of defined benefit liability / (asset) through OCI :** Remeasurements of defined benefit liability / (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income). Below is the movement of remeasurement of defined benefit liability /(assets) :

	(₹ in millions)	
	March 31, 2022	March 31, 2021
At the beginning of the year	(77.00)	(66.07)
Movement during the year	(22.31)	(10.93)
At the end of the year	(99.31)	(77.00)

Financial liabilities

Note 17 : Borrowings

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Non-current Borrowings		
Term loans		
Indian rupee loan from banks (secured)		
Project loans for SPVs (refer note i)	91,209.21	86,353.16
Equipment finance (refer note ii)	438.44	70.04
General purpose borrowings (refer note iii)	-	8,465.56
Less : current maturities	(5,033.75)	(4,399.23)
Total (a)	86,613.90	90,489.53
Indian rupee loan from financial institutions (secured)		
Project loans for SPVs (refer note i)	7,056.73	7,021.45
Equipment finance (refer note ii)	13.45	36.02
General purpose borrowing (refer note iii)	315.18	4,616.85
Less : current maturities	(168.10)	(600.13)
Total (b)	7,217.26	11,074.19
Redeemable non-convertible debentures (secured) (refer note iv)		
Project loans for SPVs		
From Others:		
- 45,000 (March 31, 2021: 45,000) Unlisted 9.25% Non Convertible Debentures of face value of ₹ 95,323.11 each (March 31, 2021: ₹ 96,368.29 each)	4,289.54	4,336.57

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

	(₹ in millions)	
	March 31, 2022	March 31, 2021
General purpose borrowing		
From banks		
- 4,000 (March 31, 2021: 12,500) Listed 9.55% Non Convertible Debentures of face value of ₹ 1,000,000 each	4,000.00	12,500.00
- 3,500 (March 31, 2021 : Nil) Listed 9.55% NCD of face value of ₹ 940,000 each	3,290.00	-
From others		
- 218,455 (March 31, 2021: 218,455) Unlisted 9.927% Non Convertible Debentures of face value of ₹ 100,000 each	21,845.50	21,845.50
- Nil (March 31, 2021: 75,000) Unlisted 10.00% NCD of face value of ₹ 100,000 each	-	7,500.00
	33,425.04	46,182.07
Less : Effective interest rate impact	(423.38)	(827.81)
Less : current maturities	(1,056.46)	(116.43)
Total (c)	31,945.20	45,237.83
Deferred Premium Obligation (unsecured) (refer note v)	22,626.65	19,180.34
Total (d)	22,626.65	19,180.34
Less: Unamortised transaction cost (e)	(756.69)	(948.14)
Interest on premium deferment	7,100.85	5,490.39
Total (f = a + b + c + d + e)	1,54,747.17	1,70,524.14
Current Borrowings		
From Banks (Secured) (refer note vi)		
- Indian rupee loan from banks	-	189.47
- Indian rupee loan from financial institutions	-	13.47
- Overdraft	3,366.37	9,391.77
- Cash credit and working capital demand loan	2,395.61	6,208.63
Unsecured loans (interest free and repayable within 1 year)		
- Interest free loan from related parties (refer note 36)	13.67	13.67
Current maturities of non-current borrowings (refer note 17)		
Indian rupee loan from banks	5,033.75	4,399.23
Indian rupee loan from financial institutions	168.10	600.13
Non-convertible debentures	1,056.46	116.43
Effective interest rate impact	(381.92)	(145.78)
Interest accrued but not due on borrowings (Secured)	453.46	785.78
Total current borrowings	12,105.50	21,572.80
Aggregate Secured loans	1,36,658.04	1,66,626.76
Aggregate Unsecured loans	22,640.32	19,194.01

(i) Project loans for SPVs

₹ 98,265.94 millions (March 31, 2021 - ₹ 93,374.61 millions) pertains to term loans taken by SPV's (Special Purpose Vehicles) for Project financing.

Rate of interest

Indian rupee term loan from banks and financial institutions carries interest rates linked to MCLR plus spread, which varies from 8.35% to 9.60% p.a. (March 31, 2021 : carries interest rates linked to MCLR plus spread which varies from 8.40% to 9.60% p.a)

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Nature of security

- a) Secured by first charge on the movable/immovable asset by way of mortgage/hypothecation; first charge on all intangible assets, present and future; assignment of all receivables; book debts and all rights and interest in project, both present and future, excluding the project assets of respective companies;
- b) Secured by first charge on the Escrow Account, Debt Service Reserve Account and any other reserves and other bank accounts of the respective SPV Companies.
- c) An irrevocable and unconditional corporate guarantee from IRB Infrastructure Developers Limited to meet shortfall (if any) between debt due and termination payments received from Concessioneing Authority in case of termination of Concession Agreement for any reason in case of Project SPV's.

Repayment terms

The Indian rupee term-loans are repayable in structured monthly Instalments commencing after commercial operation date such that the total tenor does not exceed 18 years and repayable as per the structured monthly repayment schedule specified in common loan agreement with the Lenders.

Loan amounting to ₹ 7934.32 millions (March 31, 2021 : ₹ 64,117.15 millions) has been availed during the current reporting year.

Loan amounting to ₹ 15,511.41 millions (March 31, 2021 : ₹ 1,112.84 millions) has been repaid during the current reporting year

(ii) Equipment finance

₹ 451.89 millions (March 31, 2021: ₹ 106.06 millions) pertains to equipment finance, of which Indian rupee loan carries interest varying from 6.60% to 9.00% p.a. (March 31, 2021: 10.00% to 10.50% p.a.) Repayment term is 3 years comprising of monthly unstructured Instalments. Equipment finance companies have a charge over the assets financed.

Loan amounting to ₹ 452.64 millions (March 31, 2021 : ₹ 23.58 millions) has been availed during the current reporting year

Loan amounting to ₹ 74.02 millions (March 31, 2021 : ₹ 248.57 millions) has been repaid during the current reporting year

(iii) General purpose borrowings

a) Indian rupee term loan from banks:

- Indian rupee term loan from banks of ₹ Nil millions (March 31, 2021 : ₹ 8,465.56 millions) which carried interest rate linked to MCLR plus applicable spread, which varied from 9.50% p.a. to 10.00% p.a. (March 31, 2021: carries interest rate linked to MCLR plus applicable spread, which varies from 9.50% p.a. to 10.00% p.a.) and was secured by pledge of shares and units of its related parties, charge on escrow account opened with the banks and subservient charge on the current assets of the Company to the extent of 110% to 125% of the outstanding loan. During the current year, the Company has repaid the entire term loans from banks.

b) Indian rupee term loan from financial institutions:

- Indian rupee term loan from financial institution of ₹ Nil millions (March 31, 2021 : ₹ 4,200.00 millions) carried interest rates linked to Lender Bench Mark rate with applicable spread which was 11.60% p.a. (March 31, 2021 : carries interest rates linked to Lender Bench Mark rate with applicable spread which is 11.60% p.a.) and are secured by pledge of shares of its related parties, charge on escrow account opened with the banks and subservient charge on the current assets of the Company to the extent of 125% of the outstanding loan. During the current year, the Company has repaid the entire term loans from financial institutions.

Indian rupee term loan from financial institution of ₹ 315.18 millions (March 31, 2021: 416.85 millions) carries interest at 9.90% p.a. (March 31, 2021: 9.90% p.a.) and is secured by first and exclusive charge of hypothecation of 16 unencumbered wind mills of MRMPL, first charge on the escrow of all receivables arising out of windmill assets, pledge of equity shares of MRMPL and Corporate Guarantee of the Company. Repayment of loan in 18 structured installment as per loan agreement.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

The repayment schedule of the above term loan from banks and financial institutions are as follows:

RBI's Statement on Developmental and Regulatory Policies issued on March 27, 2020. The Company and certain subsidiaries have availed the relief provided by its lender by way of moratorium on certain principal repayments and repayment schedule have been modified accordingly in the previous year.

Indian rupee term loan from banks:

Balance as on March 31, 2022:

Nil Balance as on March 31, 2022. During the current year, the Company has repaid the entire term loans from banks.

Balance as on March 31, 2021 -

- Loan amounting to ₹ 2,494.59 millions is repayable in 31 structured quarterly instalments commencing from June 30, 2021.
- Loan amounting to ₹ 2,000.00 millions is repayable in 8 structured quarterly instalments commencing from September 15, 2021
- Loan amounting to ₹ 1,970.97 millions is repayable in 56 structured monthly instalments commencing from April 30, 2021.
- Loan amounting to ₹ 2,000 millions is repayable in 16 structured quarterly instalments commencing from September 30, 2021.

Indian rupee term loan from financial institutions:

Balance as on March 31, 2022:

- Nil Balance as on March 31, 2022. During the current year, the Company has repaid the term loans of ₹ 4,200.00 millions (March 31, 2021 : ₹ 4,596.00 millions) from financial institutions.
- Loan amounting to ₹ 315.18 millions is repayable in 18 structured Instalments commencing from June 15, 2021.
- Balance as on March 31, 2021 -
- Loan amounting to ₹ 4,200.00 millions is repayable in 31 structured quarterly instalments commencing from June 30, 2021.
- Loan amounting to ₹ 416.85 millions is repayable in 18 structured Instalments commencing from June 15, 2021.

(iv) Non-convertible debentures (NCD)

a) Rate of interest and security

From banks:

- i) From Bank - Listed NCD 4,000 (March 31, 2021 : 12,500) of face value of ₹ 1,000,000 each :
From Bank - Listed NCD 3,500 (March 31, 2021 : Nil) of face value of ₹ 940,000 each :
 - Secured, redeemable, listed Non-convertible Debentures of ₹ 7,290.00 millions (March 31, 2021 : 12,500.00) carries interest rates at 9.55% (March 31, 2021 : 9.55%) and are secured by pledge of subsidiaries equity shares and units of joint-venture, subservient charge on the current assets of the Company to the extent of 100% to 125% of the outstanding NCD amount and escrow accounts.
- ii) From Others - Unlisted NCD 75,000 of face value of ₹ 100,000 each :
 - Secured, redeemable, unlisted Non-convertible Debentures of ₹ Nil millions (March 31, 2021 : ₹ 7,500.00 millions) carries interest rates at 10.00% (March 31, 2021 : 10.00%) and are secured by pledge units of joint-venture.
- iii) From Others - Unlisted NCD 45,000 of Original face value of ₹ 100,000 each :
45,000 Secured, redeemable, non-convertible debentures issued by IRBAV ('Issuer') of a face value of ₹ 96,368.29 (March 31, 2021: ₹ 96,368.29) each on a private placement basis having rate of interest 9.25% (March 31, 2021: 9.25%) aggregating to ₹4,289.54 millions (March 31, 2021: 4,336.57 millions) redeemable in 154 Instalments commencing from March 31, 2018 as per the schedule provided in Debenture Trust Deed.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

The unlisted NCD 45,000 secured by :

- a. first mortgage and charge on all the Issuer's immovable properties as, both present and future
 - b. first charge on all the Issuer's moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future
 - c. first charge over all accounts of the Issuer, including but not limited to the Escrow Account and the Sub-Accounts (or any account in substitution thereof), the Debt Service Reserve Account that may be opened in accordance with the Transaction Documents, and in all funds from time to time deposited therein (including the reserves) and the permitted investments or other securities representing all amounts credited to the Escrow Account and a first charge on the Receivables.
 - d. Corporate Guarantee by the Company.
- iv) From Others - Unlisted NCD 218,455 of face value of ₹ 100,000 each

During the previous year, the Company had raised ₹ 21,845.50.00 millions through issue of 218,455, 9.927% Unlisted, Secured, Redeemable Non-Convertible Debentures ('9.927% NCD') to India Toll Roads. The tenure of 9.927% NCD is 7 years i.e. it will mature on February 2028 and carries interest rate of 9.927% per annum. Frequency of interest payment is semi-annually with bullet repayment of principal amount at the end of 7 years. The 9.927% NCD are secured by charge over certain cash flows from a subsidiary of the Company, pledge over a portion of holding of IRB in the subsidiary and 6 months Interest Service Reserve Account (ISRA).

The Company has an option to redeem the 9.927% NCD at any time prior to 19 February 2023, subject to applicable law, at a redemption price equal to 100% of principal amount and accrued interest upto redemption date plus applicable redemption premium if any. If the Company redeems the 9.927% NCD at anytime from 19 February 2023 to 18 February 2024, subject to applicable law, the redemption price is 102.75% of the principal amount and accrued interest upto redemption date plus applicable redemption premium, and if it is redeemed anytime on or after 19 February 2024, subject to applicable law, redemption price is 100% of principal amount and accrued interest upto redemption date plus applicable redemption premium. The 9.927% NCD will mature on the maturity date. The management does not intend to redeem the 9.927% NCD at anytime before the maturity date. The Determination agent has confirmed that there is no shortfall in funding as on March 31, 2021. Further, the Determination agent has confirmed that since neither the event of default or exercise of put option has triggered as on March 31, 2022, the redemption premium cannot be determined as on March 31, 2022 and hence no provision is created for the redemption premium in the financial statements.

The Holders of the 9.927% NCD have a Put option right on one business day prior to 19 August 2024 to redeem the 9.927% NCD. The Put right redemption price will be determined by the Holder or any agent acting on its behalf which will be the price at which Holders of the 9.927% NCD do not suffer a funding shortfall as a result of having exercised Put option right. Also, the Holders of the 9.927% NCD have the option to redeem the NCD at any time before its maturity date in the case of occurrence of event of default as mentioned in the Debenture Trust Deed. The economic characteristics and risks of this put option right are closely related to the host debt instrument and hence both are inseparable, and therefore the embedded derivative is not separated for accounting purpose.

b) Repayment schedule -

March 31, 2022

- i) From Bank - Listed NCD 7,290 of face value of ₹ 1,000,000 each:
 - NCD amounting to ₹ 2,000.00 millions is repayable in bullet payment on May 20, 2023.
 - NCD amounting to ₹ 2,000.00 millions is repayable in 13 structured quarterly instalments commencing from June 29, 2022
 - NCD amounting to ₹ 3,290.00 millions is repayable in 13 structured quarterly instalments commencing from June 30, 2022
- ii) From Others - Unlisted NCD 45,000 of Original face value of ₹ 100,000 each :
 - redeemable in 154 Instalments commencing from March 31, 2018 as per the schedule provided in Debenture Trust Deed.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- iii) From Others - Unlisted NCD 218,455 of face value of ₹ 100,000 each
- NCD amounting to ₹ 21,845.50 millions is repayable in bullet payment on August 16, 2024.

March 31, 2021

- i) From Bank - Listed NCD 12,500 of face value of ₹ 1,000,000 each :
- NCD amounting to ₹ 3,000.00 millions is repayable in 11 structured quarterly instalments commencing from December 15, 2022.
 - NCD amounting to ₹ 2,000.00 millions is repayable in 13 structured quarterly instalments commencing from June 29, 2022
 - NCD amounting to ₹ 2,000.00 millions is repayable in bullet payment on July 16, 2023.
 - NCD amounting to ₹ 2,000.00 millions is repayable in bullet payment on May 20, 2023.
 - NCD amounting to ₹ 2,000.00 millions is repayable in bullet payment on July 1, 2023.
 - NCD amounting to ₹ 1,500.00 millions is repayable in 3 structured half yearly instalments commencing from July 7, 2022
- ii) From Others - Unlisted NCD 75,000 of face value of ₹ 100,000 each :
- NCD amounting to ₹ 7,500.00 millions is repayable in bullet payment on June 26, 2023.
- iii) From Others - Unlisted NCD 45,000 of Original face value of ₹ 100,000 each :
- redeemable in 154 Instalments commencing from March 31, 2018 as per the schedule provided in Debenture Trust Deed.
- iv) From Others - Unlisted NCD 218,455 of face value of ₹ 100,000 each
- NCD amounting to ₹ 21,845.50.00 millions is repayable in bullet payment on August 16, 2024.
- NCD amounting to ₹3,500.00 millions (March 31, 2021 : ₹ 41,783.35 millions) has been availed during the current reporting year
- NCD amounting to ₹ 16.210 millions (March 31, 2021 : ₹ 69.66 millions) has been repaid during the current reporting year
- (v) 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 SPV over the concession period (by FY 2035).
- (vi) The bank overdraft is secured against fixed deposits which are repayable on demand, interest rate varies from 3.71% to 4.10% p.a.. (March 31, 2021 : 3.80% to 5.75%).

Short-term borrowings and Cash credit is secured by way of pari pasu charge on stock and debtors and pari pasu charge by way of hypothecation on machinery/ equipment/ other fixed assets of MRMPL. The interest rate for cash credit is from 9.50% p.a. to 10.50% p.a. (March 31, 2021: 9.90% p.a. to 10.50% p.a.)

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 18 : Trade payables

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 39)	514.59	777.59
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (refer note 35)*	13.54	36.44
- Others	3,289.12	6,331.58
Total	3,817.25	7,145.61

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90 day terms.

Trade Payables are undisputed and for ageing of MSME and ageing of creditors other than MSME, refer Note 39

For explanations on the Group's credit risk management processes, refer to Note 42.

Note 19 : Lease Liabilities

	(₹ in millions)			
Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Lease Liabilities (refer note 52)	34.92	85.06	45.02	43.17
Total	34.92	85.06	45.02	43.17

Note 20 : Other financial liabilities

	(₹ in millions)			
Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Premium obligation / Negative grant to NHAI (refer note 48)	4,878.14	1,12,063.16	4,312.39	1,17,215.13
Obligation for construction/ concession fee	2,083.26	-	9,873.62	2,062.91
Directors sitting fees payable (refer note 36)	0.71	-	0.51	-
Unpaid dividend*	7.80	-	8.34	-
Book overdraft	56.92	-	54.47	-
Deposit	0.54	-	0.83	-
Retention money payable	3,366.85	0.83	2,700.17	5.33
Employee benefits payable	236.51	-	284.37	-
Capital creditors	63.94	-	35.87	-
Other payable (accrual liability)	22.64	-	156.75	-
Total	10,717.31	1,12,063.99	17,427.32	1,19,283.37

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2022 (March 31, 2021: Nil).

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 21 : Provisions

(₹ in millions)

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
- Leave encashment	14.57	-	15.72	-
- Gratuity (refer note 35)	61.23	238.39	54.71	207.00
Others				
- Resurfacing expenses	-	282.04	9.75	214.55
Total	75.80	520.43	80.18	421.55

Movement for Resurfacing expenses

Particulars	March 31, 2022	March 31, 2021
Opening balance	224.30	257.59
Obligation on new toll projects	159.28	101.84
Utilised / reversed during the year	(101.54)	(135.13)
Closing balance	282.04	224.30

The above provisions are based on current best estimation of expenses that may be required to fulfill 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.

Note 22 : Other current liabilities

(₹ in millions)

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Duties and taxes payable	497.85	-	644.76	-
Stamp duty payable (refer note 33)	275.40	-	275.40	-
Other payable (to authority) (refer note 56)	-	-	2,533.01	-
Advance from customers (related parties) (refer note 35)				
- Related parties (refer note 35)	502.89	-	1,014.28	-
- Others	9.73	8.12	-	-
Deferred Revenue	99.91	1,390.55	-	-
Contract liabilities (refer note 35 and 51)	-	-	85.54	-
Mobilisation advance				
- Related parties (refer note 35)	435.80	-	610.61	-
- Others (NHAI)	3.22	1,566.96	517.49	-
Total	1,824.80	2,965.63	5,681.09	-

Note 23 : Current tax liabilities (net)

Particulars	March 31, 2022	March 31, 2021
Provision for current tax (net of advance tax) of ₹1,344.42 millions (March 31, 2021: ₹ 8,164.54 millions)	198.22	480.44
Total	198.22	480.44

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 24 : Revenue from operations

	(₹ in millions)	
	Year ended March 31, 2022	Year ended March 31, 2021
Contract revenue (refer note 35 and 51)	39,304.91	37,245.26
Income arising out of toll collection (net) (refer note 48)	17,493.05	14,697.68
Sale of electricity	93.16	87.32
Other operating revenue	1,145.88	956.04
Total	58,037.00	52,986.30

Note 25 : Other income

	(₹ in millions)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on		
- Bank deposits	627.90	897.02
- Investment in IRB InvIT Fund	491.34	537.69
- Others	1,772.45	106.99
- Unwinding of loan	48.71	48.71
Gain on sale of property, plant and equipment (net)	11.52	4.35
Profit on sale of current investments (net)	73.73	44.39
Gain on fair value measurement of other receivables (Refer note 41)	2,161.31	13.62
Fair value gain on mutual funds	84.11	65.09
Other non operating income	246.40	171.14
Total	5,517.47	1,889.00

Note 26 : Road work and site expenses

	(₹ in millions)	
	Year ended March 31, 2022	Year ended March 31, 2021
Contract expenses	14,523.23	13,987.26
Stores, spares and tools consumed	164.83	126.83
Site and other direct expenses	2,445.11	2,118.32
Sub-contracting / Security expenses	405.83	470.16
Technical consultancy and supervision charges	1,340.37	657.75
Royalty charges paid	39.02	102.74
Hire charges	165.45	164.84
Total	19,083.84	17,627.90

Note 27 : Employee benefits expenses

	(₹ in millions)	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	2,549.25	2,359.14
Contribution to provident and other funds (refer note 34)	165.72	96.88
Gratuity expenses (refer note 34)	33.14	31.52
Staff welfare expenses	125.10	131.03
Total	2,873.21	2,618.57

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 28 : Finance costs

	(₹ in millions)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense		
- Banks and financial institutions	9,183.63	8,950.17
- Debentures	5,760.46	2,558.06
- Premium deferment	1,610.46	1,329.09
- Overdraft/cash credit from banks	791.37	1,153.50
- Others	36.47	86.57
- Interest on Sub concession fee	-	762.41
- Unwinding of interest accrued on deferred payment of sub concession fee	649.12	1,449.40
- Unwinding of retention money	11.05	-
- Interest on lease liabilities (refer note 52)	12.25	11.48
Other borrowing costs	851.42	623.75
Total	18,906.23	16,924.43

Note 29 : Depreciation and amortisation expenses

	(₹ in millions)	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (refer note 4)	284.68	289.44
Depreciation on right to use asset (refer note 52)	31.73	31.02
Amortisation on intangible assets (refer note 4)	6,511.29	5,496.58
Total	6,827.70	5,817.04

Note 30 : Other expenses

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Power and fuel	166.41	128.47
Rent	32.20	42.59
Rates and taxes	786.80	964.07
Water charges	7.34	7.69
Insurance	32.55	43.72
Repairs and maintenance		
- Plant and Machinery	182.52	138.79
Advertisement expenses	56.90	165.66
Travelling and conveyance	270.27	217.46
Vehicle expenses	51.93	51.30
Communication cost	29.79	27.88
Membership and subscription fees	1.63	1.77
Printing and stationery	13.35	21.36
Director sitting fees (refer note 35)	6.09	6.66
Corporate social responsibilities expenditure (refer note 49)	201.32	285.12
Legal and professional expenses	873.46	598.90
Payment to auditors (refer note below)	22.25	14.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Donations (refer note 46)	434.77	756.37
Security expenses	17.55	19.63
Loss on sale of investment	0.05	1.09
Bank charges	34.15	48.36
Allowance for bad and doubtful receivable	64.10	-
Miscellaneous expenses	118.34	81.57
Total	3,403.77	3,622.46
Payment to statutory auditor and other component auditors		
As auditor		
Audit fees	11.98	8.07
Tax fees	-	0.03
Limited review	7.52	4.91
In other capacity		
Other services *	2.50	15.94
Reimbursement of expenses	0.25	0.12
	22.25	29.07

*including ₹15.07 millions paid to statutory auditors in the previous year in connection with services rendered for issue of Non-Convertible Debenture ('NCD') considered as transaction cost and adjusted in the carrying value of the NCD as per IND AS 109.

Note 31 : Income tax

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

	March 31, 2022	March 31, 2021
a. Statement of profit and loss		
Income tax expense		
Current tax	1,819.20	1,853.56
Adjustment of tax relating to earlier periods	(37.23)	8.83
Current income tax expense	1,781.97	1,862.39
Deferred tax:		
Deferred tax relating to origination and reversal of temporary differences	100.38	(417.69)
	1,882.35	1,444.70
b. OCI Section		
Deferred tax related to items recognised in OCI during the year	7.21	3.68
	7.21	3.68

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Reconciliation of tax expenses and the accounting of profit multiplied by Indian Domestic tax rate for March 31, 2022 and March 31, 2021 are:

	March 31, 2022	March 31, 2021
Profit before tax	5,496.32	2,616.19
Statutory tax rate	25.17%	25.17%
Expected income tax at India's statutory rate	1,383.31	658.44
Effect of expenses that are not deductible in determining taxable profit	160.09	101.56
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	357.92	299.09
Share of loss of joint ventures	569.34	417.28
Difference in tax rate on Minimum Alternate Tax compared to normal tax rates	6.33	136.17
Others	(557.42)	(176.68)
Adjustments recognised in the current year in relation to the current tax of prior years	(37.23)	8.83
Income tax expense reported in the statement of profit and loss	1,882.35	1,444.70
Effective tax rate	34.25%	55.22%

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

No deferred tax assets have been recognised on the below due to uncertainty of future long term capital gains and certainty of taxable business income :

March 31, 2022

		(₹ in millions)
Particulars	Amount of Loss	Deferred tax assets not recognised
Mark to market Losses on IRB Invit Fund (loss without expiration date)	3,203.23	373.11
Carried forward unabsorbed depreciation (loss without expiration date)	12,483.27	3,142.04
Indexation benefit on investment of subsidiaries and joint ventures (loss without expiration date)	2,156.33	431.27
Long -term capital loss of sale of subsidiaries (loss with expiration date)	1,637.32	374.62
Total	19,480.15	4,321.04

March 31, 2021

		(₹ in millions)
Particulars	Amount of Loss	Deferred tax assets not recognised
Mark to market Losses on IRB Invit Fund (loss without expiration date)	3,447.97	401.62
Carried forward unabsorbed depreciation (loss without expiration date)	10,938.58	3,158.35
Indexation benefit on investment of joint ventures (loss with expiration date)	1,841.57	368.31
Long -term capital loss of sale of subsidiaries (loss with expiration date)	1,637.32	374.62
Total	17,865.44	4,302.90

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 32 : Earnings per share (EPS)

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

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Profit attributable to equity holders for basic earnings (₹ millions)	3,613.97	1,171.49
Weighted average number of equity shares	41,57,72,877	35,14,50,000
Face value per share (Amount in ₹)	10.00	10.00
Basic earning per share	8.69	3.33
Diluted earning per share	8.69	3.33

Note : The Company does not have any potentially dilutive equity shares and therefore basic and dilutive EPS are the same.

Note 33 : Commitment and Contingencies

a. Capital commitments and other commitments

The Group has commitments related to further investment as sponsor's contribution (share capital and subordinated debt) to the projects in the following joint venture :

	(₹ in millions)	
	March 31, 2022	March 31, 2021
IRB Infrastructure Trust (refer note below)	1,272.35	3,218.67
Total	1,272.35	3,218.67

- (i) During the year ended March 31, 2020, the Group had transferred its nine subsidiaries to IRB Infrastructure Trust (Trust). However, based on the sponsor support agreement entered by the group with the lenders of the subsidiaries, the group continues to be liable for the balance equity commitment to the extent of 51%.
- (ii) The Group has entered into agreements with IRB InvIT Fund (Tenure – 10 years or completion of concession period whichever is earlier) and IRB Infrastructure Trust (Tenure – 10 years), to provide toll operations and management services.

b. Contingent liabilities

Contingent liabilities not provided for

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Guarantees and counter guarantees on behalf of joint ventures given by the Company (refer note 35)	-	460.00
Bank guarantees towards bids/tenders/authorities/etc	1,484.75	2,145.65
Total	1,484.75	2,605.65

- (i) The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.
- (ii) The Group's pending litigations comprise of claims against the Group primarily by the commuters and regulators. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Group has not provided for or disclosed contingent liabilities for matters considered as remote for pending litigations/public litigations(PIL)/claims wherein the management is confident, based on the internal legal assessment and advice of its lawyers that these litigations would not result into any liabilities. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

- iii. The Group has provided corporate guarantee to the lenders of the joint ventures companies to make good the shortfall, if any, between the secured obligations of the joint ventures companies and the termination payment received from the Authority in the event of termination of the Concession Agreement. As on March 31, 2022, since the termination clause has neither triggered nor expected to trigger in the foreseeable future for any of the joint venture companies, the said liability is considered as remote.
- iv. The Group has no material tax litigations in the current and previous year.
- v. **Provident Fund liability :**
The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Company has started complying with this prospectively from the month of March 2019. In respect of the past period there are significant implementation and interpretative challenges that the management is facing and is awaiting for clarity to emerge in this regard, pending which, this matter has been disclosed under the Contingent liability in the standalone financial statements. The impact of the same is not ascertainable.
- vi. With respect to issuance of Non-convertible Debentures issued to India Toll Roads, the Group has an obligation to pay redemption premium to Initial investor in the event of exercise of put option right. The redemption premium payable is currently not determinable since the event is not triggered. Refer note 17(iv)(a)(iv).

c. Litigation stamp duty matter

MIPL had vide order dated September 9, 2005 received a demand from the Government of Maharashtra of ₹ 275.40 millions in respect of stamp duty on the agreement dated August 4, 2004 entered into between Maharashtra State Road Developers Corporation Limited (MSRDC), MIPL and the Government of Maharashtra for right to collect tolls/fees, the cost of which has been provided and capitalised during the earlier years.

MIPL had vide order dated March 12, 2008 received demand from Chief Controlling Revenue Authority Maharashtra State, Pune of ₹49.57 millions in respect of penalty on said stamp duty. MIPL has filed a Writ Petition No.3000 of 2008 in the Bombay High Court for quashing the said order on the grounds that the said order is in violation of the provisions of Bombay Motor Vehicles Act and also in violation of the concession agreement between the Government of India and MSRDC.

The Writ Petition came up for admission on April 28, 2008 and the Hon'ble Court was pleased to admit the said Writ Petition and has directed the Petitioner to deposit 50% of the demand with the Collector of Stamps (Enforcement I) within eight weeks from the said Order dated April 28, 2008 and has directed the Registrar to seek direction from the Chief Justice of Bombay High Court for deciding as to whether the matter should be referred to a larger bench. Considering the facts and circumstances of the case and law, MIPL has made a provision of ₹ 275.40 millions in books of accounts and paid 50% of the amount ₹137.70 millions under protest on June 19, 2008. Further, based on the legal opinion obtained by MIPL, the management is of the view that the possibility of penalty demanded by the authorities, becoming a liability, is remote.

Note 34 : Gratuity and other post employment benefit plans

(a) Defined contribution plan

The following amount recognised as an expense in Consolidated 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.

	March 31, 2022	March 31, 2021
Contribution in Defined Plan	165.72	96.88

(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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

The following tables summarise the components of net benefit expense recognised in the Consolidated Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

	March 31, 2022	March 31, 2021
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	19.80	18.68
Interest cost on benefit obligation	13.34	12.84
Net benefit expense	33.14	31.52
Amount recorded in Other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	76.87	66.07
Remeasurement during the year due to :		
Actuarial loss / (gain) arising from change in financial assumptions	11.95	1.58
Actuarial loss / (gain) arising from change in demographic assumptions	15.01	-
Actuarial loss / (gain) arising on account of experience changes	2.57	9.22
Deferred tax	(7.21)	0.13
Amount recognised in OCI outside statement of profit and loss	22.32	10.93
Closing amount recognised in OCI outside profit and loss statement/retained earnings (including tax)	99.19	77.00
Reconciliation of net liability		
Opening defined benefit liability	261.71	234.26
Expense charged to statement of profit and loss	33.14	31.52
Actual benefits paid	(11.67)	(13.20)
Other adjustments	(13.09)	(1.67)
Present value of unfunded defined benefit plan	-	-
Amount recognised in outside statement of profit and loss	29.53	10.80
Closing net defined benefit liability	299.62	261.71
Balance sheet		
Benefit liability		
Defined benefit obligation	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	299.62	261.71
Less : Unrecognised past service cost	-	-
Plan liability	299.62	261.71
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	261.71	234.26
Current service cost	19.80	18.68
Interest on defined benefit obligation	13.34	12.84
Remeasurement during the period due to :		
Actuarial (gain)/ arising from change in financial assumptions	11.95	1.58
Actuarial loss arising from change in demographic assumptions	15.01	-
Actuarial loss arising on account of experience changes	2.57	9.22
Benefits paid	(11.67)	(13.20)
Other adjustments	(13.09)	(1.67)
Closing defined benefit obligation	299.62	261.71

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

	March 31, 2022	March 31, 2021
Net liability is bifurcated as follows :		
Current	238.39	54.71
Non-current	61.23	207.00
Net liability	299.62	261.71

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

	March 31, 2022	March 31, 2021
Discount rate	6.35%	6.65%
Expected rate of return on plan assets (p.a.)	N.A.	N.A.
Salary escalation	10.00%	8.50%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

A quantitative analysis for significant assumption is as shown below:

Gratuity plan:

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Assumptions -Discount rate		
Sensitivity Level	0.50%	0.50%
Impact of Increase in 50 bps on defined benefit obligation	8.62	(6.82)
Impact of Decrease in 50 bps on defined benefit obligation	9.11	7.20
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	7.35	6.04
Impact of Decrease in 50 bps on defined benefit obligation	7.14	(5.85)

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 unfunded and hence there are no assets held to meet the liabilities.

The following payments are expected contributions to the defined benefit plant in future years

	(₹ in millions)	
Particulars	March 31, 2022	March 31, 2021
Within the next 12 months (next annual reporting period)	61.36	54.71
Between 2 and 5 years	148.86	126.83
Between 6 and 10 years	102.00	87.36
Beyond 10 years	148.06	127.37
Total expected payments	460.28	396.27
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	8.86 years	8.88 years

The expected contribution payable to the plan next year is therefore Nil.

Compensated absences during the year ended March 31, 2022 is ₹ 4.59 millions and for the year ended March 31, 2021 is ₹ 4.00 millions is charged to the Consolidated Statement of Profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 35 : Related Party Disclosure

I. Names of Related Parties and description of relationship :

Description of relationship	Names of related parties
a) Joint ventures/ Entities controlled by Joint ventures (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	MMK Toll Road Private Limited IRB Infrastructure Trust Subsidiaries of the Joint Venture - IRB Infrastructure Trust IRB Westcoast Tollway Limited Solapur Yedeshi Tollway Limited Yedeshi Aurangabad Tollway Limited IRB Hapur Moradabad Tollway Limited AE Tollway Limited Udaipur Tollway Limited CG Tollway Limited Kishangarh Gulabpura Tollway Limited Kaithal Tollway Limited
b) Enterprises owned or significantly influenced by key management personnel or their relatives (Enterprises) (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	IRB Holding Private Limited (Formerly known as Mhaiskar Ventures Private Limited) V. D. Mhaiskar (HUF) VCR Toll Services Private Limited SDM Ventures Private Limited DSM Projects Private Limited Loch Fynne Ltd Ideal Toll and Infrastructure Private Limited IRB Charitable Foundation
c) Key Management Personnel (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	Mr. Virendra D. Mhaiskar, Chairman and Managing Director Mr. Sudhir Rao Hoshing, Joint Managing Director (upto 29 December 2021) and Chief Executive Officer Mr. Mukeshlal Gupta, Joint Managing Director (upto 29 December 2021) Mrs. Deepali V. Mhaiskar, Whole Time Director Mr. Jose Angel Tamariz Martel Goncer, Additional Non-Executive Director (w.e.f 29 December 2021) Mr. Carlos Ricardo Ugarte Cruz Coke, Additional Non-Executive Director (w.e.f 29 December 2021) Mr. Chandrashekhar S. Kaptan, Independent Director Mr. Sunil H. Talati, Independent Director Mr. Sandeep Shah, Independent Director Ms. Priti Savla, Independent Director (w.e.f. February 10, 2022) Mrs. Heena Raja, Independent Director (upto February 10, 2022) Mr. Ajay P. Deshmukh, Chief Executive Officer (Infrastructure) (upto March 26, 2021) Mr. Anil D. Yadav, Group Chief Financial Officer (w.e.f July 17, 2020 upto March 25, 2021) Mr. Anil D. Yadav, Chief Financial Officer (upto July 16, 2020) Mr. Rushabh R. Gandhi, Chief Finance Officer (w.e.f. July 17, 2020 and upto March 26, 2021) Mr. Tushar Kawedia, Group Chief Financial Officer and Chief Financial Officer (w.e.f. March 26, 2021) Mr. Mehul N. Patel, Company Secretary
d) Relatives of Key Management Personnel (Only with whom there have been transaction during the period / there was balance outstanding at the period end)	Late Dattatraya P. Mhaiskar (Father of Mr. Virendra D. Mhaiskar) (upto January 3, 2018) Mrs. Sudha Dattatraya Mhaiskar (Mother of Mr. Virendra D. Mhaiskar)
e) Entities having significant influence (Only with whom there have been transaction during the period / there was balance outstanding at the period end)	Cintra INR Investments BV (subsidiary of Ferrovial SA) (w.e.f. 29 December 2021)

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

II. Related Party Transactions

		(₹ in millions)					
Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
1	Dividend paid	-	998.90	-	-	-	15.78
	Virendra D. Mhaikar	-	-	-	-	-	4.62
	Late Dattatraya P. Mhaikar	-	-	-	-	-	2.50
	Sudha D. Mhaikar	-	-	-	-	-	0.48
	Deepali V. Mhaikar	-	-	-	-	-	8.07
	Ajay P. Deshmukh	-	-	-	-	-	0.06
	Mukeshlal Gupta	-	-	-	-	-	0.05
	V. D. Mhaikar (HUF)	-	0.01	-	-	-	-
	SDM Ventures Private Limited	-	0.90	-	-	-	-
	DSM Projects Private Limited	-	0.90	-	-	-	-
	Mhaikar Ventures Private Limited	-	997.08	-	-	-	-
	Ideal Toll and Infrastructure Private Limited	-	0.01	-	-	-	-
2	Director sitting fees	-	-	-	-	4.48	3.68
	Virendra D. Mhaikar	-	-	-	-	0.09	0.15
	Deepali V. Mhaikar	-	-	-	-	0.04	0.06
	Ajay P. Deshmukh	-	-	-	-	-	0.29
	Sudhir Rao Hoshing	-	-	-	-	0.11	0.05
	Anil D. Yadav	-	-	-	-	-	0.02
	Rushabh Gandhi	-	-	-	-	-	0.02
	Dhananjay K. Joshi	-	-	-	-	0.37	-
	Mukeshlal Gupta	-	-	-	-	-	0.07
	Sunil H Talati	-	-	-	-	0.69	0.69
	Sunil Tandan	-	-	-	-	0.70	-
	Chandrashekhar S. Kaptan	-	-	-	-	0.94	0.79
	Sandeep Shah	-	-	-	-	1.18	1.07
	Tushar Kawedia	-	-	-	-	0.03	-
	Heena Raja	-	-	-	-	0.26	0.47
	Priti Paras Savla	-	-	-	-	0.07	-
3	Remuneration paid	-	-	-	-	255.57	290.88
	Virendra D. Mhaikar	-	-	-	-	82.47	69.62
	Deepali V. Mhaikar	-	-	-	-	60.84	51.57
	Sudhir Rao Hoshing	-	-	-	-	54.72	41.90
	Mukeshlal Gupta	-	-	-	-	22.24	42.95
	Ajay P. Deshmukh	-	-	-	-	-	21.44
	Anil D. Yadav	-	-	-	-	-	38.18
	Rushabh Gandhi	-	-	-	-	-	13.00
	Mehul N. Patel	-	-	-	-	17.55	12.22
	Tushar Kawadia	-	-	-	-	17.75	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in millions)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
4	Rent paid	-	-	-	-	3.09	2.81
	Virendra D Mhaikar	-	-	-	-	2.16	2.16
	Deepali V Mhaikar	-	-	-	-	0.93	0.65
5	Donation given	3.82	5.56	-	-	-	-
	IRB Charitable Foundation	3.82	5.56	-	-	-	-
6	Contract revenue	-	-	17,719.53	17,750.10	-	-
	IRB Westcoast Tollway Limited	-	-	2,364.16	1,235.34	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	1.56	394.36	-	-
	Solapur Yedeshi Tollway Limited	-	-	29.88	-	-	-
	Kaithal Tollway Limited	-	-	-	28.89	-	-
	AE Tollway Limited	-	-	20.73	952.15	-	-
	Udaipur Tollway Limited	-	-	2,200.79	1,723.04	-	-
	CG Tollway Limited	-	-	2,386.04	1,164.75	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	2,955.96	2,302.07	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	7,760.40	9,949.50	-	-
7	Operation and maintenance revenue	-	-	1,737.77	1,630.61	-	-
	IRB Westcoast Tollway Limited	-	-	211.25	202.13	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	199.73	189.38	-	-
	Solapur Yedeshi Tollway Limited	-	-	144.29	136.79	-	-
	Kaithal Tollway Limited	-	-	164.55	156.07	-	-
	AE Tollway Limited	-	-	303.93	288.22	-	-
	Udaipur Tollway Limited	-	-	172.77	165.27	-	-
	CG Tollway Limited	-	-	276.79	240.54	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	192.59	183.47	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	71.87	68.75	-	-
8	Other recoverable/ advance towards subscription of units (given)	-	-	-	2,544.40	-	-
	IRB Infrastructure Trust	-	-	-	2,544.40	-	-
9	Other recoverable/ advance towards subscription of units (received)	-	-	-	3,413.14	-	-
	IRB Infrastructure Trust	-	-	-	3,413.14	-	-
10	Deferred consideration received	-	-	-	1,792.36	-	-
	IRB Infrastructure Trust	-	-	-	1,792.36	-	-
11	Trading sales	-	-	1,555.19	2,062.51	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	1,555.19	2,062.51	-	-
12	Expenses incurred on behalf of (reimbursement)	-	-	1.77	5.71	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	-	0.11	-	-
	Kaithal Tollway Limited	-	-	-	1.72	-	-
	AE Tollway Limited	-	-	-	3.88	-	-
	IRB Infrastructure Trust	-	-	1.77	-	-	-
13	Interest unwinding on loan given	-	-	48.71	48.71	-	-
	IRB Infrastructure Trust	-	-	48.71	48.71	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ in millions)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
14	Investment - Units allotment	-	-	1,946.33	2,603.81	-	-
	IRB Infrastructure Trust	-	-	1,946.33	2,603.81	-	-
15	Guarantees cancelled	-	-	460.00	412.83	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	-	37.83	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	-	375.00	-	-
	AE Tollway Limited	-	-	460.00	-	-	-
16	Short term loan given/Repaid	-	-	4,759.00	4,155.57	28.82	30.00
	Yedeshi Aurangabad Tollway Limited	-	-	-	167.90	-	-
	Solapur Yedeshi Tollway Limited	-	-	-	90.82	-	-
	Udaipur Tollway Limited	-	-	-	219.09	-	-
	IRB Infrastructure Trust	-	-	4,759.00	3,677.76	-	-
	Sudhir Rao Hoshing	-	-	-	-	28.82	30.00
17	General advance received	-	-	3,066.89	5,835.21	-	-
	Kaithal Tollway Limited	-	-	-	1.21	-	-
	AE Tollway Limited	-	-	96.78	47.64	-	-
	Udaipur Tollway Limited	-	-	239.67	119.85	-	-
	CG Tollway Limited	-	-	154.58	84.68	-	-
	Kishangarth Gulabpura Tollway Limited	-	-	-	47.76	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	2,543.52	5,534.07	-	-
	Solapur Yedeshi Tollway Limited	-	-	32.34	-	-	-
18	Unsecured loans taken/repayment received	-	-	4,828.83	1.18	-	-
	IRB Westcoast Tollway Limited	-	-	-	1.18	-	-
	IRB Infrastructure Trust	-	-	4,828.83	-	-	-
	Sudhir Rao Hoshing	-	-	-	-	30.30	-
19	Retention and held-up amount during the period	-	-	1,168.86	142.74	-	-
	Kaithal Tollway Limited	-	-	-	0.21	-	-
	IRB Westcoast Tollway Limited	-	-	346.38	21.60	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	0.26	0.13	-	-
	CG Tollway Limited	-	-	320.96	51.71	-	-
	Udaipur Tollway Limited	-	-	12.08	26.42	-	-
	AE Tollway Limited	-	-	27.55	42.68	-	-
	Kishangarth Gulabpura Tollway Limited	-	-	43.97	-	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	417.66	-	-	-
20	Retention and held-up amount release during the period	-	-	507.38	135.25	-	-
	AE Tollway Limited	-	-	-	103.30	-	-
	IRB Westcoast Tollway Limited	-	-	152.33	31.94	-	-
	CG Tollway Limited	-	-	355.05	-	-	-
21	Fair value gain on measurement of other receivable	-	-	2,161.32	13.62	-	-
	IRB Infrastructure Trust	-	-	2,161.32	13.62	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

III. Related Party Balances

(₹ In millions)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures/ Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
1	Loan taken	13.67	13.67	-	-	-	-
	VCR Toll Services Private Limited	13.67	13.67	-	-	-	-
2	Other payables	-	-	-	-	5.10	11.37
	Virendra D. Mhaskar	-	-	-	-	2.28	3.10
	Deepali V. Mhaskar	-	-	-	-	1.84	2.40
	Mukeshlal Gupta	-	-	-	-	-	1.25
	Sudhir Rao Hoshing	-	-	-	-	0.39	2.02
	Ajay P. Deshmukh	-	-	-	-	-	0.54
	Anil D. Yadav	-	-	-	-	-	1.38
	Rushabh Gandhi	-	-	-	-	-	0.33
	Mehul N. Patel	-	-	-	-	0.29	0.35
	Tushar Kawedia	-	-	-	-	0.29	-
3	Other receivable	-	-	197.56	195.79	-	-
	IRB Westcoast Tollway Limited	-	-	0.16	0.16	-	-
	Kaithal Tollway Limited	-	-	1.72	1.72	-	-
	AE Tollway Limited	-	-	31.25	31.25	-	-
	Udaipur Tollway Limited	-	-	20.60	20.60	-	-
	MMK Toll Road Private Limited	-	-	2.37	2.37	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	14.45	14.45	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	125.24	125.24	-	-
	IRB Infrastructure Trust	-	-	1.77	-	-	-
4	Deferred consideration receivable towards sale of subsidiaries	-	-	35,167.02	32,957.00	-	-
	IRB Infrastructure Trust	-	-	35,167.02	32,957.00	-	-
5	Director sitting fees payable	-	-	-	-	0.44	0.23
	Virendra D. Mhaskar	-	-	-	-	0.01	0.03
	Deepali V. Mhaskar	-	-	-	-	0.00	0.01
	Ajay P. Deshmukh	-	-	-	-	-	0.06
	Dhananjay K. Joshi	-	-	-	-	0.06	-
	Sudhir Rao Hoshing	-	-	-	-	0.03	0.03
	Chandrashekhar S. Kaptan	-	-	-	-	0.06	-
	Mukeshlal Gupta	-	-	-	-	-	0.03
	Heena Raja	-	-	-	-	-	0.01
	Anil Yadav	-	-	-	-	-	0.03
	Rushabh Gandhi	-	-	-	-	-	0.01
	Sandeep Shah	-	-	-	-	0.12	0.03
	Priti Paras Savla	-	-	-	-	0.06	-
	Tushar Kawedia	-	-	-	-	0.02	-
	Sunil H. Talati	-	-	-	-	0.06	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ In millions)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures/ Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
6	Short term loan given	0.25	0.25	4,085.74	4,155.57	28.52	30.00
	IRB Charitable Foundation	0.25	0.25	-	-	-	-
	Udaipur Tollway Limited	-	-	219.09	219.09	-	-
	Solapur Yedeshi Tollway Limited	-	-	90.82	90.82	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	167.90	167.90	-	-
	IRB Infrastructure Trust	-	-	3,607.93	3,677.76	-	-
	Sudhir Rao Hoshing	-	-	-	-	28.52	30.00
7	Trade receivables	-	-	13,077.33	4,051.02	-	-
	IRB Westcoast Tollway Limited	-	-	1,765.12	354.73	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	580.22	555.17	-	-
	Solapur Yedeshi Tollway Limited	-	-	222.62	200.11	-	-
	Kaithal Tollway Limited	-	-	0.94	73.11	-	-
	AE Tollway Limited	-	-	9.53	35.88	-	-
	Udaipur Tollway Limited	-	-	2,797.63	1,100.05	-	-
	CG Tollway Limited	-	-	2,340.74	674.09	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	2,685.20	750.31	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	2,675.34	307.56	-	-
8	Mobilisation advance received	-	-	435.80	610.61	-	-
	IRB Westcoast Tollway Limited	-	-	230.42	230.42	-	-
	Udaipur Tollway Limited	-	-	-	77.71	-	-
	CG Tollway Limited	-	-	-	97.11	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	205.38	205.38	-	-
9	Guarantee margin payable	-	-	-	0.54	-	-
	Solapur Yedeshi Tollway Limited	-	-	-	0.54	-	-
10	Advance from customers	-	-	502.89	1,014.28	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	421.29	989.50	-	-
	AE Tollway Limited	-	-	81.57	24.79	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	0.03	-	-	-
11	Retention money receivable	-	-	256.49	190.34	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	23.42	23.39	-	-
	AE Tollway Limited	-	-	23.08	20.33	-	-
	IRB Westcoast Tollway Limited	-	-	70.14	50.74	-	-
	Solapur Yedeshi Tollway Limited	-	-	2.18	2.18	-	-
	Kaithal Tollway Limited	-	-	2.55	2.55	-	-
	CG Tollway Limited	-	-	48.62	52.03	-	-
	Udaipur Tollway Limited	-	-	40.33	39.13	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	41.77	-	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	4.40	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(₹ In millions)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures/ Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
12	Guarantees given	-	-	-	460.00	-	-
	AE Tollway Limited	-	-	-	460.00	-	-
13	Contract liabilities	-	-	-	85.53	-	-
	AE Tollway Limited	-	-	-	85.53	-	-
14	Contract assets	-	-	2,812.85	545.79	-	-
	Udaipur Tollway Limited	-	-	-	52.04	-	-
	CG Tollway Limited	-	-	-	64.33	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	1,089.97	47.24	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	978.75	382.18	-	-
	IRB Westcoast Tollway Limited	-	-	744.13	-	-	-
15	Trade payables	11.63	36.44	1.90	29.99	-	-
	AE Tollway Limited	-	-	0.51	0.51	-	-
	MMK Toll Road Private Limited	-	-	1.39	29.47	-	-
	Loch Fynne Limited	11.63	36.44	-	-	-	-

Note 36 : Segment Information:

- The Group has identified business segments in accordance with Indian Accounting Standard 108 "Operating Segment" notified under Section 133 of the Companies Act 2013, read together with relevant rules issued thereunder.
- The Group has identified two business segments viz., Built, Operate and Transfer ('BOT')/ Toll Operate and Transfer ('TOT') and Construction as reportable segments.
The business segments of the Group comprise of the following:

Segment	Description of Activity
BOT/ TOT Projects	Operation and maintenance of roadways
Construction	Development of roads
- Performance is measured based on segment results (before tax), as included in the internal management reports that are reviewed by the Board of Directors. Segment results is used to measure performance as management believes that such information is more relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Segment results (before tax) differs from consolidated profit before tax in that it excludes unallocated corporate expenses, other income, unallocated finance expenses and share of loss from joint venture, as these items are not allocated to individual segments.
- The Group's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.
- Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

g) Details of Business Segment information is presented below:

Particulars	BOT/ TOT Projects		Construction		Unallocated corporate		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
REVENUE								
Total external revenue	17,874.84	15,594.00	39,958.89	37,254.98	203.27	137.32	58,037.00	52,986.30
Inter segment revenue	-	-	-	-	-	-	-	-
Total Revenue (Net)	17,874.84	15,594.00	39,958.89	37,254.98	203.27	137.32	58,037.00	52,986.30
RESULT								
Segment Results	9,685.58	8,536.28	12,121.41	11,817.41	(23.65)	(2.63)	21,783.34	20,351.06
Unallocated corporate expenses							(636.11)	(1,041.48)
Operating Profit							21,147.23	19,309.58
Other Income							5,517.47	1,889.00
Unallocated financial expenses							(18,906.23)	(16,924.43)
Profit Before Exceptional items and Tax							7,758.47	4,274.15
Share of loss from joint ventures (net)							(2,262.15)	(1,657.96)
Profit Before Tax							5,496.32	2,616.19
Current Tax							1,781.97	1,862.39
Deferred Tax							100.38	(417.69)
Profit for the year							3,613.97	1,171.49
OTHER INFORMATION								
Segment assets	2,51,751.08	2,66,328.72	94,773.41	62,768.36	79,141.71	82,639.36	4,25,666.20	4,11,736.44
Segment liabilities	1,19,650.36	1,30,615.85	12,309.17	15,817.78	1,68,050.26	1,96,295.12	3,00,009.79	3,42,728.75
Capital expenditure incurred	11,422.77	77,780.00	2,473.04	153.04	-	-	13,895.81	77,933.04
Depreciation and Amortisation	6,511.12	5,487.97	234.68	304.20	81.90	24.87	6,827.70	5,817.04

Footnotes:-

- 1 Unallocated corporate assets includes current and non-current investments, goodwill, deferred tax assets, cash and bank balances and advance payment of income tax.
- 2 Unallocated corporate liabilities includes long term borrowings, short term borrowings, current maturities of long term borrowing, deferred tax liability and provision for taxation.
- 3 Unallocated corporate expenses under segment revenue and segment results includes Real Estate Development, Windmill (Sale of electricity generated by windmill), Hospitality and Airport Infrastructure.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 37 : Information required for consolidated financial statements pursuant to schedule III of the Companies Act, 2013 :

Name of the entity	Net Assets i.e. total assets minus total liabilities				Share in Profit / (Loss)		
	March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021
	As % of consolidated net assets	(₹ in millions)	As % of consolidated net assets	(₹ in millions)	As % of consolidated net profit	(₹ in millions)	As % of consolidated net profit
Parent							
IRB Infrastructure Developers Limited	56%	70,282.61	53%	36,431.18	241%	8,713.60	11%
Subsidiaries							
Modern Road Makers Private Limited	9%	10,828.77	(7)%	(5,082.50)	(398)%	(14,397.57)	264%
Ideal Road Builders Private Limited	(0)%	(0.57)	0%	254.17	16%	581.43	34%
Mhaskar Infrastructure Private Limited	(2)%	(2,195.83)	0%	204.61	0%	9.41	12%
ATR Infrastructure Private Limited	0%	107.29	0%	216.93	5%	189.61	(1)%
Aryan Toll Road Private Limited	0%	41.28	0%	19.97	1%	18.08	(1)%
IRB MP Expressway Private Limited	12%	14,858.09	21%	14,461.98	21%	747.21	11%
MMK Toll Road Private Limited	0%	-	0%	-	0%	-	0%
IRB Infrastructure Private Limited	0%	62.39	0%	14.58	1%	47.85	2%
Thane Ghodbunder Toll Road Private Limited	0%	11.62	0%	173.82	23%	841.90	1%
Aryan Infrastructure Investments Private Limited	1%	1,710.50	2%	1,698.19	(0)%	(1.38)	(1)%
IRB Kolhapur Integrated Road Development Company Private Limited	0%	354.24	0%	120.94	(24)%	(881.85)	5%
Aryan Hospitality Private Limited	0%	125.57	0%	138.24	(0)%	(13.34)	(1)%
IRB Sindhudurg Airport Private Limited	6%	7,918.15	10%	6,685.34	(3)%	(101.73)	(17)%
IRB Goa Tollway Private Limited	2%	2,723.14	(1)%	(696.21)	95%	3,449.80	(1)%
IRB PS Highway Private Limited	0%	2.47	(0)%	(2.58)	0%	0.01	(0)%
MRM Mining Private Limited	(0)%	(11.47)	0%	36.46	(5)%	(183.43)	0%
IRB Ahmedabad Vadodara Super Express Tollway Private Limited	9%	11,047.71	18%	12,313.90	(23)%	(815.33)	(79)%
GE1 Expressway Private Limited (formerly known as IRB PP Project Private Limited)	0%	1.48	(0)%	(1.08)	(0)%	(0.30)	(0)%

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Name of the entity	Net Assets i.e. total assets minus total liabilities				Share in Profit / (Loss)			
	March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
	As % of consolidated net assets	(₹ in millions)	As % of consolidated net assets	(₹ in millions)	As % of consolidated net profit	(₹ in millions)	As % of consolidated net profit	(₹ in millions)
VK1 Expressway Private Limited	4 %	4,430.47	3 %	1,797.20	139 %	5,007.35	2 %	24.86
VM7 Expressway Private Limited	2 %	2,371.75	0 %	94.23	74 %	2,665.41	0 %	-
Palsit Dankuni Tollway Private Limited (w.e.f 15 April 2021)	0 %	514.43	0 %	-	(0)%	(0.28)	0 %	-
Pathankot Mandi Highway Private Limited (w.e.f 23 April 2021)	0 %	251.65	0 %	-	(0)%	(0.20)	0 %	-
Chittoor Thachur Highway Private Limited (w.e.f 13 October 2021)	0 %	133.63	0 %	-	(0)%	(0.07)	0 %	-
Meerut Budaun Expressway Private Limited (w.e.f 05 January 2022)	0 %	9.01	0 %	-	(0)%	(0.03)	0 %	-
Add: Adjustment for goodwill on consolidation	0 %	78.04	0 %	78.04	0 %	-	0 %	-
Add: Exceptional items	0 %	-	0 %	-	0 %	-	0 %	-
Add: Adjustment for borrowing cost capitalisation (net of tax)	0 %	-	0 %	50.29	0 %	-	0 %	-
Less: Share of loss from joint venture	0 %	-	0 %	-	(63)%	(2,262.15)	(142)%	(1,657.96)
	100%	1,25,656.41	100%	69,007.69	100%	3,613.97	100%	1,171.49
Partnership firm								
Modern Estate	0 %	-	0 %	-	0 %	-	0 %	-

Note: The above figures are net of intra-group elimination.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 37 : Information required for consolidated financial statements pursuant to schedule III of the Companies Act, 2013 :

Name of the entity	Share in Other Comprehensive income / (Loss)				Share in Total Comprehensive income / (Loss)			
	March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
	As % of Other comprehensive income / (loss)	(₹ in millions)	As % of Other comprehensive income / (loss)	(₹ in millions)	As % of total comprehensive income / (loss)	(₹ in millions)	As % of total comprehensive income / (loss)	(₹ in millions)
Parent								
IRB Infrastructure Developers Limited	1 10%	245.70	100%	2,775.98	234%	8,959.30	74%	2,903.74
Subsidiaries								
Modern Road Makers Private Limited	(9)%	(19.94)	(0)%	(10.69)	(376)%	(14,417.51)	78 %	3,083.39
Ideal Road Builders Private Limited	0 %	-	0 %	-	15 %	581.43	10 %	394.62
Mhaskar Infrastructure Private Limited	0 %	-	0 %	-	0 %	9.41	3 %	135.57
ATR Infrastructure Private Limited	(0)%	(0.50)	(0)%	(0.50)	5 %	189.11	(0)%	(11.22)
Aryan Toll Road Private Limited	0 %	-	0 %	-	0 %	18.08	(0)%	(6.30)
IRB MP Expressway Private Limited	0 %	-	0 %	-	19 %	747.21	3 %	133.27
MMK Toll Road Private Limited	0 %	-	0 %	-	0 %	-	0 %	-
IRB Infrastructure Private Limited	(0)%	(0.26)	0 %	0.32	1 %	47.59	1 %	21.30
Thane Ghodbunder Toll Road Private Limited	0 %	-	0 %	-	22 %	841.90	0 %	14.65
Aryan Infrastructure Investments Private Limited	0 %	-	0 %	-	(0)%	(1.38)	(0)%	(8.42)
IRB Kolhapur Integrated Road Development Company Private Limited	0 %	-	0 %	-	(23)%	(881.85)	2 %	60.90
Aryan Hospitality Private Limited	0 %	-	0 %	-	(0)%	(13.34)	(0)%	(13.95)
IRB Sindhudurg Airport Private Limited	(0)%	(0.57)	0 %	-	(3)%	(102.30)	(5)%	(203.71)
IRB Goa Tollway Private Limited	0 %	-	0 %	-	90 %	3,449.80	(0)%	(14.01)
IRB PS Highway Private Limited	0 %	-	0 %	-	0 %	0.01	(0)%	(0.09)
MRM Mining Private Limited	(1)%	(2.43)	(0)%	(0.62)	(5)%	(185.86)	0 %	4.36
IRB Ahmedabad Vadodara Super Express Tollway Private Limited	0 %	0.45	0 %	0.16	(21)%	(814.88)	(23)%	(924.77)

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Name of the entity	Share in Other Comprehensive income / (Loss)				Share in Total Comprehensive income / (Loss)			
	March 31, 2022		March 31, 2021		March 31, 2022		March 31, 2021	
	As % of Other comprehensive income / (loss)	(₹ in millions)	As % of Other comprehensive income / (loss)	(₹ in millions)	As % of total comprehensive income / (loss)	(₹ in millions)	As % of total comprehensive income / (loss)	(₹ in millions)
GE1 Expressway Private Limited (formerly known as IRB PP Project Private Limited)	0 %	-	0 %	-	(0)%	(0.30)	(0)%	(0.09)
VK1 Expressway Private Limited	0 %	-	0 %	-	131 %	5,007.35	1 %	24.86
VM7 Expressway Private Limited	0 %	-	0 %	-	69 %	2,665.41	0 %	-
Palsit Dankuni Tollway Private Limited (w.e.f 15 April 2021)	0 %	-	0 %	-	(0)%	(0.28)	0 %	-
Pathankot Mandi Highway Private Limited (w.e.f 23 April 2021)	0 %	-	0 %	-	(0)%	(0.20)	0 %	-
Chittoor Thachur Highway Private Limited (w.e.f 13 October 2021)	0 %	-	0 %	-	(0)%	(0.07)	0 %	-
Meerut Budaun Expressway Private Limited (w.e.f 05 January 2022)	0 %	-	0 %	-	(0)%	(0.03)	0 %	-
Add: Adjustment for goodwill on consolidation	0 %	-	0 %	-	0 %	-	0 %	-
Add: Exceptional items	0 %	-	0 %	-	0 %	-	0 %	-
Add: Adjustment for borrowing cost capitalisation (net of tax)	0 %	-	0 %	-	0 %	-	0 %	-
Less: Share of loss from joint venture	0 %	-	0 %	-	(59)%	(2,262.15)	(42)%	(1,657.96)
	100%	222.43	100%	2,764.66	100%	3,836.40	100%	3,936.15
Partnership firm								
Modern Estate	0%	-	0 %	-	0 %	-	0 %	-

Note: The above figures are net of intra-group elimination.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 38 : Disclosure pursuant to Appendix - A to Ind AS 11 - "Service Concession Arrangements" ('SCA')

(A) Disclosures with regard to Toll Collection Rights (Intangible Assets)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable
1	Thane Ghodbunder Toll Road Private Limited (refer note 3)	December 24, 2005	February 23, 2021	15 years	June 23, 2007
2	ATR Infrastructure Private Limited (refer note 4)	September 25, 2003	October 8, 2021	18 years	December 20, 2005
3	IRB Ahmedabad Vadodara Super Express Tollway Private Limited	January 1, 2013	December 31, 2037	25 years	December 6, 2015
4	Palsit Dankuni Tollway Private Limited	April 2, 2022	April 1, 2039	17 years	September 28, 2024
5	Meerut Budaun Expressway Private Limited	Appointed date awaited		36 years	Appointed date awaited

Note:

- (1) The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the Respective Government Authorities:-
 - a. Rights to use the Specified assets
 - b. Obligations to provide or rights to expect provision of services
 - c. Obligations to deliver or rights to receive at the end of the Concession.
- (2) The actual concession period may vary based on terms of the respective concession agreements.
- (3) The Concession period for the project was successfully completed on 23rd February, 2021.
- (4) The Concession period for the project was successfully completed on 08th October, 2021.

(B) Disclosures with regard to Hybrid Annuity Project

(i)	Name of Concessionaire	VM7 Expressway Private Limited	VK1 Expressway Private Limited	Pathankot Mandi Highway Private Limited	Chittoor Thachur Highway Private Limited
(ii)	Description of the arrangement:	Construction of Eight Lane Access Controlled Expressway From Km 190.000 to KM 217.50 of Vadodara Mumbai Expressway (Gandeva to Ena section) in the state of Gujarat on Hybrid Annuity Mode (HAM) basis.	Eight lane 23.74 Km section of Expressway between Vadodara and Kim in Gujarat on a Hybrid Annuity Mode (HAM) basis	Rehabilitation and Upgradation to Four Lane configuration & Strengthening of Punjab/ HI Border to Mo from Km 11.000 to Km 42.000 (Design Length 28.700 KM) of Pathankot-Mandi Section in the state of Himachal Pradesh on Hybrid Annuity Mode (HAM).	Construction of Six Lining of Chittoor-Thachur road from km. 96.040 (Pondavakkam) to km. 116. 100 (Kannigaipair) in the state of Tamil Nadu (Package-IV) on Hybrid Annuity mode (HAM).
(iii)	Significant terms of the arrangement:				
	Period of concession:	17 years from Appointed date	17 years from Appointed date	17 years from Appointed date	17 years from Appointed date
	Start of concession period under concession agreement (Appointed date)	November 09, 2021	January 18, 2019	Appointed date awaited	Appointed date awaited
	End of concession period under concession agreement	November 08, 2038	January 17, 2036		

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Name of Concessionaire	VM7 Expressway Private Limited	VK1 Expressway Private Limited	Pathankot Mandi Highway Private Limited	Chittoor Thachur Highway Private Limited
Remuneration:	Annuity, interest and O&M	Annuity, interest and O&M	Annuity, interest and O&M	Annuity, interest and O&M
Investment grant from concession grantor:	Yes	Yes	Yes	Yes
Investment return to grantor at end of concession:	Yes	Yes	Yes	Yes
Investment and renewal obligations:	No	No	No	No
Repricing dates:	Half yearly for O&M	Half yearly for O&M	Half yearly for O&M	Half yearly for O&M
Basis upon which re-pricing or re-negotiation is determined:	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement
(iv) Financial assets :				
a) Current (₹ in millions)	₹ 1,148.59 millions (March 31, 2021 : Nil)	₹ 599.15 millions (March 31, 2021 : 3,631.33 millions)	-	-
b) Non-current (₹ in millions)	₹ 1,722.89 millions (March 31, 2021 : Nil)	₹ 12.372.58 millions (March 31, 2021 : 6,136.78 millions)	-	-

As at March 31 2022, the project is under construction phase. Balance obligation as on March 31, 2022 is ₹ 1,3884.30 millions for VM7 Expressway Private Limited (March 31, 2021 : ₹ 4,531.80 millions for VK1 Expressway Private Limited).

(i) Name of Concessionaire	IRB PP Project Private Limited*	IRB PS Highway Private Limited*
(ii) Description of the arrangement:	Four laning of 38.00 Km section of NH-45A (New NH-32) between Puducherry – Poondiyanakuppam in Tamilnadu on a Hybrid Annuity Mode (HAM) basis	Four laning of 56.80 Km section of NH-45A between Poondiyanakuppam – Sattanathapuram in Tamilnadu on a Hybrid Annuity Mode (HAM) basis
(iii) Significant terms of the arrangement:		
Period of concession:	17 years from Appointed date	17 years from Appointed date
Start of concession period under concession agreement (Appointed date)	Project Terminated	Project Terminated
End of concession period under concession agreement		
Remuneration:	Annuity, interest and O&M	Annuity, interest and O&M
Investment grant from concession grantor:	Yes	Yes
Investment return to grantor at end of concession:	Yes	Yes
Investment and renewal obligations:	No	No
Repricing dates:	Half yearly for O&M	Half yearly for O&M
Basis upon which re-pricing or re-negotiation is determined:	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement

* NHAI has communicated vide letters dated October 31, 2019 that the Concession agreement are deemed terminated with effect from May 15, 2019. The Group has filed for compensation with NHAI as per the provisions of the Concession Agreement. Pursuant to settlement agreement with NHAI, the Group has received ₹200.00 millions during the previous year.

Note:

In HAM projects, revenue is received / receivable as under:

- 40% of the total bid project cost with adjustment relating to Price Index Multiple, shall be due and payable to the Group in 5-10 equal Instalments during the construction period in accordance with the provisions of the SCA.
- The remaining bid project cost, with adjustment relating to Price Index Multiple, shall be due and payable in 30 bi-annual Instalments commencing from the 180th day of COD in accordance with the provision of the SCA.
- Interest shall be due and receivable on the reducing balance of Completion Cost at an interest rate equal to the applicable scheduled Bank Rate plus 1.25% - 3%. Such interest shall be due and receivable biannually along with each installment specified in of SCA.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(C) Disclosures with regard to Toll Operate Transfer Project

(i) Name of Concessionaire	IRB MP Expressway Private Limited (IRBMP) (formerly known as NKT Road and Toll Private Limited)
(ii) Description of the arrangement:	Tolling, operation, maintenance and transfer of Yashwantrao Chavan Expressway & National Highway NH-48 in the state of Maharashtra
(iii) Significant terms of the arrangement:	
Period of concession:	10 years 2 months
Start of concession period under concession agreement	March 1, 2020
End of concession period under concession agreement	April 30, 2030
Payment terms:	Upfront payment of ₹ 65,000 millions and further staggered payment of ₹ 8,500 millions in year 2, ₹ 8,500 millions in year 3 and ₹ 620 millions in year 4, aggregating to ₹ 82,620 millions

Note 39 : Trade Payable

a) Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

"Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no overdue amount to the Micro and Small enterprises as defined in the Micro, Small Medium Enterprises Development Act, 2006 as set out in the following disclosures:

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the consolidated financial statement as at March 31, 2022 based on the information received and available with the Group.

Particulars	(₹ in millions)	
	March 31, 2022	March 31, 2021
Principal amount remaining unpaid to any supplier as at the period end	514.59	777.59
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.	-	-

MSME ageing schedule as at

Particulars	March 31, 2022	March 31, 2021
MSME Undisputed Dues		
Not due	136.02	44.19
Less than 1 year	378.57	733.40
1-2 Years	-	-
2-3 Years	-	-
More than 3 years	-	-
Total	514.59	777.59

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

b) Ageing of creditors other than micro enterprises and small enterprises as at

Particulars	March 31, 2022	March 31, 2021
Others Undisputed Dues		
Not due	654.64	1,169.46
Less than 1 year	2,301.50	4,995.43
1-2 Years	343.17	188.82
2-3 Years	0.05	4.92
More than 3 years	0.96	9.39
Total	3,300.33	6,368.02

Note 40 : Fair Values

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

(₹ in millions)

	Carrying amount		Fair Value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
Financial assets measured at fair value through statement of Profit & Loss				
Investments (Quoted)	4,635.34	3,122.89	4,635.34	3,122.89
Other Financial assets	35,167.02	32,957.00	35,167.02	32,957.00
Trade receivable	5,998.85	2,476.18	5,998.85	2,476.18
Financial assets measured at fair value through other comprehensive income				
Investments (Quoted)	8,078.59	8,413.34	4,875.36	4,964.35
Investments (Unquoted)	6.25	6.25	6.25	6.25
Financial assets measured at amortised cost				
Investments (Unquoted)	0.17	0.17	-	-
Loans	4,179.61	4,248.38	-	-
Other Financial assets	16,846.21	11,172.89	-	-
Trade receivable	9,935.47	3,403.08	-	-
Cash and cash equivalents	529.75	6,534.85	-	-
Other Bank balances	16,908.71	16,854.88	-	-

(₹ in millions)

	Carrying amount		Fair Value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial liabilities				
Financial liabilities measured at amortised cost				
Trade payables	3,817.25	7,145.61	-	-
Borrowings (net of unamortised transaction cost)	1,66,852.67	1,92,096.94	-	-
Lease liabilities	119.98	88.19	-	-
Other financial liabilities	1,22,781.30	1,36,710.69	-	-

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

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.

Note 41 : 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 in 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.

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2022

	As on March 31, 2022	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	9,510.70	9,510.70	-	-
Investments (Unquoted) *	6.42	-	-	6.42
Other financial assets**	35,167.02	-	-	35,167.02
Liabilities				
Lease liabilities***	119.98	-	-	119.98
Non convertible debentures	7,290.00	-	8,039.30	-

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2021

	As on March 31, 2021	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	11,536.23	11,536.23	-	-
Investments (Unquoted) *	6.42	-	-	6.42
Other financial assets**	32,957.00	-	-	32,957.00
Liabilities				
Lease liabilities***	88.19	-	-	88.19
Non convertible debentures	12,500.00	-	12,580.03	-

There have been no transfers between Levels during the year.

*The fair value in respect of the unquoted equity investments can not be reliably estimated and hence the same is valued at cost.

**The fair value measurements for the Receivable from IRB Infrastructure Trust ('Trust') have been categorised as Level 3 fair values based on the inputs to the valuation techniques used. The fair valuation is determined based on present value of projected cash flows and risk free discount rates. The significant unobservable inputs used are (a) applying probability for percentage of amount that will be collected against the claims raised / to be raised with customers including the timing of collection (over a period of three years) with weights being assigned to different probability scenarios; and (b) discount rate applied to determine present value is 10.30 % (March 31, 2021 - 10.00%).

Sensitivity: Higher probability by 5% and lower discount rate by 0.5% will increase the fair value by ₹ 4,048.35 millions (March 31, 2021 - ₹ 3,633.10 millions). Lower probability by 5% and higher discount rate by 0.5% will reduce fair value by ₹ 3,784.57 millions (March 31, 2021 - ₹ 3,422.35 millions). There were no significant inter-relationship between unobservable inputs that materially affects fair value.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Fair value movement for Receivable from Trust is as under:

Particulars	₹ in millions	
	March 31, 2022	March 31, 2021
Opening balance as at 1 April 2021 (Previous year : 1 April 2020)	32,957.00	34,688.21
Less: Receipt of deferred consideration	-	(1,792.36)
Add: Adjustment on account of fair valuation	2,161.31	13.62
Add: Adjustment on account of interest unwinding and others	48.71	47.53
Closing balance of receivables as on March 31, 2022 (Previous period : March 31, 2021)	35,167.02	32,957.00

Lease liabilities***

The sensitivity analysis below have been determined based on reasonably possible changes of the discounting rate occurring at the end of the reporting year, while holding all other assumptions constant.

If the discounting rate is 50 basis point higher (lower), the impact on profit would be decreased by ₹ 0.25 millions (increased by ₹ 0.25 millions).

Note 42 : 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 have 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 Market risk.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments

Credit risk from balances with banks and financial institutions, trade receivables, loans and advances is managed by the Group's management in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade receivables

Concentration of credit risk with respect to trade receivables are high, due to the Group's customer base being limited. All trade receivables are reviewed and assessed for default on a quarterly basis. Based on historical experience of collecting receivables indicate a low credit risk.

The following table provides information about the ageing of gross carrying amount of trade receivables as at :

Gross Carrying Amount	₹ in millions	
	March 31, 2022	March 31, 2021
Undisputed Trade receivables -considered good		
Less than 6 months	7,979.98	4,078.30
6 months - 1 year	6,313.96	1,493.83
1-3 Years	1,501.45	97.85
2-3 Years	59.18	10.96
More than 3 years	79.75	198.32
Total	15,934.32	5,879.26

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Other financial assets and Loans

The Group other receivables are from related parties. The Group does not perceive any credit risk pertaining to other receivables. The Group makes provision of expected credit losses to mitigate the risk of default payments and makes appropriate provision at each reporting date whenever outstanding is for a longer period and involves higher risk. The Group also has receivables from loans which are primarily provided in form of security deposits. The Group monitors the credit worthiness of such lessors where the amount of security deposits is material.

The movement in allowance for doubtful receivable is as follows:

	March 31, 2022	March 31, 2021
Balance as at beginning of the year	-	-
Provision for credit impaired during the year	(64.10)	-
Balance as at end of the year	(64.10)	-

Investment in Equity shares/units of joint ventures

The Group has investments in equity shares / units of joint ventures. The settlement of such instruments is linked to the completion of the respective underlying projects. Such Financial Assets are not impaired as on the reporting date.

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, FVTOCI investments and derivative financial instruments.

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.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

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 on fixed rate borrowing. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	March 31, 2022	March 31, 2021
Long term borrowings - variable interest rate - (Gross of unamortised transaction cost)	1,21,659.66	1,25,743.42
Long term borrowings - fixed interest rate (Gross of unamortised transaction cost)	33,425.04	46,182.07
Short term borrowings - fixed interest rate	5,775.65	15,817.01
Fixed interest rate financial assets	17,001.69	17,579.51

Cash flow sensitivity analysis for variable rate instrument

Long term borrowings - variable interest rate

If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 608.30 millions (increased by ₹ 608.30 millions) (as at March 31, 2021: decreased by ₹ 628.37 millions (increased by ₹ 628.37 millions)).

Long term borrowings - fixed interest rate

If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 167.13 millions (increased by ₹ 167.13 millions) (as at March 31, 2021: decreased by ₹ 231.26 millions (increased by ₹ 231.26 millions)).

Short term borrowings - fixed interest rate

If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 28.81 millions (increased by ₹ 28.81 millions) (as at March 31, 2021: decreased by ₹ 79.02 millions (increased by ₹ 79.02 millions)).

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Fixed interest rate financial assets

If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be increase by ₹ 85.01 millions (decrease by ₹ 85.01 millions) (as at March 31, 2021: increased by ₹ 87.90 millions (decreased by ₹ 87.90 millions)).

Commodity price risk

The Group requires for implementation (construction, operation and maintenance) of the projects, such as cement, bitumen, steel and other construction materials. The Group has hedged its commodity risk in respect of aggregates by having captive mines for production of aggregates. The Group is able to manage its exposure to price increases in other raw materials through bulk purchases and better negotiations. Hence, the sensitivity analysis is not required.

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:

(₹ in millions)					
As at March 31, 2022	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Current Investments	4,634.98	4,634.98	4,634.98	-	-
Trade receivables	15,934.32	16,873.57	10,073.19	6,800.38	-
Cash and cash equivalents	529.75	529.75	529.75	-	-
Bank balance	16,908.71	16,908.71	16,908.71	-	-
Loans	4,179.61	4,179.61	4,179.61	-	-
Other financial assets	52,013.23	52,013.23	2,691.10	49,322.13	-
Total	94,200.60	95,139.85	39,017.34	56,122.51	-

(₹ in millions)					
As at March 31, 2021	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Current Investments	3,122.58	3,122.58	3,122.58	-	-
Trade receivables	5,879.26	5,879.26	3,403.08	2,476.18	-
Cash and cash equivalents	6,534.85	6,534.85	6,534.85	-	-
Bank balance	16,854.88	16,854.88	16,854.88	-	-
Loans	4,248.38	4,248.38	4,248.34	0.04	-
Other financial assets	44,129.89	44,129.89	13,127.44	31,002.45	-
Total	80,769.84	80,769.84	47,291.17	33,478.67	-

(₹ in millions)					
As at March 31, 2022	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Long term Borrowings (Gross of unamortised transaction cost)*	1,62,185.55	2,03,693.89	16,322.22	1,01,000.71	86,370.96
Short term borrowings	6,229.11	6,873.24	6,873.24	-	-
Lease liabilities	119.98	119.98	34.92	85.06	-
Other financial liabilities	1,22,781.30	1,22,781.30	10,717.31	26,871.50	85,192.49
Trade payables	3,817.25	3,817.25	3,817.25	-	-
Total	2,95,133.19	3,37,285.66	37,764.94	1,27,957.27	1,71,563.45

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

	(₹ in millions)				
As at March 31, 2021	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Long term Borrowings (Gross of unamortised transaction cost)*#	1,77,415.88	2,00,573.33	16,039.64	1,15,796.60	68,737.09
Short term borrowings	16,602.79	16,997.44	16,997.44	-	-
Lease liabilities	88.19	88.19	45.02	43.17	-
Other financial liabilities	1,36,710.69	1,36,710.69	17,427.32	27,082.74	92,200.63
Trade payables	7,145.61	7,145.61	7,145.61	-	-
Total	3,37,963.16	3,61,515.26	57,655.03	1,42,922.51	1,60,937.72

*Refer note 17(iv)(a)(iv).

As at March 31, 2021, long term borrowings include Non-convertible debentures which, carry premium in the range of 0-8%, at the time of redemption as per the respective debenture agreements.

The Group has sufficient level of cash and bank balances, including highly marketable debt investments to meet the financial liabilities over the next twelve months. Moreover, the Group has maintained adequate sources of financing including debt tie up with banks/ financial institutions and overdraft facility from banks in respect of committed capital and operational outflows.

Note 43 : Loans or advances to specified persons

Types of borrower	March 31, 2022		March 31, 2021	
	Gross Carrying Amount outstanding*	% of Total ^	Gross Carrying Amount outstanding*	% of Total ^
1. Promoters	-	-	-	-
2. Directors	-	-	-	-
3. KMPs	-	-	30.00	0.71%
4. Related Parties	477.81	11.43%	477.81	11.25%
Total aggregate loans	4,179.61		4,248.38	

* represents repayable on demand.

^ represents percentage to the total Loans and Advances in the nature of loan

There are no loan without specifying any terms or period of repayment in the current and previous year.

Note 44 : 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, 2022 and March 31, 2021. 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 (Gross of unamortised transaction cost) less cash and cash equivalents.

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Borrowings (Note 17)	1,68,414.66	1,94,018.67
Less: cash and cash equivalents (Note 12A and 20)	(472.83)	(6,480.38)
Net debt	1,67,941.83	1,87,538.29
Equity (Note 15 and 16)	1,25,656.41	69,007.69
Total equity	1,25,656.41	69,007.69
Capital and net debt	2,93,598.24	2,56,545.98
Gearing ratio (%)	57.20%	73.10%

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 45 : Dividend Distribution made

Particulars	(₹ in millions)	
	March 31, 2022	March 31, 2021
Cash dividend on equity shares declared and paid :		
Final dividend for the year ended March 31, 2020, ₹ 5/- per share	-	1,757.25
Dividend distribution tax	-	-
Total	-	1,757.25

Note 46 : Donation

During the current year, donation given to political parties amounts to ₹ 250.00 millions (March 31, 2021 - ₹ 525.00 millions). Details are as under:

Name of Political Party	(₹ in millions)	
	March 31, 2022	March 31, 2021
Bharatiya Janta Party	-	400.00
Donation through Electoral bonds	250.00	-
Kisan Party of India	-	25.00
Maharashtra Pradesh Nationalist Congress Party	-	100.00
	250.00	525.00

Note 47 : Settlement of claim

In earlier years, Maharashtra State Road Development Corporation (MSRDC) had directed to suspend toll collection of the Company's wholly owned subsidiary viz. IRB Kolhapur Integrated Road Development Company Private Limited (IRBK). A Committee of Government of Maharashtra was formed to finalise the valuation of the project which was settled at ₹ 4,730 millions. Accordingly, IRBK has received ₹ 4,730 millions from MSRDC as a payment against compensation from MSRDC. In the previous year, the Group had adjusted the written down value of the toll collection right of ₹ 4,320.68 millions against the composite claim receivable of ₹ 4,730 millions and the difference had been charged off to the consolidated statement of profit and loss after considering cost incurred towards development of hotel.

Note 48 : Details of specific projects

IRBAV

- During the year ended March 31, 2015, the Group had received approval of NHAI for premium deferment for Ahmedabad Vadodara project. The Scheme is applicable to the Project from FY14-15 onwards. Such deferred premium is included in non current / other current financial liabilities.
- IRBAV has been awarded the contract on a DBFOT basis. As per the terms of the concession agreement, IRBAV is obligated to pay an amount of ₹ 148,806.38 millions to NHAI as additional concession fee over the concession period. Accordingly, from financial year 2014-15, 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.
- IRB Ahmedabad Vadodara Super Express Tollway Private Limited ('IRBAV'), a subsidiary of the Company has received award from Hon'ble High court for continuation of relief from payment of Premium to NHAI till the outcome of Section 17 proceedings under Arbitration. Pending outcome of the matter, the said entity has paid premium to NHAI only to the extent of available cash surplus.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 49 : Corporate Social Responsibility

March 31, 2022:

(₹ in millions)			
(a)	Gross amount required to be spent by the Group during the year		196.22
(b)	Amount spent during the year on:		
Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	201.32	-	201.32
(c) Shortfall at the end of the year			Nil
(d) Total of previous years shortfall			Nil
(e) Reason for shortfall			Not Applicable
(f) Nature of CSR activities			Eradicating Poverty, Healthcare and Education
(g) Details of related party transactions, e.g., contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard			Nil
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately			Nil

Note :

- The Company does not have any ongoing projects as at March 31, 2022.
- The Company has elected not to carry forward any excess amount spent during the year

March 31, 2021:

(₹ in millions)			
(a)	Gross amount required to be spent by the Group during the year		270.03
(b)	Amount spent during the year on:		
Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	285.12	-	285.12
(c) Shortfall at the end of the year			Nil
(d) Total of previous years shortfall			Nil
(e) Reason for shortfall			Not Applicable
(f) Nature of CSR activities			Eradicating Poverty, Healthcare and Education
(g) Details of related party transactions, e.g., contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard			Nil
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately			Nil

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 50 : Interest in joint ventures

The Group has 51% interest in IRB Infrastructure Trust (Trust) and MMK Toll Road Private Limited (MMK) and has joint control over the said entities. The Group's interest in the consolidated financial statements of Trust and the standalone financial statements of MMK is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint ventures, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarised Balance Sheet as at March 31, 2022 and March 31, 2021:

Particulars			(₹ in millions)	
	March 31, 2022		March 31, 2021	
	Trust	MMK	Trust	MMK
Non-current assets including intangible assets	2,24,710.72	0.10	2,17,020.47	0.17
Current assets including cash and cash equivalents	6,864.15	115.71	5,780.08	116.94
Non-current liabilities including borrowings	(1,35,078.03)	(2.71)	(1,17,127.70)	(2.37)
Current liabilities including trade payables	(19,100.80)	(10.42)	(27,653.90)	(12.46)
Equity	77,396.04	102.68	78,018.95	102.28
Other Adjustment to Equity	-	1.48	103.81	1.48
Adjusted Equity	77,396.04	104.16	78,122.76	103.76
Proportion of Group's ownership	51%	51%	51%	51%
Carrying amount of investment	39,471.99	53.11	39,842.61	52.92

Summarised statement of profit and loss of the following entities:

Particulars			(₹ in millions)	
	March 31, 2022		March 31, 2021	
	Trust	MMK	Trust	MMK
Total income	12,504.97	36.49	10,474.22	37.49
Road work and site expenses	(3,989.80)	-	(3,983.41)	-
Depreciation and amortisation expenses	(1,674.90)	-	(1,255.69)	-
Employee benefit expenses	-	(28.50)	-	(29.58)
Finance costs	(9,538.70)	-	(8,228.17)	-
Investment Manager Fees	(42.48)	-	(46.25)	-
Other expenses	(2,406.43)	(7.42)	(138.34)	(5.61)
Tax expenses	711.36	(0.20)	(74.86)	(0.70)
(Loss)/Profit for the period	(4,435.98)	0.37	(3,252.50)	1.60
Proportion of ownership interest	51%	51%	51%	51%
Share of loss /(profit)	(2,262.34)	0.19	(1,658.78)	0.82

Note 51 : Contract Revenue

(a) The Group undertakes Engineering, Procurement and Construction business, toll collection and operation and maintenance work. The type of work in the contracts with the customers involve construction, engineering, designing etc.

(b) Disaggregation of revenue from contracts with customers

The Group believes that the information provided under Note 24, Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers and also refer note (d).

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

(c) Reconciliation of contract assets and liabilities:

(₹ in millions)		
Particulars	March 31, 2022	March 31, 2021
Contract assets*		
Due from contract customers (contract assets)		
At the beginning of the reporting period	561.68	267.77
Cost incurred plus attributable profits on contracts-in-progress	39,219.37	27,523.62
Progress billings made towards contracts-in-progress	34,865.64	27,229.71
At the end of the reporting period	4,915.41	561.68
Contract liabilities**		
Advance from contract customers (contract liability)		
At the beginning of the reporting period	85.54	1,108.50
Revenue recognised during the year	85.54	9,721.64
Progress billings made towards contracts-in-progress	-	8,698.68
At the end of the reporting period	-	85.54

*The contract assets primarily relate to the Group's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Invoices are raised on the customers based on the agreed contractual terms and are collected as per agreed payment terms.

**The contract liability primarily relates to the advances from customer towards on-going EPC projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

(d) Reconciliation of revenue as per Ind AS 115

(₹ in millions)		
Particulars	March 31, 2022	March 31, 2021
Contracted Price	36,368.23	34,136.52
Less: Fair value adjustment as per Ind AS 115	1,224.21	370.81
Revenue from Operations (as per Statement of Profit and Loss)		
- Construction Revenue (road construction)	35,144.02	33,765.71
- Operation and maintenance revenue	4,160.89	3,479.55
Total	39,304.91	37,245.26
Revenue from toll operations		
Revenue total collected	17,668.13	14,732.00
Less : Payment as revenue share*	175.08	34.32
Total	17,493.05	14,697.68

* Comprises double user fee from non fastag users in the current year of ₹ 175.08 millions (March 31, 2021: ₹ 34.32 millions)

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Performance obligation

The Group undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for road construction. The type of work in these contracts involve construction, engineering, designing, etc.

The Group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Group provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Group enters into multiple contracts with the same customer, the Group evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Group recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognizes the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

(e) Revenue recognition for future related to performance obligations that are unsatisfied (or partially satisfied) :

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Group has applied the practical expedient in Ind AS 115.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹1,04,594.58 millions out of which 37.22% (March 31, 2021 : ₹ 77,487.95 millions out of which 49.87%) is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Practical expedients:

Applying the practical expedient in paragraph 63 of Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for EPC contracts that have original expected duration of one year or less.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 52 : Disclosure on Ind-AS 116 Leases

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Balance at the beginning of the year	86.18	117.20
Additions/other adjustments	61.38	-
Depreciation	(31.73)	(31.02)
Balance at the end of the year	115.83	86.18

The following is the break-up of current and non-current lease liabilities as of March 31, 2022:

	(₹ in millions)	
	March 31, 2022	March 31, 2021
lease liabilities - current	34.92	45.02
lease liabilities - non- current	85.06	43.17
	119.98	88.19

The following is the movement in lease liabilities for the year ended March 31, 2022 and March 31, 2021

	(₹ in millions)	
	March 31, 2022	March 31, 2021
Opening balance	88.19	126.39
Additions and other adjustments	62.92	-
Interest charged	12.25	11.48
Payments made	(43.38)	(49.68)
Closing balance	119.98	88.19

Rental expense recorded for short-term leases / Variable lease/ low-value leases was ₹32.20 Millions (March 31, 2021: ₹ 42.59 Millions).

	Total	Less than 1 year	Between 1 and 3 years	More than 3 years	Weighted average effective interest rate %
March 31, 2022					
Lease liabilities	119.98	34.92	85.06	-	10.50%
March 31, 2021					
Lease liabilities	88.19	45.02	43.17	-	10.50%

Note 53 : Intra-group turnover and profits on BOT construction contracts

The BOT contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services incurred. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realised.

Accordingly, BOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intra group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Ind AS 110 "Consolidated financial statement"

The revenue and profit in respect of these transactions during the year is ₹ 1,250.03 millions (previous year: ₹ 3,010.09 millions) and ₹ 32.91 millions (previous year: ₹ 940.48 millions) respectively.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 54 : Disclosure pursuant to Section 186 of the Companies Act, 2013

Investments in entities

(₹ in millions)						
Entity	Financial year ended	Opening Balance	Investment made	Sale of Investment/ capital reduction	Fair Value gain/(loss)	Closing Balance
Union Bank of India	March 31, 2022	0.31	-	-	0.05	0.36
National Savings Certificates	March 31, 2022	0.17	-	-	-	0.17
Indian Highways Management Company Limited	March 31, 2022	5.55	-	-	-	5.55
The Kalyan Janta Sahakari Bank Limited	March 31, 2022	0.60	-	-	-	0.60
The Dombivali Nagri Sahakari Bank Limited	March 31, 2022	0.10	-	-	-	0.10
IRB InvIT Fund	March 31, 2022	4,964.35	-	333.73	244.74	4,875.36
Total		4,971.08	-	333.73	244.79	4,882.14

Investments in entities - joint ventures

(₹ in millions)						
Entity	Financial year ended	Opening Balance	Investment made	Share of (loss)/ profit	Equity Share	Closing Balance
IRB Infrastructure Trust	March 31, 2022	39,842.61	1,946.33	(2,316.95)	(54.60)	39,471.99
MMK Toll Road Private Limited	March 31, 2022	52.92	-	0.19	-	53.11

Investments in entities

(₹ in millions)						
Entity	Financial year ended	Opening Balance	Investment made	Sale of Investment/ capital reduction	Fair Value gain/(loss)	Closing Balance
Union Bank of India	March 31, 2021	0.26	-	-	0.05	0.31
National Savings Certificates	March 31, 2021	0.17	-	-	-	0.17
Indian Highways Management Company Limited	March 31, 2021	5.55	-	-	-	5.55
The Kalyan Janta Sahakari Bank Limited	March 31, 2021	0.60	-	-	-	0.60
The Dombivali Nagri Sahakari Bank Limited	March 31, 2021	0.10	-	-	-	0.10
IRB InvIT Fund	March 31, 2021	2,374.18	-	185.42	2,775.59	4,964.35
Total		2,380.86	-	185.42	2,775.64	4,971.08

Investments in entities - joint ventures

(₹ in millions)						
Entity	Financial year ended	Opening Balance	Investment made	Share of (loss)/ profit	Equity Share	Closing Balance
IRB Infrastructure Trust	March 31, 2021	38,897.58	2,603.81	(1,658.78)	53.11	39,842.61
MMK Toll Road Private Limited	March 31, 2021	52.10	-	0.82	-	52.92

Management is of the view that investment in mutual fund shall not form part of disclosure under section 186 (11) read with Schedule VI of the Act since they do not fall under the definition of body corporate as defined in section 2 of Companies Act, 2013.

The Company and Group is engaged in the business of providing infrastructural facilities as per Section 186 (11) read with Schedule VI of the Companies Act 2013. Accordingly, disclosures under Section 186 of the Act in respect of loan made, investments, guarantees given or security provided is not applicable to the Company and Group.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 55 :Additional disclosures under the regulatory requirement as required under 11(e) and rule (f) of the Companies (Audit and Auditors) Rules, 2014:

A) Loan given to IRB Infrastructure Trust, one of the joint venture during the year:

(₹ in millions)	
Date	Amount
April 29, 2021	145.00
May 14, 2021	520.00
May 25, 2021	56.58
May 28, 2021	280.00
June 8, 2021	40.10
June 10, 2021	169.73
July 5, 2021	1,012.50
July 31, 2021	15.00
September 14, 2021	240.30
September 18, 2021	685.00
September 29, 2021	35.00
October 20, 2021	222.30
October 29, 2021	36.50
November 30, 2021	65.00
December 8, 2021	162.50
January 7, 2022	36.00
February 7, 2022	25.00
Total	3,746.50

The above loans advanced by the Company is made based on the framework agreement entered into with MMK Toll Road Private Limited (Investment Manager to IRB Infrastructure Trust) and GIC affiliates in compliance with the relevant provisions of the Companies Act, 2013.

Investments made by IRB Infrastructure Trust (Trust) during the year:

(₹ in millions)					
Investee Company	Relationship with Trust	Relationship with the Company	Nature of Investment	Date	Amount
IRB Hapur Moradabad Tollway Limited	Wholly Owned	Wholly Owned	Sub-debt - Equity	April 29, 2021	145.00
IRB Hapur Moradabad Tollway Limited	Subsidiary of	Subsidiary	Sub-debt - Equity	May 14, 2021	520.00
IRB Hapur Moradabad Tollway Limited	IRB Infrastructure Trust	of Joint venture - IRB Infrastructure Trust	Sub-debt - Equity	May 25, 2021	56.58
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	May 28, 2021	280.00
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	June 8, 2021	40.10
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	June 10, 2021	169.73
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	July 5, 2021	1,012.50
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	July 31, 2021	15.00
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	September 14, 2021	240.30
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	September 18, 2021	685.00
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	September 29, 2021	35.00
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	October 20, 2021	222.30
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	October 29, 2021	36.50
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	November 30, 2021	65.00
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	December 8, 2021	162.50
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	January 7, 2022	36.00
IRB Hapur Moradabad Tollway Limited			Sub-debt - Equity	February 7, 2022	25.00
Total					3,746.50

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

B) Loan taken during the year *

a) Non-convertible Debenture (NCD) issued during the year to IDBI Bank Limited during the year:

		(₹ in millions)
Date		Amount
September 30, 2021		3,500.00
Total		3,500.00

The above NCD issued by the Company is in compliance with the relevant provisions of the Companies Act, 2013.

b) Investments made by the Company during the year:

					(₹ in millions)
Investee Company	Relationship with the Company	Nature of Investment	Date		Amount
IRB Sindhudurg Airport Private Limited	Wholly Owned Subsidiary	Subordinated Debt - Equity	September 30, 2021		3,500.00
Total					3,500.00

Note 56 : Arbitration award

During the earlier year, pursuant to the measures approved by the Cabinet Committee on Economic Affairs ("CCEA") for revival of the construction sector, IRB Goa Tollway Private Limited (IRB Goa) has received from National Highways Authority of India (NHAI) ₹ 2,485.04 millions against bank guarantee submitted by IRB Goa as 75% of the Arbitral Award amount pronounced by the Arbitral Tribunal. Subsequently NHAI had challenged the arbitration award in High Court. In the current financial year, the petition filed by NHAI challenging the Arbitral Award has been dismissed by the Honorable Delhi High Court and the Arbitral Award has been upheld. The amount of the Arbitral Award for Claim on termination of Concession agreement of the Project as determined by the Honorable High Court including accrued interest aggregate to ₹ 370.17 crores. Out of total claim amount ₹ 121.67 crores are yet to be receive from NHAI which has been shown as Trade Receivable.

Note 57 : Note on Board Consent for sale of Non core assets

During the year ended March 31, 2022, the board of directors has provided their consent and accorded for sale of the non-core assets in Ideal Road Builders Private Limited and Aryan Infrastructure Investments Private Limited to Mr. Virendra D. Mhaskar, the promoter of the Company.

A land measuring 13,047.80 sq. mtrs at Chandivali Village, Mumbai comprising of IRB Corporate Office and two residential properties which are owned by Ideal Road Builders Private Limited and certain equity shares of Aryan Infrastructure Investments Private Limited will be sold to the promoter within a period of 2 years of the resolution i.e. 26 October 2021 at prevailing market prices on arm's length basis. The total consideration determined is not less than INR 4,150 millions and not more than INR 4,200 millions for both the transaction.

The Company is yet to commence the process of valuation of the underlying properties/instruments and it is unlikely that the sale will be effected in less than 12 months from the date of the Balance Sheet. Hence, the Group has not classified the non-current assets in Ideal Road Builders Private Limited and investments in certain equity shares of Aryan Infrastructure Investment Private Limited to assets held for sale as per Ind AS 105 - "Non-Current Assets Held for Sale and Discontinued Operations".

Note 58 : Prior year comparatives

The financial statements for the year ended March 31, 2021 had been prepared as per the then applicable, revised Schedule III to the Companies Act, 2013. Consequent to the notification dated 24 March 2021, the financial statements for the year ended March 31, 2022 are prepared as per the amended revised Schedule III. Accordingly figures of the previous years have been reclassified wherever necessary to confirm to the current year's classification.

- (a) Security and other deposits regrouped under 'Other financial assets' (Note 8) which were earlier part of 'Loans' (Note 7).
- (b) Current maturities of long-term borrowings and interest accrued on borrowings regrouped under 'Borrowings' (note 17) which were earlier part of 'Other financial liabilities' (Note 20).

The above reclassification is accordingly considered in Consolidated Statement of Cash Flows.

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 59 : Note on Covid-19

The management has assessed and determined that considering the nature of its operations and overall revenue model, second and third wave of COVID-19 does not have any material impact on the Company's financial position as at March 31, 2022, its financial performance for the year then ended and its internal control over financial reporting as at March 31, 2022. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

Note 60 : Disclosure required for Borrowings based on security of current Assets

The Company has been sanctioned overdraft limits of ₹ 13,057.50 millions, in aggregate, from banks on the basis of security of fixed deposits placed with banks. The Company is not required to file quarterly returns or statements with such banks. The Company has not been sanctioned any working capital limits from any financial institutions.

In one of the Subsidiary, Cash credit facilities from banks or financial institutions has been availed on the basis of security of current assets, there is no disagreement between books of account and quarterly statements of current assets filed by the subsidiary with banks or financial institutions during the year ended March 31, 2022 and year ended March 31, 2021.

Note 61 : Disclosure of Derivative Contracts

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. At the year end, the Company has reviewed and there are no long term contracts for which there are any material foreseeable losses. The Company has ensured that adequate provision as required under any law/accounting standards for material foreseeable losses on derivative contracts has been made in the books of accounts.

Note 62 : Disclosure of Transactions with struck off companies

The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 63 : Other Statutory Information

- a) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- b) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- c) The company is not declared as wilful defaulter by any bank of financial institution or other lenders.

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- a) Crypto currency or Virtual Currency
- b) Benami property held under Benami Transactions (Prohibition) Act, 1988 (45 of 1988)

Notes to Consolidated Financial Statements

for the year ended March 31, 2022

Note 64 : Subsequent events

There are no subsequent events which require disclosure or adjustment subsequent to the balance sheet date.

Note 65 : Compliance With Approved Scheme(s) Of Arrangements

The Group does not have any approved schemes of arrangements during the year.

Note 66 : Other Matters

Information with regard to the additional information and other disclosures to be disclosed by way of notes to Statement of Profit and Loss as specified in Schedule III to the Companies Act, 2013 is either 'nil ' or ' not applicable ' to the Group for the year.

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 101248W/W-100022

Aniruddha Godbole

Partner

Membership No.: 105149

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

Chinmaya Deval

Partner

Membership No.: 148652

Place : Mumbai

Date : May 17, 2022

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN : L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Deepali V. Mhaikar

Whole Time Director

DIN: 00309884

Tushar Kawedia

Chief Financial Officer

Mehul N. Patel

Company Secretary

Membership No.:A14302

Place : Mumbai

Date : May 17, 2022

Independent Auditors' Report

**To the Members of
IRB Infrastructure Developers Limited**

Report on the Audit of Consolidated Financial Statements

Opinion

We have jointly audited the consolidated financial statements of IRB Infrastructure Developers Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 of such subsidiaries and its joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our joint audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10)

of the Act. Our responsibilities under those SAs 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 and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Description of Key Audit Matters

Assessment of recoverability of investment in and loans provided to joint ventures and fair valuation of other receivables (refer Note 3.03, 5, 7, 8, 43, 44 and 51 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our joint audit
As at 31 March 2021, the Group has an investment in joint ventures of ₹ 39,895.52 million held at cost less impairment. The Group has given loans to its joint ventures of ₹ 4,155.82 million and other receivable of ₹ 32,957.00 million from a joint venture which is carried at fair value. Recoverability of investment in and loans given to joint ventures The Group has investments in joint ventures which are considered to be associated with significant risk in respect of valuation of such investments. Changes in business environment could also have a significant impact on the valuation of these investments. These investments are carried at cost less any diminution in value of such investments. The investments are examined for impairment at each reporting date. These investments are unquoted and hence it is difficult to measure the realisable amount of these investments. The Group performs an annual assessment of impairment for its investments in joint venture at each cash generating unit (CGU) level, to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These variables used to determine the value in use are evolving especially in light of uncertainty related to the COVID 19 pandemic.	Recoverability of investment in and loans given to joint ventures Our audit procedures included: - we have evaluated the design and implementation and tested the operating effectiveness of key controls placed around the impairment assessment and process of the recoverability of the investments made and loans given. It included estimating future cash flows forecasts, the process by which they were produced and discount rates used. - we have assessed Company's identification of CGU with reference to the guidance in the applicable accounting standards. - assessed the net worth of joint ventures on the basis of latest available financial statements. - we verified on test check basis the underlying 'value in use' model to assess the adequacy of specific inputs such as the discount rate, long-term growth rate and use of methodology; - we focused on the sensitivity in the difference between the estimated value and book values of the projects, where change in assumptions could cause the carrying amount to exceed its estimated present value.

The Key Audit Matter	How the matter was addressed in our joint audit
These models use several key assumptions, concerning estimates of future revenue growth, concession period, operations costs, the discount rate, qualitative assessments of the status of the project and cost of complete for balance work. The Group's assessment of the remaining 'value in use' is judgmental because it is based on forecast results and uncertain outcomes. Further, determining these estimates may be subject to a degree of Group's bias. The Company has extended loans to joint ventures which are assessed for recoverability at each period end. Financial assets, which include loans to joint ventures aggregated to ₹ 4,155.82 million at 31 March 2021 Due to the nature of the business in the infrastructure projects, the Company is exposed to heightened risk in respect of the recoverability of the loans and advances granted to the aforementioned related parties. There is judgment involved on the recoverability of loans/advances which rely on a number of infrastructure projects being completed as per the schedule timelines and generation of future cash flows	- We examined and assessed the work performed by management's external valuation experts, including the valuation methodology and the key assumptions used. We also assessed the competence, capabilities and objectivity of the experts used by the management in the process of evaluating impairment models. - Involved our internal valuation specialists, to evaluate the reasonability of the methodology, approach and assumptions used in the valuation carried out for determining the value in use of investments in joint venture. - we focused on key assumptions which were most sensitive to the recoverable value of the investments. We also assessed the key assumptions were plausible and appropriate in the light of the current environment of the COVID 19 pandemic. We also assessed the historical accuracy of the estimates - considered the adequacy of disclosures in respect of the investment in joint venture.
Fair valuation of other receivable from joint venture The Group has receivable of ₹ 32,957.00 million as 31 March 2021 from a joint venture on account of transfer of 9 project companies to the said joint venture. Due to the nature of the business in the infrastructure projects, the Group is exposed to heightened risk in respect of the fair valuation of the other receivables due from the joint venture. There is judgment involved on the recoverability of other receivables which rely on a number of infrastructure projects being completed as per the scheduled timelines and generation of future cash flows.	Recoverability of other receivable from joint venture Our procedures included: - we have examined the key controls in place for novation of loans and evidenced the Board of Directors approval obtained. - we have obtained Group's assessment of the fair valuation of the other receivables which includes cash flow projections over the duration of the other receivables. These projections are based on underlying infrastructure project cash flows which are sensitive to some of the claims to be settled with the customers. - We have involved our internal valuation specialists, to evaluate the reasonability of the methodology, approach and assumptions used in the valuation carried out for determining the fair value of other receivable from joint venture. - we have held discussions with management as well as their legal teams on the admissibility and the likelihood of the claim settlement. - we have independently requested and obtained confirmations to evaluate the completeness and existence of other receivables from joint venture as on 31 March 2021. - we have verified the classification and disclosures of the other receivables in accordance with accounting standards.

Measurement of Construction revenue (refer Note 3.05, 3.08, 24 and 52 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
Revenue from construction contracts represents 70.29% of the total revenue from operations of the Group and its joint ventures. Revenue from these contracts is recognised on satisfaction of performance obligation over time in accordance with the requirements of relevant accounting standards. The Group and its joint ventures has construction contracts whose revenue recognition can be dependent on a high level of judgement over the percentage of completion. It is based on their best estimate of the costs to complete valuation of contractual variations, claims and ability to deliver the contract within the contractual time limit. The execution of construction contracts also requires assessment of execution risk resulting from uncertainty related to COVID 19 pandemic.	Our audit procedures included: - we obtained an understanding and consideration of the appropriateness of the policies in respect of revenue recognition against the criteria in the accounting standards. - we have evaluated the design and implementation and tested operating effectiveness of key controls around the contract price, estimation of costs to complete and billings to customers and management's testing of these attributes. - we understood and documented the contract and other related contractual provisions including contractually agreed deliverables, termination rights, penalties for delay, etc. to understand the nature and scope of the arrangements with the customer.

The Key Audit Matter	How the matter was addressed in our audit
The Group and its joint ventures use the input method based on costs incurred to measure progress of the projects. Under this approach, the entity recognises revenue based on the costs incurred to date relative to the estimated total costs to complete the performance obligation. Profit is not recognised until the outcome of the contract is fairly certain. Revenue is a key performance indicator of the Group and its joint ventures. Accordingly, there is a risk the Group and its joint ventures may influence the judgements and estimates of revenue recognition in order to achieve performance targets to meet market expectations or incentive links to performance. Revenues, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new knowledge about cost overruns and changes in project scope over the term of a construction contract.	- we assessed key judgements inherent in the estimation of significant construction contract projects. It includes comparing the stage-of-completion and costs to completion on significant projects using Lender's Engineer latest certificate. - we assessed the estimated costs to complete, variations in contract price and contract costs and sighted underlying invoices, signed contracts/statements of work completed for all ongoing projects. - we tested samples of manual journals posted to revenue to identify unusual items. - we checked that the disclosures made in note 52 to the Group's consolidated financial statements are compliant with Ind AS -115.

Impairment Testing for Intangible Assets– Toll Collection Rights (refer Note 3.12 and 4 to the consolidated financial statements)

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2021, the carrying amount of intangible assets and intangible assets under development is ₹ 269,479.66 million and ₹ 6,369.61 million respectively. The Group and its joint ventures have toll collection rights as intangible assets pursuant to the concession agreement. The carrying value of these rights acquired under BOT basis is being compared to the recoverable value (which is value in use in the instant case) thereof to ascertain for impairment. The process involves estimating the value in use of the asset which is determined by forecasting and discounting future cash flows. The same is sensitive to changes in discount rate, traffic growth rates, toll rates, concession period etc. These variables are evolving especially in light of uncertainty related to the COVID 19 pandemic. The determination of the recoverable amount of the toll collection right involves significant judgment due to inherent uncertainty in the assumptions evaluated for recoverable amount of these rights. Accordingly, the evaluation of impairment of toll collection rights has been determined a key audit matter.	Our audit procedures included: - we have evaluated the design and implementation and tested the operating effectiveness of key controls around the estimation future cash flows forecasts, the process by which they were produced and discount rates used. - we understood Group and its joint ventures assessment on impairment for intangible assets - toll collection rights and intangible under development. We assessed the model by testing the mathematical accuracy of the discounted cash flow model, evaluation of the assumption and methodologies on a test check basis the underlying recoverable value. We also engaged specialists to evaluate the adequacy of specific inputs such as the discount rate, traffic growth rate etc. - we focused on key assumptions such as discount rate, traffic growth rates, toll rates, concession period etc. which were most sensitive to the recoverable value of the intangible asset. We also assessed the key assumptions were plausible and appropriate in the light of the current environment of the COVID 19 pandemic. We also assessed the historical accuracy of Group's estimates. - we have evaluated the objectivity, independence and competence of specialists involved. - we have involved our internal valuation specialist, where appropriate, to evaluate the reasonability of the methodology, approach and assumptions used in the valuation carried out for determining the carrying amount of investments - we checked the adequacy of disclosures in respect of the intangible assets - toll collection rights and intangible under development

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' 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 joint 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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 and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group and its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors / Trustees of the companies / trust included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of

the Act for safeguarding the assets of each company / trust, and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors / Trustees of the companies / trust included in the Group and its joint ventures is responsible for overseeing the financial reporting process of each company / trust.

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 joint audit in accordance with SAs, we exercise professional judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the

internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 and its joint ventures 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 such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities 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. Our responsibilities in this regard are further described in sub-paragraph (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities 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 joint 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 auditors' 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

(a) We did not audit the financial statements of thirteen (13) subsidiaries, whose financial statements reflect total assets of ₹ 255,472 million (before consolidation adjustments) as at 31 March 2021, total revenues of ₹ 40,524 million (before consolidation adjustments) and net cash outflows amounting to ₹ 257 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 0.8 million (before consolidation adjustments) for the year ended 31 March 2021, in respect of one (1) joint venture, whose financial statements have not been audited by us. These financial statements 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 joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors.

(b) The consolidated financial statements include the financial statements of one (1) subsidiary, whose financial statements reflect total assets of ₹ 20,628 million (before consolidation adjustments) as at 31 March 2021, total revenue of ₹ 637 million (before consolidation adjustments) and net cash outflows amounting to ₹ 4 million for the year ended on that date, as considered in the consolidated financial statements, which have been audited by B S R & Co. LLP, Chartered Accountants, one of the joint auditors of the Holding Company.

(c) The consolidated financial statements include the financial statements of five (5) subsidiaries whose financial statements reflect total assets of ₹ 104,172 million (before consolidation adjustments) as at 31 March 2021, total revenue of ₹ 18,422 million (before consolidation adjustments) and net cash inflows amounting to ₹ 46 million for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 1,659 million (before consolidation adjustments) for the year ended 31 March 2021, in respect of one (1) joint venture, which have been audited by Gokhale & Sathe, Chartered Accountants, one of the joint auditors of the Holding Company.

(d) The financial statements of one (1) subsidiary, whose financial information reflect total assets of ₹ Nil million (before consolidation adjustments) as at 22 November 2020, total revenues of ₹ Nil million (before consolidation adjustments) and net cash flows amounting to ₹ Nil million for the period from 1 April 2020 to 22 November 2020 (the entity is dissolved with effect from 23 November 2020), as considered in the consolidated financial statements, have not been audited by us or by other auditors. These unaudited financial information 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 the subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint venture as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our joint audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the Reports of the other auditors;
- c) the consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of

Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and a joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) with respect to the adequacy of the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and its joint venture as noted in the 'Other Matters' paragraph:
- i. the consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its joint ventures. Refer Note 34 to the consolidated financial statements;
 - ii. the Group and its joint ventures did not have any material foreseeable losses on long-term contracts,

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No: 105149

UDIN: 21105149AAAADR3882

Mumbai

01 June 2021

including derivative contracts, during the year ended 31 March 2021;

- iii. there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Group and its joint ventures incorporated in India during the year ended 31 March 2021; and
 - iv. the disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.
- C. With respect to the matter to be included in the Auditor's report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and joint venture to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies and joint venture is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Gokhale & Sathe

Chartered Accountants

Firm's Registration No: 103264W

Jayant Gokhale

Partner

Membership No : 033767

UDIN: 21033767AAAACW4238

Mumbai

01 June 2021

Annexure A

to the Independent Auditors' report on the consolidated financial statements of IRB Infrastructure Developers Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our joint audit of the consolidated financial statements of the IRB Infrastructure Developers Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of the Group and its joint venture incorporated in India under the Companies Act, 2013 which are its subsidiary companies and joint venture, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its joint venture have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our joint audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to thirteen (13) subsidiary companies and one (1) joint venture, which are companies incorporated in India and to whom internal control over financial statements is applicable, is based on the corresponding reports of the auditors of such companies incorporated in India.

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No: 105149

UDIN: 21105149AAAADR3882

Mumbai

01 June 2021

For Gokhale & Sathe

Chartered Accountants

Firm's Registration No: 103264W

Jayant Gokhale

Partner

Membership No : 033767

UDIN: 21033767AAAACW4238

Mumbai

01 June 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ in Millions)			
	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,377.31	1,535.12
Capital work in progress	4	360.60	360.60
Right to use asset	53	86.18	117.20
Goodwill on consolidation	4	78.04	78.04
Other Intangible assets	4	2,69,479.66	2,74,974.74
Intangible assets under development	4	6,369.61	3,669.71
Financial assets			
i) Investments	5	44,866.61	41,330.54
ii) Trade receivables	6	2,476.18	-
iii) Loans	7	46.00	77.38
iv) Other financial assets	8	30,956.49	30,936.62
Deferred tax assets	9	710.66	596.80
Other non-current assets	10	29.44	28.88
Total non-current assets (A)		3,56,836.78	3,53,705.63
Current assets			
Inventories	11	3,216.72	3,313.55
Financial assets			
i) Investments	5	3,122.58	128.01
ii) Trade receivables	6	3,403.08	4,407.58
iii) Cash and cash equivalents	12A	6,534.85	4,428.71
iv) Bank balance other than (iii) above	12B	16,854.88	18,278.34
v) Loans	7	4,321.03	158.18
vi) Other financial assets	8	13,054.75	10,195.12
Current tax assets (net)	13	767.03	403.08
Other current assets	14	3,624.74	3,863.38
Total current assets (B)		54,899.66	45,175.95
TOTAL ASSETS (A+B)		4,11,736.44	3,98,881.58
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	3,514.50	3,514.50
Other equity	16	65,493.19	63,314.29
Total equity (A)		69,007.69	66,828.79
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	17	1,65,033.75	64,580.71
ii) Lease liabilities	19	43.17	76.70
iii) Other financial liabilities	20	1,24,773.76	1,38,883.02
Provisions	21	421.55	393.86
Deferred tax liabilities	9	24.06	27.01
Other non-current liabilities		-	-
Total Non-current liabilities (B)		2,90,296.29	2,03,961.30
Current liabilities			
Financial liabilities			
i) Borrowings	17	15,817.01	20,659.87
ii) Lease liabilities	19	45.02	49.69
iii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	18	777.59	1,138.26
b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	6,368.02	6,302.02
iv) Other financial liabilities	20	23,183.11	89,843.08
Other current liabilities	22	5,681.09	9,248.54
Provisions	21	80.18	123.60
Current tax liabilities (net)	23	480.44	726.43
Total Current liabilities (C)		52,432.46	1,28,091.49
TOTAL LIABILITIES (D=B+C)		3,42,728.75	3,32,052.79
TOTAL EQUITY AND LIABILITIES (A+D)		4,11,736.44	3,98,881.58
Summary of significant accounting policies	3		

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

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No.: 105149

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

Jayant Gokhale

Partner

Membership No.: 033767

Place: Mumbai

Date: June 01, 2021

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN: L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Mehul N. Patel

Company Secretary

Membership No.: A14302

Place: Mumbai

Date: May 27, 2021

Deepali V. Mhaikar

Director

DIN: 00309884

Tushar K. Kawedia

Chief Financial Officer

Membership No.: 127712

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

		(₹ in Millions)	
	Notes	March 31, 2021	March 31, 2020
Income			
Revenue from operations	24	52,986.30	68,522.23
Other income	25	1,889.00	1,949.56
Total Income		54,875.30	70,471.79
Expenses			
Cost of material consumed		3,990.75	4,367.72
Road work and site expenses	26	17,627.90	28,156.21
Employee benefits expense	27	2,618.57	2,873.51
Finance costs	28	16,924.43	15,643.61
Depreciation and amortisation expense	29	5,817.04	4,683.14
Other expenses	30	3,622.46	3,410.73
Total expenses		50,601.15	59,134.92
Profit before tax and share of profit/(loss) of joint ventures		4,274.15	11,336.87
Profit/(Loss) from joint ventures	51	(1,657.96)	(158.42)
Profit before exceptional item		2,616.19	11,178.45
Exceptional item	32	-	573.87
Profit before tax		2,616.19	11,752.32
Tax expenses			
Current tax (including earlier years ₹ 8.83 millions (March 31, 2020: ₹ 5.66 millions))	31	1,862.39	4,319.26
Deferred tax (credit)/charge		(417.69)	224.43
Total tax expenses		1,444.70	4,543.69
Profit after tax		1,171.49	7,208.63
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
(a) Mark to market gain/(loss) on fair value measurement of investments (net of tax)		2,775.59	(3,461.60)
(b) Re-measurement loss on defined benefit plans		(14.61)	(23.94)
(c) Tax on re-measurement loss on defined benefit plans		3.68	4.35
Other comprehensive income/(loss) for the year, net of tax		2,764.66	(3,481.19)
Total comprehensive income for the year, net of tax		3,936.15	3,727.44
Profit for the year attributable to :			
Owners of the Company		1,171.49	7,208.63
Non-controlling interests		-	-
Other Comprehensive income attributable to :			
Owners of the Company		2,764.66	(3,481.19)
Non-controlling interests		-	-
Total Comprehensive income attributable to :			
Owners of the Company		3,936.15	3,727.44
Non-controlling interests		-	-
Earnings per share (of ₹ 10 each)			
Basic	33	3.33	20.51
Diluted	33	3.33	20.51
Summary of significant accounting policies	3		

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

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No.: 105149

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

Jayant Gokhale

Partner

Membership No.: 033767

Place: Mumbai

Date: June 01, 2021

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN: L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Mehul N. Patel

Company Secretary

Membership No.: A14302

Place: Mumbai

Date: May 27, 2021

Deepali V. Mhaikar

Director

DIN: 00309884

Tushar K. Kawedia

Chief Financial Officer

Membership No.: 127712

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

a. Equity Share Capital

	(₹ in Millions)	
	March 31, 2021	March 31, 2020
Equity shares of ₹ 10 each issued, subscribed and fully paid-up		
At the beginning and end of the year 351,450,000 (March 31, 2020: 351,450,000)	3,514.50	3,514.50

b. Other Equity

	Owners of the Company						
	Reserves and surplus				Items of Other Comprehensive Income (OCI)		
	Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Mark to Market (Losses) on Fair Value Re-measurement of Investments	Re-measurement of net defined benefit plans	Total
As at March 31, 2019	14,060.09	1,269.18	1,946.12	45,170.05	(2,761.96)	(46.48)	59,637.00
Transfer to retained earnings	-	-	-	(46.48)	-	46.48	-
Profit for the year	-	-	-	7,208.63	-	-	7,208.63
Other comprehensive (loss) for the year	-	-	-	(19.59)	(3,461.60)	-	(3,481.19)
Total comprehensive income for the year	-	-	-	7,142.56	(3,461.60)	46.48	3,727.44
Tax on dividend on equity shares	-	-	-	(50.15)	-	-	(50.15)
As at March 31, 2020	14,060.09	1,269.18	1,946.12	52,262.46	(6,223.56)	-	63,314.29
Profit for the year	-	-	-	1,171.49	-	-	1,171.49
Other comprehensive (loss) for the year	-	-	-	(14.61)	2,775.59	-	2,760.98
Tax on re-measurement loss on defined benefit plans	-	-	-	3.68	-	-	3.68
Total comprehensive income for the year	-	-	-	1,160.56	2,775.59	-	3,936.15
Dividend on equity shares	-	-	-	(1,757.25)	-	-	(1,757.25)
As at March 31, 2021	14,060.09	1,269.18	1,946.12	51,665.77	(3,447.97)	-	65,493.19

Summary of significant accounting policies 3

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

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No.: 105149

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

Jayant Gokhale

Partner

Membership No.: 033767

Place: Mumbai

Date: June 01, 2021

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN: L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Mehul N. Patel

Company Secretary

Membership No.: A14302

Place: Mumbai

Date: May 27, 2021

Deepali V. Mhaikar

Director

DIN: 00309884

Tushar K. Kawedia

Chief Financial Officer

Membership No.: 127712

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Cash flow from operating activities		
Profit before tax	2,616.19	11,752.32
Adjustments to reconcile before tax to net cash flows:		
Depreciation and amortisation	5,817.04	4,683.14
Resurfacing expenses	86.87	(311.35)
Net loss/(gain) on sale of property, plant and equipment	(4.35)	(10.33)
Fair value gain on mutual funds	(65.09)	(2.33)
Gain on fair value measurement of other receivables	(13.62)	-
Share of loss (net) from joint ventures	1,657.96	158.42
Net (gain) on sale of current investment	(43.31)	(65.21)
Extinguishment of premium liability	(834.95)	-
Finance costs	16,924.43	15,643.61
Interest income	(1,590.40)	(1,811.90)
Other non-operative income	(120.16)	(59.01)
Profit on sale of investment in subsidiaries (exception item) (refer note 32)	-	(573.87)
Dividend income on current investments	-	(0.77)
	24,430.61	29,402.72
Operating profit before working capital changes		
(Decrease)/Increase in trade payables	(294.67)	3,441.20
Increase in provisions	6.64	9.24
(Decrease)/Increase in other financial liabilities	(3,164.78)	4,003.47
(Decrease)/Increase in other liabilities	(3,567.45)	13,173.41
(Increase) in trade receivables	(1,471.69)	(3,272.68)
Decrease in inventories	96.83	1,110.81
Decrease in loans	24.09	395.09
(Increase) in other financial assets	(5,458.72)	(4,371.03)
Decrease/(Increase) in other assets	238.65	(2,962.95)
Cash generated from operations	10,839.51	40,929.28
Taxes paid (net)	(2,171.47)	(3,837.01)
Net cash flows generated from operating activities (A)	8,668.04	37,092.27
Cash flows from investing activities		
Addition to intangible assets including intangible assets under development and capital advances	(77,780.00)	(51,848.17)
Purchase of property, plant and equipment	(153.04)	(204.09)
Proceeds from sale of property, plant and equipment	25.76	39.88
Proceeds/redemptions from sale of non-current investments	185.37	237.10
Consideration received on transfer of subsidiaries	1,792.36	7,574.40
Investment in joint venture	(2,603.81)	-
Loan given to joint ventures	(4,155.57)	-
Other recoverable/advance towards subscription of units in joint venture	(2,544.40)	-
Receipt of other recoverable/advance towards subscription of units	3,413.14	-
Proceeds from sale/(purchase) of current investment (net)	(2,886.19)	(30.97)
(Investment in)/proceeds from maturity of bank deposits (having original maturity of more than three months) (net)	1,423.56	(6,877.14)
Interest received	1,522.15	2,055.13
Dividend received	-	0.77
Net cash flows (used in) investing activities (B)	(81,760.67)	(49,053.09)
Cash flows from financing activities		
Proceeds from non-current borrowings	1,11,924.08	29,141.92
Repayment of non-current borrowings	(15,148.86)	(9,883.97)
(Repayment)/proceeds of current borrowings (net)	(4,842.85)	7,544.48
Payment of lease liabilities	(49.68)	(47.32)
Finance cost paid	(14,926.64)	(12,827.17)
Dividend paid on equity shares	(1,757.25)	-
Tax on equity dividend paid	-	(50.15)
Net cash flows generated from financing activities (C)	75,198.80	13,877.79
Net increase in cash and cash equivalents (A+B+C)	2,106.17	1,916.97
Cash and cash equivalents at the beginning of the period	4,374.21	2,724.25
Less: Cash transferred on sale of subsidiaries (refer note 32)	-	(267.01)
Cash and cash equivalents at the end of the year	6,480.38	4,374.21
Components of cash and cash equivalents		
Balances with scheduled banks: (refer note 12A)		
- Trust, retention and other escrow accounts	54.01	96.16
- Current accounts	5,613.11	744.70
- In deposit accounts with original maturity less than 3 months	732.97	3,435.60
Cash on hand	134.76	152.25
Less: Book overdraft (refer note 20)	(54.47)	(54.50)
Total cash and cash equivalents	6,480.38	4,374.21

Consolidated Statement of Cash flows

for the year ended March 31, 2021

(₹ in millions)		
Particulars	March 31, 2021	March 31, 2020
Debt reconciliation statement in accordance with Ind AS 7		
Opening balance as at April 1, 2020		
Long term borrowings	55,396.41	1,42,051.04
Short term borrowings	20,659.87	13,115.38
Movements		
(a) Cash flows		
Long term borrowings	96,775.22	19,257.95
Short term borrowings	(4,842.86)	7,544.48
(b) Foreign exchange movement		
Long term borrowings	-	343.24
Short term borrowings	-	-
(c) Transferred to Trust		
Long term borrowings	-	(1,06,255.81)
Short term borrowings	-	-
(c) Non cash changes (effective rate of interest accrued and unpaid moratorium interest converted into borrowings)		
Long term borrowings (refer note 5)	(254.29)	-
Short term borrowings	-	-
(d) Closing balance as at March 31, 2021		
Long term borrowings	1,51,917.34	55,396.42
Short term borrowings	15,817.01	20,659.87

Summary of significant accounting policies (refer note 3)

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

Notes :

- All figures in bracket are outflow.
- Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The consolidated cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".
- In previous year, the Company has received 390,571,000 units at ₹100/- each (₹39,057.10 million) and a recoverable of ₹34,688.21 million as against part consideration towards sale of nine subsidiaries to IRB Infrastructure Trust (Trust). The same has been treated as non -cash item and accordingly not reflected in the standalone cash flow statement (refer note 32).
- As per RBI's Statement on Developmental and Regulatory Policies issued on March 27, 2020 and subsequently on May 22, 2020, the Company and its certain subsidiaries have availed the relief provided by its' lenders by way of moratorium on certain principal repayments. The unpaid interest during the moratorium period has been converted into borrowings amounting to ₹511.36 millions.
- The above consolidated cash flows include ₹285.12 millions (March 31, 2020: ₹113.43 millions) towards Corporate Social Responsibility (CSR) activities (refer note 50).

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Aniruddha Godbole

Partner

Membership No.: 105149

For Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number : 103264W

Jayant Gokhale

Partner

Membership No.: 033767

Place: Mumbai

Date: June 01, 2021

For and on behalf of the Board of Directors of

IRB Infrastructure Developers Limited

CIN: L65910MH1998PLC115967

Virendra D. Mhaikar

Chairman & Managing Director

DIN: 00183554

Sudhir Rao Hoshing

Chief Executive Officer

Mehul N. Patel

Company Secretary

Membership No.: A14302

Place: Mumbai

Date: May 27, 2021

Deepali V. Mhaikar

Director

DIN: 00309884

Tushar K. Kawedia

Chief Financial Officer

Membership No.: 127712

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

1. Corporate Information

IRB Infrastructure Developers Limited ("the Company") is a Public Company domiciled in India and is incorporated under the provision of the Companies Act (the 'Act') applicable in India. Its shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The registered office is located at 1101, Hiranandani Knowledge Park, 11th Floor, Technology Street, Hill Side Avenue, Opp Hiranandani Hospital, Powai, Mumbai – 400 076, Maharashtra.

2. Basis of preparation

A. Statement of compliance

The consolidated financial statements comprise of financial statements of IRB Infrastructure Developers Limited ('the Company' or 'the Holding Company') and its subsidiaries (collectively, "the Group") and its joint ventures for the year ended March 31, 2021.

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on May 27, 2021.

Details of the Group's accounting policies are included in Note 3. The accounting policies set out below have been applied consistently to the years presented in the consolidated financial statements.

B. Functional and presentation currency

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

C. Basis of measurement

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

3. Summary of significant accounting policies

3.01 Basis of consolidation

Subsidiaries are all entities (including special purpose entities) that are controlled by the Company. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive. The consolidated financial statements of the Company and its subsidiaries have

been combined on a line-by-line basis while eliminating the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. For the purpose of preparing these consolidated financial statements, the accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the consolidated statement of profit and loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in the consolidated statement of profit and loss. Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

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 Company, 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 subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial 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, except as stated in point iv. 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. The Build, Operate and Transfer (BOT) / Design, Build, Finance, Operate and Transfer (DBFOT)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

contracts are governed by Service Concession Agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets “toll collection rights” against the construction services rendered. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, revenue is recognised at fair value of construction services rendered and profit from such contracts is considered as realised.

Accordingly, BOT / DBFOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intra group transactions on BOT / DBFOT contracts and the profits arising thereon are taken as realised and not eliminated.

- v. A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an

equity transaction. If the Group loses control over a subsidiary, it

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at carrying amounts at the date when control is lost.
- Recognises the fair value of the consideration
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

- vi. The following entities are considered in the Consolidated Financial Statements listed below:

Sr. No.	Name of Entity	Principal nature of activity	Proportion of ownership interest either directly or indirectly	
			As on March 31, 2021	As on March 31, 2020
Subsidiaries (Direct and indirect)				
1	Ideal Road Builders Private Limited (IRBPL)	Road Infrastructure	100%	100%
2	Mhaiskar Infrastructure Private Limited (MIPL)	Road Infrastructure	100%	100%
3	Modern Road Makers Private Limited (MRMPL)	Road Infrastructure	100%	100%
4	Aryan Toll Road Private Limited (ATRPL)	Road Infrastructure	100%	100%
5	ATR Infrastructure Private Limited (ATRFL)	Road Infrastructure	100%	100%
6	IRB Infrastructure Private Limited (IRBFL)	Investment Manager	100%	100%
7	Thane Ghodbunder Toll Road Private Limited (TGTRPL)	Road Infrastructure	100%	100%
8	Aryan Infrastructure Investments Private Limited (AIPL)	Real Estate	100%	100%
9	IRB MP Expressway Private Limited (IRBMP) (formerly known as NKT Road and Toll Private Limited)	Road Infrastructure	100%	100%
10	MMK Toll Road Private Limited (MMK) (formerly Subsidiary of IRBPL) (upto February 25, 2020)	Road Infrastructure	-	
11	IRB Kolhapur Integrated Road Development Company Private Limited (IRBK)	Road Infrastructure	100%	100%
12	Aryan Hospitality Private Limited (AHPL)	Hospitality	100%	100%
13	IRB Sindhudurg Airport Private Limited (IRBSA)	Airport development	100%	100%
14	IRB Goa Tollway Private Limited (IRB Goa)	Road Infrastructure	100%	100%
15	IRB PS Highway Private Limited (formerly known as MRM Highways Private Limited) (IRBPS)	Road Infrastructure	100%	100%
16	IRB Ahmedabad Vadodara Super Express Tollway Private Limited (IRBAV)	Road Infrastructure	100%	100%
17	IRB Westcoast Tollway Limited (IRB Westcoast) (upto February 25, 2020)	Road Infrastructure	-	-
18	Solapur Yedeshi Tollway Limited (SYTL) (upto February 25, 2020)	Road Infrastructure	-	-
19	Yedeshi Aurangabad Tollway Limited (YATL) (upto February 25, 2020)	Road Infrastructure	-	-
20	Kaithal Tollway Limited (KTL) (upto February 25, 2020)	Road Infrastructure	-	-
21	AE Tollway Limited (AETL) (upto February 25, 2020)	Road Infrastructure	-	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Sr. No.	Name of Entity	Principal nature of activity	Proportion of ownership interest either directly or indirectly	
			As on March 31, 2021	As on March 31, 2020
22	IRB PP Project Private Limited (formerly known as Zozila Tunnel Project Private Limited) (IRBPP)	Road Infrastructure	100%	100%
23	Udaipur Tollway Limited (UTL) (upto February 25, 2020)	Road Infrastructure	-	-
24	CG Tollway Limited (CGTL) (upto February 25, 2020)	Road Infrastructure	-	-
25	Kishangarh Gulabpura Tollway Limited (KGTL) (upto February 25, 2020)	Road Infrastructure	-	-
26	VK1 Expressway Private Limited (VK1)	Road Infrastructure	100%	100%
27	IRB Hapur Moradabad Tollway Limited (IRBHM) (upto February 25, 2020)	Road Infrastructure	-	-
28	VM7 Expressway Private Limited (from August 14, 2020)	Road Infrastructure	100%	-
Indirect :				
1	Modern Estate – Partnership Firm (upto November 22, 2020)	Real Estate	100%	100%
2	MRM Mining Private Limited (Formerly “J J Patel Infrastructural and Engineering Private Limited”) (Subsidiary of MRMPL)	Road Infrastructure	100%	100%

All the above entities are incorporated in India.

Sr. No.	Name of Entity	Principal nature of activity	Proportion of ownership interest either directly or indirectly	
			As on March 31, 2021	As on March 31, 2020
Joint Ventures (Direct and indirect)				
Direct :				
	IRB Infrastructure Trust	Private Trust	51%	51%
	MMK Toll Road Private Limited	Investment Manager	51%	51%
Indirect :				
1	IRB Westcoast Tollway Limited (IRB Westcoast) (from February 26, 2020)	Road Infrastructure	51%	51%
2	Solapur Yedeshi Tollway Limited (SYTL) (from February 26, 2020)	Road Infrastructure	51%	51%
3	Yedeshi Aurangabad Tollway Limited (YATL) (from February 26, 2020)	Road Infrastructure	51%	51%
4	Kaithal Tollway Limited (KTL) (from February 26, 2020)	Road Infrastructure	51%	51%
5	AE Tollway Limited (AETL) (from February 26, 2020)	Road Infrastructure	51%	51%
6	Udaipur Tollway Limited (UTL) (from February 26, 2020)	Road Infrastructure	51%	51%
7	CG Tollway Limited (CGTL) (from February 26, 2020)	Road Infrastructure	51%	51%
8	Kishangarh Gulabpura Tollway Limited (KGTL) (from February 26, 2020)	Road Infrastructure	51%	51%
9	IRB Hapur Moradabad Tollway Limited (IRBHM) (from February 26, 2020)	Road Infrastructure	51%	51%

All the above entities are incorporated in India.

3.02 Business combinations and goodwill

The excess of cost to the Group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

3.03 Investment in joint ventures

The Group's interests in equity accounted investees comprise interests in joint ventures. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in an entity; the Group

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

does not recognise further losses, unless it has incurred obligations or made payments on behalf of other entity.

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

3.04 Current versus non-current classification

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

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
- 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

The Group classifies all other liabilities as non-current.

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

3.05 Use of estimates and judgements

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 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. The Group based its assumptions and estimates on parameters available when the consolidated 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. In the following items there is significant judgments and estimates which are key in preparation of consolidated financial statements:

- Fair value measurement of financial instruments (refer note 43)
- Current / Deferred tax expense (refer note 31)
- Employee benefits (refer note 27)
- Measurement of employee defined benefit obligations; key actuarial assumptions (refer note 35)
- Revenue recognition based on percentage of completion (refer note 24)
- Provision for major maintenance (refer note 21)
- Impairment of non- financial assets and goodwill (refer note 3.26)

3.06 Foreign currency transactions and balances

The Group's financial statements are presented in INR, which is also the Group's functional currency.

Transactions and balance

Transactions in foreign currencies are initially recorded by each entity in 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 at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit and loss.

Exchange difference arising on non current foreign currency monetary items related to acquisition of property, plant and equipment are added/deducted

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

from the cost of asset and amortised along with the construction cost.

The Group adjusts exchange differences arising on translation/ settlement of non-current Foreign asset and depreciates the same over the remaining life of the asset as the Group continues the under the earlier Accounting standard since it avails exemption under para D13AA of Ind AS 101.

3.07 Fair value measurement

The Group measures financial instruments, (refer note 43) at fair value at each balance sheet date.

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

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

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

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

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 consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest 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 consolidated 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 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 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 43 and 44)

Financial instruments (including those carried at amortised cost) (note 5,6,7,8,12,17,18,19,43 and 44)

Quantitative disclosure of fair value measurement hierarchy (note 44)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

3.08 Revenue recognition

The Group has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Contract revenue (construction contracts)

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively 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 bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Group provides for foreseeable loss. Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue. As per the underlying construction contracts in force, the Group bears certain indirect taxes as it's own expense, and are effectively acting as principals and collecting the indirect taxes on their own account. Accordingly, revenue from operations is presented as gross of indirect taxes. Claims recognised to the extent that it is probable that they will result in revenue, they are capable of being reliably measured and it is not unreasonable to expect ultimate collection.

Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Group, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised in line with the actual usage of the specific public utility facility, with a maximum of the duration of the concession.

Contract revenue from Hybrid Annuity Contracts

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively 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 bear to the estimated total contract costs and considering work certified by Independent Engineer. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Company provides for foreseeable loss.

Finance Income for concession arrangements under financial asset model is recognised using effective interest method.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

the concession period. This receivable is subsequently measured at amortised cost. In the financial assets model, the amount due from the grantor meet the identification of the receivable which is measured at fair value. Based on business model assessment, the Group measures such financial assets at fair value and subsequently also classifies the same as fair value through profit and loss ("FVTPL"). Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Operation and maintenance contracts

Revenue from maintenance contracts are recognised over the period of the contract as and when services are rendered.

Income from toll contracts

The income from Toll Contracts on BOT basis are recognised on actual collection of toll revenue (net of revenue share payable to NHA) as per Concession Agreement. Revenue from electronic toll collection is recognised on accrual basis.

Revenue from wind-mill power generation (Sale of electricity)

Revenue from wind-mill power generation is recognised when the electricity is delivered to electricity distribution company at a common delivery point and the same is measured on the basis of meter reading.

Interest income

For all financial assets 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.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g.

unbilled revenue. If the Group performs its obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the Customer.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

3.09 Government Grants

Grants and subsidies from the government are recognised if the following conditions are satisfied:

- There is reasonable assurance that the Group will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant 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 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 in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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 consolidated statement of profit and loss is recognised outside consolidated 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in the consolidated statement of profit and loss. Deferred tax is recognised in consolidated statement of profit and loss on the consolidated adjustments.

On March 30, 2019, MCA has issued amendment regarding the income tax Uncertainty over Income Tax Treatments. The notification clarifies the recognition and measurement requirements when there is uncertainty over income tax treatments. In assessing the uncertainty, an entity shall consider whether it is probable that a taxation authority will accept the uncertain tax treatment. This notification is effective for annual reporting periods beginning on or after April 1, 2019. As per the Group's assessment, there are no material income tax uncertainties over income tax treatments.

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.

3.11 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.

Depreciation is calculated on written down value method (WDV) using the useful lives as prescribed

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

under the Schedule II to the Companies Act, 2013 or re-assessed by the Group based on technical evaluation. The Group has estimated the following useful lives for its tangible fixed assets:

Asset class	Useful life	As per Companies Act, 2013
Building	30 years	30 years
Plant & Machinery	9 years - 15 years	9 years - 15 years
Office equipment	5 years	5 years
Computers	3 years	3 years
Servers	6 years	6 years
Vehicles	8 years	8 years
Furniture & fixtures	10 years	10 years

3.12 Intangible assets

The Group exercised first time adoption under Ind AS 101 and has elected to continue with the carrying value of its "Toll Collection Rights" (Intangible Assets) including corresponding obligation, as recognised in the consolidated financial statements as at the date of transition April 1, 2016 measured as per the Previous GAAP and uses that as its deemed cost as at date of transition.

With effect from 1 April 2016, toll collection rights are stated at cost, less accumulated amortisation, impairment losses and grant from government. Cost includes:

- For acquired Toll Collection Rights – fair value of upfront payments towards acquisition and incidental expenses related thereto.
- Toll Collection Rights awarded by the grantor against construction service rendered by the Group on BOT / DBFOT basis - Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.
- Toll Collection Rights in lieu of premium - Undiscounted premium obligation over the concession period.

Amortisation

Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as prescribed in Ind AS-36. 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.

Intangible assets under development

Expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development". The same will be transferred to the respective intangible assets on completion of project.

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 between the foreign currency borrowing and the functional currency borrowing to the extent regarded as an adjustment to the borrowing costs.

3.14 Leases

Policy applicable before April 01, 2019:

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 fulfilment 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 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.

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.

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

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Policy applicable after April 01, 2019:

The Group has adopted Ind AS 116-Leases effective 1 April, 2019, using the prospective method. Accordingly, previous period information has not been restated.

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 fulfilment 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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Changes in accounting policies and Transition note

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective from 1 April 2019 ('the date of transition'), the Group applied Ind AS 116 using the modified prospective approach, under which the right-of-use asset is equals to lease liability on 1 April 2019. Accordingly, the comparative information is not restated – i.e. it is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

in Ind AS 116 have not generally been applied to comparative information.

On transition to Ind AS 116, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied Ind AS 116 only to contracts that were previously identified as leases under Ind AS 17. Therefore, the definition of a lease under Ind AS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

3.15 Inventories

Inventories are valued as follows:

Construction materials, components, stores, spares and tools:

Lower of cost and net realisable value. Cost is determined on weighted average basis and includes all applicable costs in bringing goods to their present location and condition.

Work-in-progress and finished goods

Lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated contract price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to complete the contract.

Land

Land of real estate business are valued at lower of cost and net realisable value.

Cost includes land, cost of acquisition, legal cost and all other cost to transfer the legal and beneficial ownership of land in the name of the Group.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.16 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at

the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.17 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.18 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 consolidated statement of profit and loss.

3.19 Resurfacing expenses

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

3.20 Contingent Liability 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

liability but discloses its existence in the consolidated financial statements.

3.21 Retirement and other employee benefits

i. 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 for the period when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

ii. 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

iii. Compensated absences

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. Accruals 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.

3.22 Financial instruments

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, transaction costs that are attributable to the acquisition of the financial asset.

On initial recognition, a financial asset is classified as measured of

- amortised cost
- FVOCI - Debt instruments
- FVOCI - equity instruments
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the year, the Company changes its business model for managing financial assets.

Debt instruments at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTOCI

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

— The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

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

— The rights to receive cash flows from the asset has 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.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

— Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

— Financial assets that are debt instruments and are measured as at FVTOCI

— Lease receivables under Ind AS 17

— Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as contractual revenue receivables' in these consolidated financial statements)

— Loan commitments which are not measured as at FVTPL

— Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

— Trade receivables; and

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

— Other receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of profit and 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 Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through Statement of profit and 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 statement of profit and 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 consolidated 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 statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings. For more information refer note 17.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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.

3.23 Derivative instrument

The Group uses derivative financial instruments, such as interest rate swaps to hedge its interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

3.24 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises of 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, as they are considered an integral part of the Group's cash management.

3.25 Contingent consideration receivable

Contingent consideration is classified as an asset and is measured at fair value on the transaction date. Subsequently, contingent consideration is remeasured to fair value at each reporting date, with changes included in the statement of profit and loss.

3.26 Cash dividend to equity holders of the Group

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.27 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 of 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.28 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

3.29 Segment information

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Management ("the Board of Directors") evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Management evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

3.30 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding

during the period are adjusted for the effects of all dilutive potential equity shares.

3.31 Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

Recent pronouncements On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 4 : Property, Plant and Equipment and Capital work in progress

	Land	Building	Plant and Machinery	Office Equipments	Computer	Vehicles	Furniture and Fixture	Capital work in progress	Total
(₹ in millions)									
Cost									
At 31 March 2019	92.05	375.60	1,554.64	46.49	117.51	341.57	56.90	360.60	2,945.36
Additions	-	160.97	23.85	1.67	1.65	13.40	2.54	-	204.09
Transfer to Trust (refer note 32)	-	(16.39)	-	(4.62)	(0.38)	-	(0.84)	-	(22.23)
Disposals/ Adjustments	-	-	(138.82)	-	(3.09)	(39.41)	(4.10)	-	(185.42)
At 31 March 2020	92.05	520.19	1,439.67	43.55	115.69	315.56	54.50	360.60	2,941.80
Additions	-	85.18	32.64	4.92	4.95	19.70	5.65	-	153.04
Disposals/ Adjustments	-	(40.69)	(101.87)	(1.43)	(0.58)	(6.17)	(1.33)	-	(152.07)
At 31 March 2021	92.05	564.68	1,370.44	47.04	120.06	329.09	58.82	360.60	2,942.77
Depreciation									
At 31 March 2019	-	157.85	442.07	28.78	92.31	106.40	40.68	-	868.09
Additions	-	35.24	230.98	6.51	10.02	69.46	3.90	-	356.10
Transfer to Trust (refer note 32)	-	(3.54)	-	(4.01)	(0.98)	-	(0.19)	-	(8.73)
Disposals/ Adjustments	-	-	(125.73)	-	(2.18)	(37.32)	(4.14)	-	(169.38)
At 31 March 2020	-	189.55	547.31	31.28	99.16	138.55	40.24	-	1,046.08
Additions	-	43.87	179.75	4.39	5.54	51.14	4.75	-	289.44
Disposals/ Adjustments	-	(24.94)	(96.81)	(1.36)	(0.49)	(5.79)	(1.27)	-	(130.66)
At 31 March 2021	-	208.48	630.25	34.31	104.21	183.90	43.72	-	1,204.86
Net Book value									
At 31 March 2021	92.05	356.20	740.19	12.73	15.85	145.19	15.10	360.60	1,737.91
At 31 March 2020	92.05	330.64	892.36	12.27	16.53	177.01	14.26	360.60	1,895.72
Net Book value	March 31, 2021	March 31, 2020							
Property, Plant and Equipment	1,377.31	1,535.12							
Capital work-in-progress	360.60	360.60							

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 4 : Intangible Assets and Intangible Assets under development

Intangible assets				(₹ in millions)
	Goodwill	Toll Collection Rights**	Intangible Assets under development**	Total
Cost				
At 31 March 2019	88.92	3,36,290.30	37,605.52	3,73,984.74
Additions	-	1,64,499.43	3,230.32	1,67,729.75
Deletions	-	(13,273.75)	(23,343.50)	(36,617.25)
Transfer to Trust (refer note 32)	-	(2,00,898.62)	(13,822.63)	(2,14,721.25)
At 31 March 2020	88.92	2,86,617.36	3,669.71	2,90,375.99
Additions	-	1.50	2,699.90	2,701.40
Deletions	-	-	-	-
At 31 March 2021	88.92	2,86,618.86	6,369.61	2,93,077.39
Amortisation				
At 31 March 2019	10.88	8,653.41	-	8,664.29
Additions	-	4,285.68	-	4,285.68
Deletions	-	-	-	-
Transfer to Trust (refer note 32)	-	(1,296.47)	-	(1,296.47)
Adjustments	-	-	-	-
At 31 March 2020	10.88	11,642.62	-	11,653.50
Additions	-	5,496.58	-	5,496.58
Deletions	-	-	-	-
At 31 March 2021	10.88	17,139.20	-	17,150.08
Net Book value				
At 31 March 2021	78.04	2,69,479.66	6,369.61	2,75,927.31
At 31 March 2020	78.04	2,74,974.74	3,669.71	2,78,722.49

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Goodwill	78.04	78.04
Toll collection rights	2,69,479.66	2,74,974.74
Intangible assets under development	6,369.61	3,669.71

Tangible and Intangible assets given as security

Refer note 17 for details of security against term loans.

** Refer note 39 (A) and (C)

Notes:

- During the year, exchange loss/ (gain) differences to the extent of ₹ Nil millions (March 31, 2020: ₹343.24 millions) has been capitalised to intangible assets.
- Interest cost amounting to ₹ Nil millions (March 31, 2020: ₹ 3,252.98 millions) has been capitalised as per Ind AS-23 for Intangible assets and Intangible assets under development calculated using a capitalisation rate (March 31, 2020: 10.50% p.a).
- Net block of Toll collection rights includes unamortised portion of Toll Collection Rights in lieu of premium of ₹ 142,402.22 millions (March 31, 2020: ₹ 143,397.03 millions) in respect of IRBAV.
- Goodwill of ₹ 78.04 millions (March 31, 2020: 78.04 millions) is on account of acquisition of subsidiary. As at March 31, 2021 and March 31, 2020, it is tested for impairment. The recoverable amount has been determined based on a fair value less costs of disposal, estimated using discounted cash flows. The fair value measurement was categorised as Level 3 fair value based on inputs in the valuation technique used. The key assumption used in the estimation of the recoverable amount was the expected cash flow from sale of boulders discounted at the rate of 10.00% (March 31, 2020: 12.80%). With regard to assessment of value in use, no reasonably possibly change in any of the above key assumptions would cause the carrying amount to exceed the recoverable amount.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Financial Assets

Note 5 : Investments

	March 31, 2021				March 31, 2020			
	Face value	No of Shares/ Units	Current	Non-current	Face value	No of Shares/ Units	Current	Non-current
a) Investment in equity instruments								
Quoted (Fair Value Through Profit and Loss (FVTPL))								
Union Bank of India	10	9,177	-	0.31	10	9,177	-	0.26
			-	0.31			-	0.26
Unquoted (Fair Value Through Other Comprehensive Income (FVTOCI))								
Indian Highways Management Company Limited	10	5,55,370	-	5.55	10	5,55,370	-	5.55
The Kalyan Janta Sahakari Bank Limited	10	80,000	-	0.60	10	80,000	-	0.60
The Dombivali Nagri Sahakari Bank Limited	50	2,000	-	0.10	50	2,000	-	0.10
Sangali Urban Co-operative Bank Limited	15	2	-	-	15	2	-	-
Purti Power and Sugar Limited	10	18,50,000	-	18.50	10	18,50,000	-	18.50
Less:- Provision for Dimunition in value of Investments	-	-	-	(18.50)	-	-	-	(18.50)
			-	6.25			-	6.25
b) Investments in Joint Ventures								
Unquoted (Measured as per equity accounting method)								
MMK Toll Road Private Limited (refer note 51)	10	35,70,000	-	52.92	10	35,70,000	-	52.10
IRB Infrastructure Trust (refer note 51)*	100	41,66,09,067	-	39,842.61	100	39,05,71,000	-	38,897.58
			-	39,895.53			-	38,949.68
c) Investments in Government or trust securities								
Unquoted (Amortised cost)								
National saving certificates	-	-	-	0.17	-	-	-	0.17
			-	0.17			-	0.17
d) Investments in Mutual Funds								
Quoted (Fair Value Through Profit or Loss (FVTPL))								
Canara Robeco Short Duration Fund Direct Growth	10	29,79,560	64.26	-	10	29,79,560	59.58	-
Canara Robeco Dual Advantage Fund Series 1 Direct Growth	10	20,00,000	25.64	-	10	20,00,000	21.66	-
Aditya Birla Sun Life Liquid Fund - Direct Plan Growth	100	27,553	9.13	-	100	21,661	6.92	-
SBI Premier Liquid Fund - Direct Plan - Daily Dividend	1,000	18,849	19.59	-	1,000	18,849	18.91	-
SBI Liquid Fund- Direct Plan Growth*	1,000	3,51,530	1,132.50	-	-	-	-	-
SBI Overnight Fund- Direct Plan Growth	1,000	15,671	52.52	-	-	-	-	-
SBI Banking & PSU Fund- Direct Plan Growth*	1,000	5,07,920	1,297.23	-	-	-	-	-
Union Liquid Fund - Direct Plan - Growth	1,000	2,52,308	500.09	-	-	-	-	-
Union Arbitrage Fund - Regular Plan - Growth	10	19,54,337	21.62	-	10	19,54,337	20.94	-
			3,122.58	-			128.01	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in millions)

	March 31, 2021				March 31, 2020			
	Face value	No of Shares/ Units	Current	Non-current	Face value	No of Shares/ Units	Current	Non-current
e) Investments in units of Fund								
Quoted (Fair Value Through Other Comprehensive Income (FVTOCI))								
IRB InvIT Fund (refer note 55)*	102^	9,27,05,000	-	4,964.35	102^	9,27,05,000	-	2,374.18
			-	4,964.35			-	2,374.18
Total (a+b+c+d+e)			3,122.58	44,866.61			128.01	41,330.54
Aggregate book value of quoted investments	-	-	3,057.51	8,413.34	-	-	125.68	8,598.00
Market value of quoted investments	-	-	3,122.58	4,964.66	-	-	128.01	2,374.44
Aggregate amount of unquoted investments	-	-	-	39,901.95	-	-	-	38,956.10
Aggregate amount of impairment in value of investments	-	-	-	18.50	-	-	-	18.50

Refer note 42 for determination of fair value of investments

^ Issue price

All the investments in shares/units are fully paid-up.

* Refer note 17 for details of security against long-term borrowings.

Note 6 : Trade receivable (Unsecured, considered good)

(₹ in Millions)

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Trade receivables - Related parties (refer note 36)*	1,574.84	2,476.18	2,546.50	-
Trade receivables - Others	1,828.24	-	1,861.08	-
Total	3,403.08	2,476.18	4,407.58	-

The current portion of trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

The non-current portion of trade receivable are not interest bearing and receivable after one year.

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

*Refer note 17 for details of security against short-term borrowings.

The Group has not identified any credit impairment loss as at March 31, 2021 and March 31, 2020.

Note 7 : Loans (Unsecured, considered good)

(₹ in Millions)

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
- To related parties (interest free and repayable on demand) (refer note 36)	4,185.82	-	0.25	-
Others				
- Loans to employees	62.52	0.04	121.15	-
- Security and other deposits	72.69	45.96	36.78	77.38
Total	4,321.03	46.00	158.18	77.38

There are no current loans which has significant increase in credit.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

The above loans to related parties includes loan to key managerial personnel of ₹ 30.00 millions (March 31, 2020: ₹ Nil millions) (refer note 36)

Except as disclosed above, there is no amount due from director, other officer of the Company, firms or joint-ventures in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

Note 8 : Other financial assets (Unsecured, considered good)

	(₹ in Millions)	
	March 31, 2021	
	Current	Non-current
Interest accrued on fixed deposits	43.83	-
Retention money receivable		
- Related parties (refer note 36)	190.34	-
- Others	15.84	1.01
Interest receivable from others	45.12	-
Receivable from Government Authorities (NHAI / MSRDC)	407.85	100.95
Receivable under service concession arrangement (refer note 39(B))	3,631.33	6,136.78
Other receivable		
Receivable from related parties (refer note 36)		
- Deferred consideration towards sale of subsidiaries	8,239.25	24,717.75
- Others (receivable towards reimbursement of expenses)	195.79	-
- Other recoverable/ advance towards subscriptions of Units	-	-
Other receivable (contractors)	285.40	-
Toll collection receivable	-	-
Total	13,054.75	30,956.49

Refer note 17 for details of security against term loans.

Except as disclosed above, there is no amount due from director, other officer of the Company or firms in which any director is a partner or private companies in which any director is a director or member at anytime during the reporting period.

Note 9 : Deferred tax assets

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Deferred tax liabilities (net):		
Deferred tax liabilities:		
Difference in depreciation/ amortisation and other differences	24.06	27.01
Deferred tax liabilities (net)	24.06	27.01
Deferred tax assets:		
MAT credit entitlement	143.81	361.50
Tax losses	237.65	11.74
Expenditure allowed on payment basis		
- Gratuity	52.67	55.23
Difference in depreciation/ amortisation and other differences	371.26	168.78
Deferred Tax liabilities:		
Fair valuation on current investments	(94.73)	(0.45)
Deferred tax assets (net)	710.66	596.80

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Movement in deferred tax assets/ liabilities

March 31, 2021

Particulars	Balance Sheet March 31, 2020	Statement of profit and loss April 1, 2020 to March 31, 2021	OCI	Transfer to Trust	Other adjustments	Balance Sheet March 31, 2021
Deferred tax assets:						
MAT Credit Entitlement**	361.50	79.52	-	-	(297.21)	143.81
Expenditure allowed on payment basis						
- Gratuity	55.23	1.12	(3.68)	-	-	52.67
Difference in depreciation/ amortisation and other differences	168.78	202.48	-	-	-	371.26
Tax losses **	11.74	225.91	-	-	-	237.65
	597.25	509.03	(3.68)	-	(297.21)	805.39
Deferred tax liabilities:						
Difference in Depreciation/ amortisation and other differences **	(27.01)	2.95	-	-	-	(24.06)
Fair valuation on current investments	(0.45)	(94.28)	-	-	-	(94.73)
	(27.46)	(91.33)	-	-	-	(118.79)
Deferred tax Asset/ (Liability)	569.79	417.70	(3.68)	-	(297.21)	686.60

March 31, 2020

Particulars	Balance Sheet March 31, 2019	Statement of profit and loss April 01, 2019 to March 31, 2020	OCI	Transfer to Trust	Other adjustments	Balance Sheet March 31, 2020
Deferred tax assets:						
MAT Credit Entitlement**	2,115.16	169.95	-	(963.14)	(960.48)	361.50
Expenditure allowed on payment basis						
- Gratuity	73.66	(17.14)	(1.29)	-	-	55.23
Difference in depreciation/ amortisation and other differences	314.36	(137.26)	-	(8.32)	-	168.78
Tax losses **	8,233.27	11.74	-	(8,233.27)	-	11.74
	10,736.45	27.30	(1.29)	(9,204.73)	(960.48)	597.25
Deferred tax liabilities:						
Difference in Depreciation/ amortisation and other differences **	(9,383.46)	(253.69)	-	9,598.21	11.92	(27.01)
Fair valuation on current investments	(2.40)	1.95	-	-	-	(0.45)
	(9,385.86)	(251.73)	-	9,598.21	11.92	(27.46)
Deferred tax Asset/ (Liability)	1,350.59	(224.43)	(1.29)	393.48	(948.56)	569.79

** Transferred to the Trust - refer note 32

Note 10 : Other non - current assets (Unsecured, considered good)

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Capital advances	0.59	0.04
Mobilisation advance	28.85	28.84
Total	29.44	28.88

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 11 : Inventories

(valued at lower of cost and net realisable value)

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Construction material*	1,517.64	1,614.47
Land	1,699.08	1,699.08
Total	3,216.72	3,313.55

* Cash credit is secured by way of pari pasu charge on stock

Note 12A : Cash and cash equivalents

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Cash and Bank balances		
Balances with banks:		
- on current accounts	5,613.11	744.70
- on trust, retention and other escrow accounts	54.01	96.16
Deposits with banks		
- Original maturity less than 3 months	732.97	3,435.60
Cash on hand	134.76	152.25
Total	6,534.85	4,428.71

Note 12B : Bank balance other than cash and cash equivalents

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Maturity more than 3 months but less than 12 months		
Debt service reserve account with banks / earmarked balance*	1,354.66	864.48
Margin money deposits against bank guarantees**	779.02	8,879.04
Other deposits	13,366.73	7,254.61
Maturity more than 12 months ***		
Debt service reserve account with banks / earmarked balance*	1,155.76	1,250.00
Margin money deposits against bank guarantees **	188.21	19.82
Other deposits	2.16	2.15
Balances with Banks in :		
- Unpaid dividends	8.34	8.24
Total	16,854.88	18,278.34

Debt service reserve account/ major maintenance reserve account and trust, retention and other escrow accounts

Bank deposits are marked lien / pledged against the non current secured loan as per term loan agreement with the lender, further the lenders have first charge on trust, retention and other escrow accounts.

* First charge on above to the extent of amount payable as per the waterfall mechanism as defined in the Concession Agreement / Common Loan Agreement.

** Margin money deposits are earmarked against bank guarantees taken by the Company and for subsidiaries of the Company.

*** The deposits to the extent of ₹ 1,346.13 millions (March 31, 2020 : ₹ 1,271.97 millions) maintained by the Group with bank includes time deposits, which are held against Debt Service Reserve (DSR) and margin money against bank guarantees, are considered as current portion under the head "Bank balance other than cash and cash equivalents" since the same are encashable by the lenders in the event of default by the Group, if any.

Current deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at the respective current deposit rates. Other time deposits earn interest at the rate of 3.15% to 8.75% p.a. (March 31, 2020: 4.00 % to 8.75% p.a.)

Refer note 17 for details of security against term loans.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

For the purpose of the Statement of cash flows, cash and cash equivalents comprises of the following:

	(₹ in Millions)	
	March 31, 2021	March 31, 2020
Balances with scheduled banks:		
- Trust, retention and other escrow accounts	54.01	96.16
- Current accounts	5,613.11	744.70
- In deposit accounts with original maturity less than 3 months	732.97	3,435.60
Cash on hand	134.76	152.25
Less: Book overdraft	(54.47)	(54.50)
Total Cash and cash equivalents	6,480.38	4,374.21

Cash and cash equivalents excludes bank overdraft of ₹9,391.77 millions (March 31, 2020 : ₹14,451.35 millions).

Against the said overdraft facility, the Company has deposits to the extent of ₹13,150.00 millions (March 31, 2020 : ₹ 14,850.00 millions) included under Bank balances other than cash and cash equivalents.

Note 13 : Current tax assets (net)

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Advance income-tax (net of provision for tax of ₹ 5,933.71 millions (March 31, 2020: ₹ 8,177.75 millions))	767.03	403.08
Total	767.03	403.08

Note 14 : Other current assets (Unsecured, considered good)

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Advance with suppliers	273.14	733.25
Mobilisation advances	851.84	1,605.37
Prepaid expenses	116.48	137.46
Duties and taxes receivable	1,821.60	1,119.53
Contract assets	561.68	267.77
Total	3,624.74	3,863.38

Refer note 17 for details of security against borrowings

Note 15 : Equity share capital

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Equity share capital		
Authorised share capital		
615,000,000 (March 31, 2020 : 615,000,000) equity shares of ₹10 each	6,150.00	6,150.00
Issued, subscribed and fully paid-up shares		
351,450,000 (March 31, 2020 : 351,450,000) equity shares of ₹10 each	3,514.50	3,514.50

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period Equity shares of ₹ 10 each issued, subscribed and fully paid-up

	March 31, 2021		March 31, 2020	
	No. of shares	₹ in millions	No. of shares	₹ in millions
At the beginning and at the end of the year	35,14,50,000	3,514.50	35,14,50,000	3,514.50

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

b. Details of shareholders holding more than 5% shares in the Company

	March 31, 2021		March 31, 2020	
	No. of shares	%	No. of shares	%
Mhaiskar Ventures Private Limited	19,94,15,015	56.74%	19,94,15,015	56.74%
Life Insurance Corporation of India	2,31,30,755	6.58%	1,33,83,263	3.81%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There were no shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date.

c. Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend, if any.

During the year ended March 31, 2021, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 5 per equity share (March 31, 2020: ₹ Nil).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 16 : Other Equity

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Attributable to the equity holders		
a. Securities premium		
At the beginning and at the end of the year	14,060.09	14,060.09
b. Other reserves		
1. Capital Reserve		
At the beginning and at the end of the year	1,269.18	1,269.18
2. General Reserve		
At the beginning and at the end of the year	1,946.12	1,946.12
3. Retained earnings		
At the beginning of the year	52,262.46	45,170.05
Profit for the year	1,171.49	7,208.63
Re-measurement gains/ (losses) on defined benefit plans (net of tax) during the year	(10.93)	(19.59)
Transfer from Other comprehensive income		
- Re-measurement (loss) on defined benefit plans (net of taxes)	-	(46.48)
Less: Appropriations		
Final equity dividend including tax ₹ 5.00 per share (March 31, 2020 : ₹ Nil per share)	(1,757.25)	-
Tax on equity dividend	-	(50.15)
At the end of the year	51,665.77	52,262.46
4. Other Comprehensive Income		
i. Re-measurement gains/ (losses) on defined benefit plans (net of tax)		
At the beginning of the year	-	(46.48)
Transferred to retained earnings	-	46.48
At the end of the year	-	-
ii. Mark to market (losses) on fair value measurement of investments		
At the beginning of the year	(6,223.56)	(2,761.96)
Movement during the year	2,775.59	(3,461.60)
At the end of the year	(3,447.97)	(6,223.56)
Total other comprehensive income/(loss) (i+ii)	(3,447.97)	(6,223.56)
Total other reserves (1+2+3+4)	51,433.10	49,254.20
Total - Other Equity (a + b)	65,493.19	63,314.29

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

- a) **Securities Premium** - Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium".
- b) **Capital Reserve** - the excess of net assets taken over the cost of consideration paid is treated as capital reserve on account of consolidation.
- c) **General Reserve** - The Group has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- d) **Retained Earnings**: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- e) **Equity investments through OCI**: This represents the cumulative gains or losses arising on investments in equity instruments/ units of fund designated at fair value through other comprehensive income.
- f) **Remeasurements of defined benefit liability / (asset) through OCI**: Remeasurements of defined benefit liability / (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income). Below is the movement of remeasurement of defined benefit liability /(assets) :

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Re-measurement gains/ (losses) on defined benefit plans (net of tax)		
At the beginning of the year	(66.07)	(46.48)
Movement during the year	(10.93)	(19.59)
At the end of the year	(77.00)	(66.07)

Financial liabilities Note 17 : Borrowings

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Non-current Borrowings		
Term loans		
Indian rupee loan from banks (secured)		
Project loans for SPVs (refer note i)	86,353.16	25,119.02
Equipment finance (refer note ii)	70.04	147.72
General purpose borrowings (refer note iii)	8,465.56	11,587.35
Less : current maturities	(4,399.23)	(5,138.16)
Total (a)	90,489.53	31,715.93
Indian rupee loan from financial institutions (secured)		
Project loans for SPVs (refer note i)	7,021.45	4,741.03
Equipment finance (refer note ii)	36.02	131.16
General purpose borrowing (refer note iii)	4,616.85	9,265.00
Less : current maturities	(600.13)	(1,458.86)
Total (b)	11,074.19	12,678.33
Redeemable non-convertible debentures (secured) (refer note iv)		
Project loans for SPVs		
From Others:		
- Unlisted 9.25% NCD 45,000 of face value of ₹ 96,368.29 each (March 31, 2020: ₹ 97,891.91 each)	4,336.57	4,405.14
General purpose borrowing		
From banks	-	-
- Listed 9.55% NCD 12,500 of face value of ₹ 1,000,000 each	12,500.00	-
From others		
- Unlisted 9.927% NCD 218,455 of face value of ₹ 100,000 each	21,845.50	-
- Unlisted 10.00% NCD 75,000 of face value of ₹ 100,000 each	7,500.00	-
	46,182.07	4,405.14
Less : Effective interest rate impact	(827.81)	-
Less : current maturities	(116.43)	(87.35)
Total (c)	45,237.83	4,317.79

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Deferred Premium Obligation (unsecured) (refer note v)	19,180.34	16,102.20
Total (d)	19,180.34	16,102.20
Less: Unamortised transaction cost (e)	(948.14)	(233.54)
Total (f = a + b + c + d + e)	1,65,033.75	64,580.71
Current Borrowings		
From Banks (Secured) (refer note vi)		
- Indian rupee loan from banks	189.47	-
- Indian rupee loan from financial institutions	13.47	
- Overdraft	9,391.77	14,451.35
- Cash credit and working capital demand loan	6,208.63	6,193.68
Unsecured loans (interest free and repayable on demand)		
- Interest free loan from related parties (refer note 36)	13.67	14.84
Total current borrowings	15,817.01	20,659.87
Aggregate Secured loans	1,66,613.29	75,693.89
Aggregate Unsecured loans	19,194.01	16,117.04

(i) Project loans for SPVs

₹ 93,374.61 millions (March 31, 2020 - ₹ 29,860.05 millions) pertains to term loans taken by SPV's (Special Purpose Vehicles) for Project financing.

Rate of interest

Indian rupee term loan from banks and financial institutions carries interest rates linked to MCLR plus spread, which varies from 8.40% to 9.60% p.a. (March 31, 2020 : carries interest rates linked to MCLR plus spread which varies from 9.25% to 11.90% p.a)

Nature of security

- Secured by first charge on the movable/immovable asset by way of mortgage/hypothecation; first charge on all intangible assets, present and future; assignment of all receivables; book debts and all rights and interest in project, both present and future, excluding the project assets of respective companies;
- Secured by first charge on the Escrow Account, Debt Service Reserve Account and any other reserves and other bank accounts of the respective SPV Companies.
- An irrevocable and unconditional corporate guarantee from IRB Infrastructure Developers Limited to meet shortfall (if any) between debt due and termination payments received from Concessioneing Authority in case of termination of Concession Agreement for any reason in case of Project SPV's.

Repayment terms

RBI's Statement on Developmental and Regulatory Policies issued on March 27, 2020, the Company and certain subsidiaries have availed the relief provided by its lender by way of moratorium on certain principal repayments and repayment schedule has been modified accordingly.

The Indian rupee term-loans are repayable in structured monthly installments commencing after commercial operation date such that the total tenor does not exceed 18 years and repayable as per the structured monthly repayment schedule specified in common loan agreement with the Lenders.

During the year ended March 31, 2020, loans aggregating to ₹106,255.81 millions were transferred to Trust. (refer note 32)

Loan amounting to ₹ 64,117.15 millions (March 31, 2020 : ₹ 18,082.51 millions) has been availed during the current reporting year.

Loan amounting to ₹ 1,112.84 millions (March 31, 2020 : ₹ 1,861.03 millions) has been repaid during the current reporting year

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(ii) Equipment finance

₹ 106.06 millions (March 31, 2020: ₹ 278.88 millions) pertains to equipment finance, of which Indian rupee loan carries interest varying from 10.00% to 10.50% p.a. (March 31, 2020: 9.00% to 11.00% p.a.) Repayment term is 3 years comprising of monthly unstructured installments. Equipment finance companies have a charge over the assets financed.

Loan amounting to ₹23.58 millions (March 31, 2020 : ₹ 9.41 millions) has been availed during the current reporting year

Loan amounting to ₹ 248.57 millions (March 31, 2020 : ₹ 313.57 millions) has been repaid during the current reporting year

(iii) General purpose borrowings

a) Indian rupee term loan from banks:

- Indian rupee term loan from banks of ₹ 8,465.56 millions (31 March 2020 : ₹ 11,587.35 millions) carries interest rate linked to MCLR plus applicable spread, which varies from 9.50% p.a. to 10.00% p.a. (March 31, 2020 : carries interest rates linked to MCLR plus spread which varies from 9.70% p.a. to 11.10% p.a.) and are secured by pledge of shares and units of its related parties, charge on escrow account opened with the banks and subservient charge on the current assets of the Company to the extent of 110% to 125% of the outstanding loan.

b) Indian rupee term loan from financial institutions:

- Indian rupee term loan from financial institution of ₹ 4,200.00 millions (31 March 2020 : ₹8,796.00 millions) carries interest rates linked to Lender Bench Mark rate with applicable spread which is 11.60% p.a. . (March 31, 2020 : carries interest rates linked to Lender Bench Mark rate with spread which varies from 10.85% p.a. to 11.60% p.a.) and are secured by pledge of shares of its related parties , charge on escrow account opened with the banks and subservient charge on the current assets of the Company to the extent of 125% of the outstanding loan.

Indian rupee term loan from financial institution of ₹416.85 millions (March 31, 2020: 469.00 millions) carries interest at 9.90% p.a. (March 31, 2020: 9.90% p.a.) and is secured by first and exclusive charge of hypothecation of 16 unencumbered wind mills of MRMP, first charge on the escrow of all receivables arising out of windmill assets, pledge of equity shares of MRMP and Corporate Guarantee of the Company. Repayment of loan in 18 structured installment as per loan agreement.

The repayment schedule of the above term loan from banks and financial institutions are as follows:

RBI's Statement on Developmental and Regulatory Policies issued on March 27, 2020. The Company and certain subsidiaries have availed the relief provided by its lender by way of moratorium on certain principal repayments and repayment schedule have been modified accordingly.

Indian rupee term loan from banks:

Balance as on 31 March 2021 -

- Loan amounting to ₹ 2,494.59 millions is repayable in 31 structured quarterly instalments commencing from June 30, 2021.
- Loan amounting to ₹ 2,000.00 millions is repayable in 8 structured quarterly instalments commencing from September 15, 2021
- Loan amounting to ₹ 1,970.97 millions is repayable in 56 structured monthly instalments commencing from April 30, 2021.
- Loan amounting to ₹ 2,000 millions is repayable in 16 structured quarterly instalments commencing from September 30, 2021.

Balance as on 31 March 2020 -

- Loan amounting to ₹ 2,750.00 millions is repayable in 34 structured quarterly instalments commencing from October 31, 2020.
- Loan amounting to ₹ 1,890.00 millions is repayable in 7 structured quarterly instalments commencing from December 31, 2020.
- Loan amounting to ₹ 5,180.00 millions is repayable in 7 structured quarterly instalments commencing from September 30, 2020.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

- Loan amounting to ₹ 1,199.41 millions is repayable in 4 structured monthly instalments commencing from December 6, 2020
- Loan amounting to ₹ 493.95 millions is repayable in monthly instalments due on August 31, 2020
- Loan amounting to ₹ 73.99 millions is repayable in 12 structured monthly instalments commencing from April, 2020.

Indian rupee term loan from financial institutions:

Balance as on 31 March 2021 -

- Loan amounting to ₹ 4,200.00 millions is repayable in 31 structured quarterly instalments commencing from June 30, 2021.
- Loan amounting to ₹ 416.85 millions is repayable in 18 structured instalments commencing from June 15, 2021.

Balance as on 31 March 2020 -

- Loan amounting to ₹ 4,550.00 millions is repayable in 36 structured quarterly instalments commencing from June 30, 2020.
- Loan amounting to ₹ 146.00 millions is repayable in 12 structured monthly instalments commencing from April 30, 2020.
- Loan amounting to ₹ 1,400.00 millions is repayable in 6 structured monthly instalments commencing from December 15, 2020.
- Loan amounting to ₹ 2,700.00 millions is repayable in 10 structured monthly instalments commencing from January 31, 2021.
- Loan amounting to ₹ 469.00 millions is repayable in 21 structured instalments commencing from April 30, 2020.

Loan amounting to ₹ 6,000 millions (March 31, 2020 : ₹ 11,050 millions) has been availed during the current reporting year

Loan amounting to ₹ 13,717.79 millions (March 31, 2020 : ₹ 7,647.38 millions) has been repaid during the current reporting year

(iv) Non-convertible debentures (NCD)

a) Rate of interest and security

From banks:

- From Bank - Listed NCD 12,500 of face value of ₹ 1,000,000 each :

- Secured, redeemable, listed Non-convertible Debentures of ₹ 12,500.00 millions (31 March 2020 : ₹ Nil millions) carries interest rates at 9.55% (March 31, 2020 : Nil) and are secured by pledge of subsidiaries equity shares and units of joint-venture, subservient charge on the current assets of the Company to the extent of 100% to 125% of the outstanding NCD amount and escrow accounts.

- From Others - Unlisted NCD 75,000 of face value of ₹ 100,000 each :

- Secured, redeemable, unlisted Non-convertible Debentures of ₹ 7,500.00 millions (31 March 2020 : ₹ Nil millions) carries interest rates at 10.00% (March 31, 2020 : Nil) and are secured by pledge units of joint-venture.

There was no outstanding Non-convertible Debenture as on March 31, 2020.

- From Others - Unlisted NCD 45,000 of Original face value of ₹ 100,000 each :

45,000 Secured, redeemable, non-convertible debentures issued by IRBAV ('Issuer') of a face value of ₹ 96,368.29 (March 31, 2020: ₹ 97,891.91) each on a private placement basis having rate of interest 9.25% (March 31, 2020: 9.25%) aggregating to ₹ 4,336.57 millions (March 31, 2020: 4,405.14 millions) redeemable in 154 installments commencing from March 31, 2018 as per the schedule provided in Debenture Trust Deed.

The unlisted NCD 45,000 secured by :

- first mortgage and charge on all the Issuer's immovable properties as, both present and future

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

- b. first charge on all the Issuer's moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future
 - c. first charge over all accounts of the Issuer, including but not limited to the Escrow Account and the Sub-Accounts (or any account in substitution thereof), the Debt Service Reserve Account that may be opened in accordance with the Transaction Documents, and in all funds from time to time deposited therein (including the reserves) and the permitted investments or other securities representing all amounts credited to the Escrow Account and a first charge on the Receivables.
 - d. Corporate Guarantee by the Company."
- iv) From Others - Unlisted NCD 218,455 of face value of ₹ 100,000 each

During the year, the Company has raised ₹ 21,845.50 million through issue of 218,455, 9.927% Unlisted, Secured, Redeemable Non-Convertible Debentures ('9.927% NCD') to India Toll Roads. The tenure of 9.927% NCD is 7 years i.e. it will mature on February 2028 and carries interest rate of 9.927% per annum. Frequency of interest payment is semi-annually with bullet repayment of principal amount at the end of 7 years. The 9.927% NCD are secured by charge over certain cash flows from a subsidiary of the Company, pledge over a portion of holding of IRB in the subsidiary and 6 months Interest Service Reserve Account (ISRA).

The Company has an option to redeem the 9.927% NCD at any time prior to 19 February 2023, subject to applicable law, at a redemption price equal to 100% of principal amount and accrued interest upto redemption date plus applicable redemption premium if any. If the Company redeems the 9.927% NCD at anytime from 19 February 2023 to 18 February 2024, subject to applicable law, the redemption price is 102.75% of the principal amount and accrued interest upto redemption date plus applicable redemption premium, and if it is redeemed anytime on or after 19 February 2024, subject to applicable law, redemption price is 100% of principal amount and accrued interest upto redemption date plus applicable redemption premium. The 9.927% NCD will mature on the maturity date. The management does not intend to redeem the 9.927% NCD at anytime before the maturity date. The Determination agent has confirmed that there is no shortfall in funding as on March 31, 2021. Further, the Determination agent has confirmed that since neither the event of default or exercise of put option has triggered as on March 31, 2021, the redemption premium cannot be determined as on March 31, 2021 and hence no provision is created for the redemption premium in the financial statements.

The Holders of the 9.927% NCD have a Put option right on one business day prior to 19 August 2024 to redeem the 9.927% NCD. The Put right redemption price will be determined by the Holder or any agent acting on its behalf which will be the price at which Holders of the 9.927% NCD do not suffer a funding shortfall as a result of having exercised Put option right. Also, the Holders of the 9.927% NCD have the option to redeem the NCD at any time before its maturity date in the case of occurrence of event of default as mentioned in the Debenture Trust Deed. The economic characteristics and risks of this put option right are closely related to the host debt instrument and hence both are inseparable, and therefore the embedded derivative is not separated for accounting purpose.

There was no outstanding Non-convertible Debenture as on March 31, 2020.

b) Repayment schedule -

- i) From Bank - Listed NCD 12,500 of face value of ₹ 1,000,000 each :
 - NCD amounting to ₹ 3,000.00 millions is repayable in 11 structured quarterly instalments commencing from December 15, 2022.
 - NCD amounting to ₹ 2,000.00 millions is repayable in 13 structured quarterly instalments commencing from June 29, 2022
 - NCD amounting to ₹ 2,000.00 millions is repayable in bullet payment on July 16, 2023.
 - NCD amounting to ₹ 2,000.00 millions is repayable in bullet payment on May 20, 2023.
 - NCD amounting to ₹ 2,000.00 millions is repayable in bullet payment on July 1, 2023.
 - NCD amounting to ₹ 1,500.00 millions is repayable in 3 structured half yearly instalments commencing from July 7, 2022

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

- ii) From Others - Unlisted NCD 75,000 of face value of ₹ 100,000 each :
- NCD amounting to ₹ 7,500.00 millions is repayable in bullet payment on June 26, 2023.
- iii) From Others - Unlisted NCD 45,000 of Original face value of ₹ 100,000 each :
- redeemable in 154 installments commencing from March 31, 2018 as per the schedule provided in Debenture Trust Deed.
- iv) From Others - Unlisted NCD 218,455 of face value of ₹ 100,000 each
- NCD amounting to ₹ 21,845.50.00 millions is repayable in bullet payment on August 16, 2024.
- NCD amounting to ₹ 41,783.35 millions (March 31, 2020 : ₹ Nil millions) has been availed during the current reporting year
- NCD amounting to ₹ 69.66 millions (March 31, 2020 : ₹ 61.99 millions) has been repaid during the current reporting year
- (v) 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 SPV over the concession period (by FY 2035).
- (vi) The bank overdraft is secured against fixed deposits which are repayable on demand, interest rate varies from 3.80% to 5.75% p.a. (March 31, 2020 : 6.60% to 7.90%).
- Short-term borrowings and Cash credit is secured by way of pari pasu charge on stock and debtors and pari pasu charge by way of hypothecation on machinery/ equipment/ other fixed assets of MRMPL. The interest rate for cash credit is from 9.90% p.a. to 10.50% p.a. (March 31, 2020: 10.20% p.a to 10.50% p.a.)

Note 18 : Trade payables

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (refer note 41)	777.59	1,138.26
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related parties (refer note 36)	36.44	-
- Others	6,331.58	6,302.02
Total	7,145.61	7,440.28

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90 day terms.

For explanations on the Group's credit risk management processes, refer to Note 44.

Note 19 : Lease Liabilities

	(₹ in millions)			
	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Lease Liabilities (refer note 53)	45.02	43.17	49.69	76.70
Total	45.02	43.17	49.69	76.70

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 20 : Other financial liabilities

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Current maturities of non-current borrowings (refer note 17)				
Indian rupee loan from banks	4,399.23	-	5,138.16	-
Indian rupee loan from financial institutions	600.13	-	1,458.86	-
Non-convertible debentures	116.43	-	87.35	-
Unamortised transaction cost	(145.78)	-	(114.02)	-
Interest accrued but not due on borrowings	785.78	-	577.32	-
Premium obligation / Negative grant to NHAI (refer note 49)	4,312.39	1,17,215.13	3,424.90	1,22,637.32
Obligation for construction/ concession fee	9,873.62	2,062.91	72,813.44	12,084.08
Interest payable on others	-	-	30.15	-
Interest on premium deferment	-	5,490.39	-	4,161.30
Directors sitting fees payable (refer note 36)	0.51	-	0.46	-
Unpaid dividend*	8.34	-	8.24	-
Book overdraft	54.47	-	54.50	-
Deposit	0.83	-	0.75	-
Retention money payable	2,700.17	5.33	4,879.58	0.32
Employee benefits payable	284.37	-	98.95	-
Capital creditors	35.87	-	81.92	-
Other payable (accrual liability)	156.75	-	1,302.52	-
Total	23,183.11	1,24,773.76	89,843.08	1,38,883.02

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2021 (March 31, 2020: Nil).

Note 21 : Provisions

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
- Leave encashment	15.72	-	25.61	-
- Gratuity (refer note 35)	54.71	207.00	50.46	183.80
Others				
- Resurfacing expenses	9.75	214.55	47.53	210.06
Total	80.18	421.55	123.60	393.86

Movement for Resurfacing expenses

	March 31, 2021	March 31, 2020
Opening balance	257.59	616.47
Obligation on new toll projects	101.84	477.99
Transfer to Trust (refer note 32)	-	(46.27)
Utilised / reversed during the year	(135.13)	(790.60)
Closing balance	224.30	257.59

The above provisions are based on current best estimation of expenses that may be required to fulfill 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 22 : Other current liabilities

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Duties and taxes payable	644.76	586.77
Stamp duty payable (refer note 34)	275.40	275.40
Other payable (to authority) (refer note 56)	2,533.01	2,549.93
Advance from customers (related parties) (refer note 36)	1,014.28	2,025.22
Contract liabilities (refer note 36 and 52)	85.54	1,108.50
Mobilisation advance		
- Related parties (refer note 36)	610.61	1,170.47
- Others (NHA)	517.49	1,532.25
Total	5,681.09	9,248.54

Note 23 : Current tax liabilities (net)

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Provision for current tax (net of advance tax of ₹8,161.54 millions (March 31, 2020: ₹ 8,067.78 millions))	480.44	726.43
Total	480.44	726.43

Note 24 : Revenue from operations

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Contract revenue (refer note 36 and 52)	37,245.26	51,089.77
Income arising out of toll collection (net) (refer note 49)	14,697.68	17,055.42
Sale of electricity	87.32	83.69
Other operating revenue	956.04	293.35
Total	52,986.30	68,522.23

Note 25 : Other income

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Interest income on		
- Bank deposits	897.02	976.10
- Investment in IRB InvIT Fund	537.69	760.18
- Others	106.99	75.62
- Unwinding of loan	48.71	-
Dividend income on :		
- Other investments (non-trade, current)	-	0.77
Gain on sale of property, plant and equipment (net)	4.35	10.34
Profit on sale of current investments (net)	44.39	65.21
Gain on fair value measurement of other receivables (Refer note 43)	13.62	-
Fair value gain on mutual funds	65.09	2.33
Other non operating income	171.14	59.01
Total	1,889.00	1,949.56

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 26 : Road work and site expenses

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Contract expenses	13,987.26	23,695.73
Stores, spares and tools consumed	126.83	168.15
Site and other direct expenses	2,118.32	2,497.32
Sub-contracting / Security expenses	470.16	335.25
Technical consultancy and supervision charges	657.75	1,031.64
Royalty charges paid	102.74	272.37
Hire charges	164.84	155.75
Total	17,627.90	28,156.21

Note 27 : Employee benefits expenses

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Salaries, wages and bonus	2,359.14	2,589.59
Contribution to provident and other funds (refer note 35)	96.88	101.66
Gratuity expenses (refer note 35)	31.52	32.48
Staff welfare expenses	131.03	149.78
Total	2,618.57	2,873.51

Note 28 : Finance costs

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Interest expense		
- Banks and financial institutions*	8,950.17	11,191.69
- Debentures	2,558.06	1,069.11
- Premium deferment	1,329.09	1,605.74
- Overdraft/cash credit from banks	1,153.50	1,071.32
- Others	86.57	201.62
- Interest on Sub concession fee	762.41	-
- Unwinding of interest accrued on deferred payment of sub concession fee	1,449.40	-
- Interest on lease liabilities (refer note 53)	11.48	15.15
Other borrowing costs	623.75	488.98
Total	16,924.43	15,643.61

*Excludes interest of ₹ Nil millions (March 31, 2020: ₹ 3,252.98 millions) capitalised under Intangible assets and intangible assets under development.

Note 29 : Depreciation and amortisation expenses

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Depreciation on property, plant and equipment (refer note 4)	289.44	356.10
Depreciation on right to use asset (refer note 53)	31.02	41.36
Amortisation on intangible assets (refer note 4)	5,496.58	4,285.68
Total	5,817.04	4,683.14

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 30 : Other expenses

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Power and fuel	128.47	119.81
Rent (refer note 53)	42.59	36.72
Rates and taxes	964.07	1,169.62
Water charges	7.69	8.52
Insurance	43.72	36.29
Repairs and maintenance		
- Plant and Machinery	138.79	79.92
Advertisement expenses	165.66	22.85
Travelling and conveyance	217.46	232.39
Vehicle expenses	51.30	28.36
Communication cost	27.88	27.87
Membership and subscription fees	1.77	4.09
Printing and stationery	21.36	34.94
Director sitting fees (refer note 36)	6.66	3.12
Corporate social responsibilities expenditure (refer note 50)	285.12	113.43
Legal and professional expenses	598.90	775.62
Payment to auditors (refer note below)	14.00	16.52
Donations (refer note 47)	756.37	465.04
Security expenses	19.63	40.38
Loss on sale of investment	1.09	-
Bank charges	48.36	92.59
Miscellaneous expenses	81.57	102.65
Total	3,622.46	3,410.73
Payment to statutory auditor and other component auditors		
As auditor		
Audit fees	8.07	8.83
Tax fees	0.03	0.11
Limited review	4.91	5.42
In other capacity		
Other services *	15.94	1.51
Reimbursement of expenses	0.12	0.65
	29.07	16.52

*including ₹15.07 millions paid to statutory auditors in connection with services rendered for issue of Non-Convertible Debenture ('NCD') considered as transaction cost and adjusted in the carrying value of the NCD as per IND AS 109.

Note 31 : Income tax

The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:

	(₹ in millions)	
	March 31, 2021	March 31, 2020
a. Statement of profit and loss		
Income tax expense		
Current tax	1,853.56	4,313.60
Adjustment of tax relating to earlier periods	8.83	5.66
Current income tax expense	1,862.39	4,319.26
Deferred tax:		
Deferred tax relating to origination and reversal of temporary differences	(417.69)	224.43
	1,444.70	4,543.69
b. OCI Section		
Deferred tax related to items recognised in OCI during the year	3.68	4.35
	3.68	4.35

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Reconciliation of tax expenses and the accounting of profit multiplied by Indian Domestic tax rate for March 31, 2021 and March 31, 2020 are:

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Profit before tax	2,616.19	11,752.32
Statutory tax rate	25.17%	34.94%
Expected income tax at India's statutory rate	658.44	4,106.73
Effect of income that is exempt from taxation	-	(0.27)
Effect of expenses that are not deductible in determining taxable profit	101.56	83.70
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	299.09	1,504.09
Share of loss of joint ventures	417.28	55.36
Impact on account of change in tax rate	-	(1,125.50)
Difference in tax rate on Minimum Alternate Tax compared to normal tax rates	136.17	(191.26)
Others	(176.68)	105.18
Adjustments recognised in the current year in relation to the current tax of prior years	8.83	5.66
Income tax expense reported in the statement of profit and loss	1,444.70	4,543.69

During the previous year, the Company and certain subsidiary companies had elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognised Provision of Income Tax for the year ended 31 March 2020 and re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The rate prescribed under the section 115BAA is 22 % as increased by applicable surcharge (10%) and cess (4%).

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

No deferred tax assets have been recognised on the below due to uncertainty of future long term capital gains and certainty of taxable business income :

March 31, 2021

	(₹ in millions)	
Particulars	Amount of Loss	Deferred tax assets not recognised
Mark to market Losses on IRB Invit Fund (loss without expiration date)	3,447.97	401.62
Carried forward unabsorbed depreciation (loss without expiration date)	10,938.58	3,158.35
Indexation benefit on investment of joint ventures (loss with expiration date)	1,841.57	368.31
Long -term capital loss of sale of subsidiaries (loss with expiration date)	1,637.32	374.62
Total	17,865.44	4,302.90

31 March 2020

	(₹ in millions)	
Particulars	Amount of Loss	Deferred tax assets not recognised
Mark to market Losses on IRB Invit Fund (loss without expiration date)	6,223.56	792.01
Carried forward unabsorbed depreciation (loss without expiration date)	8,082.38	2,823.99
Indexation benefit on investment of joint ventures (loss with expiration date)	1,605.49	321.10
Long -term capital loss of sale of subsidiaries (loss with expiration date)	1,637.32	374.62
Total	17,548.75	4,311.72

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 32: Exceptional Item

During the year ended March 31, 2020, pursuant to the Share Purchase Agreement(s) executed between the Company and IRB Infrastructure Trust ('Trust'), the Company's interest (investment, sub-debt and unsecured loans) in nine subsidiary companies had been transferred to Trust with effect from February 26, 2020. The Company holds 51% stake in Trust. In lieu of the transfer of its entire interest in the nine subsidiary companies, the Company had received consideration in the form of units in Trust, cash and the balance is a receivable (which is in respect of transfer of part of the unsecured loans and subdebt).

The Company had also transferred 49% investment in MMK Toll Road Private Limited i.e. Subsidiary Company to Affiliate of GIC for a consideration of ₹ 49.00 millions.

Accordingly, revenue, expenses as well as profit/ (loss) after tax in these companies have been included upto February 26, 2020 in the consolidated financial statements as per Ind AS-110. As of the date of transfer, the Group had derecognised the assets and liabilities of the ten subsidiaries and recorded a gain of ₹ 573.87 millions on loss of control in such erstwhile subsidiaries which is included under exceptional items.

The detailed listing of the assets and liabilities transferred and the consideration received is set out below:

Gain on loss of control:

Particulars	(₹ in millions)	
	Trust	MMK
Units of Trust (51%)	39,057.10	-
Cash consideration	7,525.40	49.00
Receivable from Trust	34,688.21	-
Total consideration received	81,270.71	49.00
Book value of 51% stake	-	35.70
Net asset transferred (refer note i below)	80,681.59	99.95
Gain/ (Loss) on sale of subsidiary companies	589.12	(15.25)
Net gain on sale of subsidiary companies		573.87

(i) Information of assets and liabilities transferred as at 26 February 2020

Particulars	(₹ in millions)	
	Trust	MMK
Property, plant and equipment	13.50	-
Other intangible assets	1,99,602.15	-
Intangible assets under development	13,822.63	-
Financial assets (non-current)	6.06	0.10
Other non-current assets	0.20	-
Investments	217.73	91.08
Trade receivables	0.33	-
Cash and cash equivalents	267.01	-
Other bank balances	1,543.02	0.66
Loans	4.26	-
Other financial assets	388.62	13.02
Other current assets	3,702.88	4.47
Long term borrowings	(1,06,255.81)	-
Other financial liabilities (non-current)	(1.02)	-
Provisions	(66.10)	-
Deferred tax liabilities	(393.48)	-
Other financial liabilities (current)	(30,980.27)	(6.21)
Current liabilities	(1,190.12)	(3.16)
Net assets	80,681.59	99.95

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 33 : Earnings per share (EPS)

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

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Profit attributable to equity holders for basic earnings (₹ millions)	1,171.49	7,208.63
Weighted average number of equity shares	35,14,50,000	35,14,50,000
Face value per share (Amount in ₹)	10.00	10.00
Basic earning per share	3.33	20.51
Diluted earning per share	3.33	20.51

Note 34 : Commitment and Contingencies

a. Capital commitments and other commitments

The Company has commitments related to further investment as sponsor's contribution (share capital and subordinated debt) to the projects in the following joint venture :

	(₹ in millions)	
	March 31, 2021	March 31, 2020
IRB Infrastructure Trust (refer note below)	3,218.67	4,953.48
Total	3,218.67	4,953.48

- (i) During the previous year, the Company had transferred its nine subsidiaries to IRB Infrastructure Trust (Trust). However, based on the sponsor support agreement entered by the Company with the lenders of the subsidiaries, the Company continues to be liable for the balance equity commitment to the extent of 51%.
- (ii) The Company has entered into agreements with IRB InvIT Fund (Tenure – 10 years or completion of concession period whichever is earlier) and IRB Infrastructure Trust (Tenure – 10 years), to provide toll operations and management services.

b. Contingent liabilities

Contingent liabilities not provided for

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Guarantees and counter guarantees on behalf of joint ventures given by the Company (refer note 36)	460.00	872.83
Bank guarantees towards bids/tenders/authorities/etc	2,145.65	1,822.30
Total	2,605.65	2,695.13

- i) The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.
- ii) The Group's pending litigations comprise of claims against the Group primarily by the commuters and regulators. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Group has not provided for or disclosed contingent liabilities for matters considered as remote for pending litigations/public litigations(PIL)/claims wherein the management is confident, based on the internal legal assessment and advice of its lawyers that these litigations would not result into any liabilities. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.
- iii. The Company has provided corporate guarantee to the lenders of the joint ventures companies to make good the shortfall, if any, between the secured obligations of the joint ventures companies and the termination payment received from the Authority in the event of termination of the Concession Agreement. As on 31 March 2021, since the termination clause has neither triggered nor expected to trigger in the foreseeable future for any of the joint venture companies, the said liability is considered as remote.
- iii. The Group has no material tax litigations in the current and previous year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

iv. **Provident Fund liability :**

The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Company has started complying with this prospectively from the month of March 2019. In respect of the past period there are significant implementation and interpretative challenges that the management is facing and is awaiting for clarity to emerge in this regard, pending which, this matter has been disclosed under the Contingent liability in the standalone financial statements. The impact of the same is not ascertainable.

- v. With respect to issuance of Non-convertible Debentures issued to India Toll Roads, the Company has an obligation to pay redemption premium to Initial investor in the event of exercise of put option right. The redemption premium payable is currently not determinable since the event is not triggered. Refer note 17(iv)(a)(iv).

c. **Litigation stamp duty matter**

MIPL had vide order dated September 9, 2005 received a demand from the Government of Maharashtra of ₹ 275.40 millions in respect of stamp duty on the agreement dated August 4, 2004 entered into between Maharashtra State Road Developers Corporation Limited (MSRDC), MIPL and the Government of Maharashtra for right to collect tolls/fees, the cost of which has been provided and capitalised during the earlier years.

MIPL had vide order dated March 12, 2008 received demand from Chief Controlling Revenue Authority Maharashtra State, Pune of ₹49.57 millions in respect of penalty on said stamp duty. MIPL has filed a Writ Petition No.3000 of 2008 in the Bombay High Court for quashing the said order on the grounds that the said order is in violation of the provisions of Bombay Motor Vehicles Act and also in violation of the concession agreement between the Government of India and MSRDC.

The Writ Petition came up for admission on April 28, 2008 and the Hon'ble Court was pleased to admit the said Writ Petition and has directed the Petitioner to deposit 50% of the demand with the Collector of Stamps (Enforcement I) within eight weeks from the said Order dated April 28, 2008 and has directed the Registrar to seek direction from the Chief Justice of Bombay High Court for deciding as to whether the matter should be referred to a larger bench. Considering the facts and circumstances of the case and law, MIPL has made a provision of ₹ 275.40 millions in books of accounts and paid 50% of the amount ₹137.70 millions under protest on June 19, 2008. Further, based on the legal opinion obtained by MIPL, the management is of the view that the possibility of penalty demanded by the authorities, becoming a liability, is remote.

Note 35 : Gratuity and other post employment benefit plans

(a) **Defined contribution plan**

The following amount recognised as an expense in Consolidated 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 millions)	
	March 31, 2021	March 31, 2020
Contribution in Defined Plan	96.88	101.66

(b) **Defined benefit plan**

The Group has a unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972.

The following tables summarise the components of net benefit expense recognised in the Consolidated Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	18.68	17.50
Interest cost on benefit obligation	12.84	14.98
Net benefit expense	31.52	32.48
Amount recorded in Other Comprehensive Income (OCI)		
Opening amount recognised in OCI outside statement of profit and loss	66.07	37.01
Transfer to Trust	-	9.47
Remeasurement during the year due to :		
Actuarial loss / (gain) arising from change in financial assumptions	1.58	17.85
Actuarial loss / (gain) arising from change in demographic assumptions	-	(0.47)
Actuarial loss / (gain) arising on account of experience changes	9.22	6.56
Deferred tax	0.13	(4.35)
Amount recognised in OCI outside statement of profit and loss	10.93	19.59
Closing amount recognised in OCI outside profit and loss statement/retained earnings (including tax)	77.00	66.07
Reconciliation of net liability		
Opening defined benefit liability	234.26	234.80
Expense charged to statement of profit and loss	31.52	32.48
Actual benefits paid	(13.20)	(29.48)
Transfer to IRB Infrastructure Trust	-	(27.48)
Other adjustments	(1.67)	-
Present value of unfunded defined benefit plan	-	-
Amount recognised in outside statement of profit and loss	10.80	23.94
Closing net defined benefit liability	261.71	234.26
Balance sheet		
Benefit liability		
Defined benefit obligation	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	261.71	234.26
Less : Unrecognised past service cost	-	-
Plan liability	261.71	234.26
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	234.26	234.80
Current service cost	18.68	17.50
Interest on defined benefit obligation	12.84	14.98
Remeasurement during the period due to :		
Actuarial (gain)/ arising from change in financial assumptions	1.58	17.85
Actuarial loss arising from change in demographic assumptions	-	(0.47)
Actuarial loss arising on account of experience changes	9.22	6.56
Benefits paid	(13.20)	(29.48)
Transfer to Trust	-	(27.48)
Other adjustments	(1.67)	-
Closing defined benefit obligation	261.71	234.26
Net liability is bifurcated as follows :		
Current	54.71	50.46
Non-current	207.00	183.80
Net liability	261.71	234.26

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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

	March 31, 2021	March 31, 2020
Discount rate	6.65%	6.65%
Expected rate of return on plan assets (p.a.)	N.A.	N.A.
Salary escalation	8.50%	8.50%
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14) Ult Table	Indian Assured Lives Mortality (2012-14) Ult Table

A quantitative analysis for significant assumption is as shown below:

Gratuity plan:

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Assumptions -Discount rate		
Sensitivity Level	0.50%	0.50%
Impact of Increase in 50 bps on defined benefit obligation	(6.82)	(6.16)
Impact of Decrease in 50 bps on defined benefit obligation	7.20	6.51
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	6.04	5.39
Impact of Decrease in 50 bps on defined benefit obligation	(5.85)	(5.23)

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 Group 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 millions)	
	March 31, 2021	March 31, 2020
Within the next 12 months (next annual reporting period)	54.71	50.46
Between 2 and 5 years	126.83	111.46
Between 6 and 10 years	87.36	74.86
Beyond 10 years	127.37	119.71
Total expected payments	396.27	356.49
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	8.88 years	9.03 years

The expected contribution payable to the plan next year is therefore Nil.

Compensated absences during the year ended 31 March 2021 is ₹ 4.00 millions and for the year ended 31 March 2020 is ₹ 11.14 million is charged to the Consolidated Statement of Profit and loss.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 36 : Related party disclosures

I. Names of related parties and description of relationship:

Description of relationship	Names of related parties
a) Joint ventures/ Entities controlled by Joint ventures (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	MMK Toll Road Private Limited (w.e.f. February 26, 2020) IRB Infrastructure Trust (w.e.f. February 26, 2020) Subsidiaries of the Joint Venture - IRB Infrastructure Trust IRB Westcoast Tollway Limited (w.e.f. February 26, 2020) Solapur Yedeshi Tollway Limited (w.e.f. February 26, 2020) Yedeshi Aurangabad Tollway Limited (w.e.f. February 26, 2020) IRB Hapur Moradabad Tollway Limited (w.e.f. February 26, 2020) AE Tollway Limited (w.e.f. February 26, 2020) Udaipur Tollway Limited (w.e.f. February 26, 2020) CG Tollway Limited (w.e.f. February 26, 2020) Kishangarh Gulabpura Tollway Limited (w.e.f. February 26, 2020) Kaithal Tollway Limited (w.e.f. February 26, 2020)
b) Enterprises owned or significantly influenced by key management personnel or their relatives (Enterprises) (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	Mhaishkar Ventures Private Limited (Formerly known as Ideal Soft Tech Park Private Limited) V. D. Mhaishkar (HUF) VCR Toll Services Private Limited MEP Infrastructure Developers Limited SDM Ventures Private Limited DSM Projects Private Limited Loch Fynne Ltd Ideal Toll and Infrastructure Private Limited IRB Charitable Foundation
c) Key Management Personnel (Only with whom there have been transactions during the period or there was balance outstanding at the period end)	Mr. Virendra D. Mhaishkar, Chairman and Managing Director Mr. Sudhir Rao Hoshing, Joint Managing Director and Chief Executive Officer (Execution) (w.e.f. March 26, 2021) Mr. Mukeshlal Gupta, Joint Managing Director Mrs. Deepali V. Mhaishkar, Whole time Director Mr. Chandrashekhar S. Kaptan, Independent Director Mr. Sunil H. Talati, Independent Director Mr. Sandeep Shah, Independent Director Mr. Sunil Tandon, Independent Director (upto May 28, 2019) Mrs. Heena H. Raja, Independent Director Mr. Ajay P. Deshmukh, Chief Executive Officer (Infrastructure) (upto March 26, 2021) Mr. Dhananjay K. Joshi, Chief Executive Officer (Corporate Affairs, Reality and Airport) (upto 10 February, 2020) Mr. Anil D. Yadav, Group Chief Financial Officer (w.e.f. July 17, 2020 upto March 25, 2021) Mr. Anil D. Yadav, Chief Financial Officer (upto July 16, 2020) Mr. Rushabh Gandhi, Chief Financial Officer (w.e.f. July 17, 2020 upto March 26, 2021) Mr. Tushar Kawedia, Group Chief Financial Officer and Chief Financial Officer (w.e.f. March 26, 2021) Mr. Mehul N. Patel, Company Secretary
d) Relatives of Key Management Personnel (Only with whom there have been transaction during the period / there was balance outstanding at the period end)	Late Dattatraya P. Mhaishkar (Father of Mr. Virendra D. Mhaishkar) (upto January 3, 2018) Mrs. Sudha Dattatraya Mhaishkar (Mother of Mr. Virendra D. Mhaishkar)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

II. Related Party Transactions

		(₹ in Millions)					
Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
1	Dividend paid	998.90	-	-	-	15.78	-
	Virendra D. Mhaikar	-	-	-	-	4.62	-
	Late Dattatraya P. Mhaikar	-	-	-	-	2.50	-
	Sudha D. Mhaikar	-	-	-	-	0.48	-
	Deepali V. Mhaikar	-	-	-	-	8.07	-
	Ajay P. Deshmukh	-	-	-	-	0.06	-
	Mukeshlal Gupta	-	-	-	-	0.05	-
	V. D. Mhaikar (HUF)	0.01	-	-	-	-	-
	SDM Ventures Private Limited	0.90	-	-	-	-	-
	DSM Projects Private Limited	0.90	-	-	-	-	-
	Mhaikar Ventures Private Limited	997.08	-	-	-	-	-
	Ideal Toll and Infrastructure Private Limited	0.01	-	-	-	-	-
2	Director sitting fees	-	-	-	-	3.68	3.12
	Virendra D. Mhaikar	-	-	-	-	0.15	0.04
	Deepali V. Mhaikar	-	-	-	-	0.06	0.04
	Ajay P. Deshmukh	-	-	-	-	0.29	0.24
	Sudhir Rao Hoshing	-	-	-	-	0.05	0.05
	Anil D. Yadav	-	-	-	-	0.02	0.02
	Rushabh Gandhi	-	-	-	-	0.02	-
	Dhananjay K. Joshi	-	-	-	-	-	0.35
	Mukeshlal Gupta	-	-	-	-	0.07	0.08
	Sunil H Talati	-	-	-	-	0.69	0.35
	Sunil Tandan	-	-	-	-	-	0.07
	Chandrashekhar S. Kaptan	-	-	-	-	0.79	0.89
	Sandeep Shah	-	-	-	-	1.07	0.64
	Heena Raja	-	-	-	-	0.47	0.35
3	Remuneration paid	-	-	-	-	290.88	427.65
	Virendra D. Mhaikar	-	-	-	-	69.62	165.32
	Deepali V. Mhaikar	-	-	-	-	51.57	81.85
	Sudhir Rao Hoshing	-	-	-	-	41.90	39.82
	Mukeshlal Gupta	-	-	-	-	42.95	35.08
	Dhananjay K. Joshi	-	-	-	-	-	9.19
	Ajay P. Deshmukh	-	-	-	-	21.44	69.22
	Anil D. Yadav	-	-	-	-	38.18	17.60
	Rushabh Gandhi	-	-	-	-	13.00	-
	Mehul N. Patel	-	-	-	-	12.22	9.57
4	Rent paid	-	-	-	-	2.81	-
	Virendra D Mhaikar	-	-	-	-	2.16	-
	Deepali V Mhaikar	-	-	-	-	0.65	-
5	Donation given	5.56	6.93	-	-	-	-
	IRB Charitable Foundation	5.56	6.93	-	-	-	-
6	Contract revenue	-	-	17,750.10	3,152.15	-	-
	IRB Westcoast Tollway Limited	-	-	1,235.34	231.08	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	394.36	993.97	-	-
	Solapur Yedeshi Tollway Limited	-	-	-	274.18	-	-
	Kaithal Tollway Limited	-	-	28.89	5.63	-	-
	AE Tollway Limited	-	-	952.15	382.11	-	-
	Udaipur Tollway Limited	-	-	1,723.04	120.41	-	-
	CG Tollway Limited	-	-	1,164.75	429.95	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	2,302.07	4.10	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	9,949.50	710.72	-	-
7	Operation and maintenance revenue	-	-	1,630.61	113.22	-	-
	IRB Westcoast Tollway Limited	-	-	202.13	16.38	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	189.38	15.35	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Millions)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
	Solapur Yedeshi Tollway Limited	-	-	136.79	11.09	-	-
	Kaithal Tollway Limited	-	-	156.07	12.65	-	-
	AE Tollway Limited	-	-	288.22	23.37	-	-
	Udaipur Tollway Limited	-	-	165.27	13.43	-	-
	CG Tollway Limited	-	-	240.54	9.76	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	183.47	6.55	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	68.75	4.64	-	-
8	Other recoverable/ advance towards subscription of units (given)	-	-	2,544.40	869.00	-	-
	IRB Infrastructure Trust	-	-	2,544.40	869.00	-	-
9	Other recoverable/ advance towards subscription of units (received)	-	-	3,413.14	-	-	-
	IRB Infrastructure Trust	-	-	3,413.14	-	-	-
10	Deferred consideration received	-	-	1,792.36	-	-	-
	IRB Infrastructure Trust	-	-	1,792.36	-	-	-
11	Trading sales	-	-	2,062.51	-	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	2,062.51	-	-	-
12	Expenses incurred on behalf of (reimbursement)	-	-	5.71	0.01	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	0.11	0.01	-	-
	Kaithal Tollway Limited	-	-	1.72	-	-	-
	AE Tollway Limited	-	-	3.88	-	-	-
13	Interest unwinding on loan given	-	-	48.71	4.14	-	-
	IRB Infrastructure Trust	-	-	48.71	4.14	-	-
14	Sale/Transfer of equity shares of nine subsidiaries	-	-	-	19,180.01	-	-
	IRB Infrastructure Trust	-	-	-	19,180.01	-	-
15	Sale/Transfer of Sub-ordinated debt of nine subsidiaries	-	-	-	32,071.93	-	-
	IRB Infrastructure Trust	-	-	-	32,071.93	-	-
16	Transfer of unsecured loans of nine subsidiaries	-	-	-	30,035.24	-	-
	IRB Infrastructure Trust	-	-	-	30,035.24	-	-
17	Investment - Units allotment	-	-	2,603.81	39,057.10	-	-
	IRB Infrastructure Trust	-	-	2,603.81	39,057.10	-	-
18	Investment - Sale consideration received	-	-	-	7,525.40	-	-
	IRB Infrastructure Trust	-	-	-	7,525.40	-	-
19	Guarantees given on transfer of investments in Trust	-	-	-	872.83	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	-	37.83	-	-
	AE Tollway Limited	-	-	-	460.00	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	-	375.00	-	-
20	Guarantees cancelled	-	-	412.83	-	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	37.83	-	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	375.00	-	-	-
21	Short term loan given	-	-	4,155.57	-	30.00	-
	Yedeshi Aurangabad Tollway Limited	-	-	167.90	-	-	-
	Solapur Yedeshi Tollway Limited	-	-	90.82	-	-	-
	Udaipur Tollway Limited	-	-	219.09	-	-	-
	IRB Infrastructure Trust	-	-	3,677.76	-	-	-
	Sudhir Rao Hoshing	-	-	-	-	30.00	-
22	General advance received	-	-	5,835.21	-	-	-
	Kaithal Tollway Limited	-	-	1.21	-	-	-
	AE Tollway Limited	-	-	47.64	-	-	-
	Udaipur Tollway Limited	-	-	119.85	-	-	-
	CG Tollway Limited	-	-	84.68	-	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	47.76	-	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	5,534.07	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

		(₹ in Millions)					
Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
23	Unsecured loans repaid	-	-	1.18	-	-	-
	IRB Westcoast Tollway Limited	-	-	1.18	-	-	-
24	Retention and held-up amount during the period	-	-	142.53	-	-	-
	Kaithal Tollway Limited	-	-	0.21	-	-	-
	IRB Westcoast Tollway Limited	-	-	21.60	-	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	0.13	-	-	-
	CG Tollway Limited	-	-	51.71	-	-	-
	Udaipur Tollway Limited	-	-	26.42	-	-	-
	AE Tollway Limited	-	-	42.68	-	-	-
25	Retention and held-up amount release during the period	-	-	135.25	-	-	-
	AE Tollway Limited	-	-	103.30	-	-	-
	IRB Westcoast Tollway Limited	-	-	31.94	-	-	-

III. Related Party Balances

		(₹ in Millions)					
Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31/03/2021 (Audited)	31/03/2020 (Audited)	31/03/2021 (Audited)	31/03/2020 (Audited)	31/03/2021 (Audited)	31/03/2020 (Audited)
1	Loan taken	13.67	13.67	-	1.17	-	-
	VCR Toll Services Private Limited	13.67	13.67	-	-	-	-
	IRB Westcoast Tollway Limited	-	-	-	1.17	-	-
2	Other payables	-	-	-	-	11.37	-
	Virendra D. Mhaskar	-	-	-	-	3.10	-
	Deepali V. Mhaskar	-	-	-	-	2.40	-
	Mukeshlal Gupta	-	-	-	-	1.25	-
	Sudhir Rao Hoshing	-	-	-	-	2.02	-
	Ajay P. Deshmukh	-	-	-	-	0.54	-
	Anil D. Yadav (upto March 31, 2021)	-	-	-	-	1.38	-
	Rushabh Gandhi, Chief Financial Officer (w.e.f July 17, 2020 to March 31, 2021)	-	-	-	-	0.33	-
	Mehul N. Patel	-	-	-	-	0.35	-
3	Other receivable	-	-	33,152.79	34,870.74	-	-
	IRB Westcoast Tollway Limited	-	-	0.16	-	-	-
	Kaithal Tollway Limited	-	-	1.72	-	-	-
	AE Tollway Limited	-	-	31.25	21.52	-	-
	Udaipur Tollway Limited	-	-	20.60	20.60	-	-
	MMK Toll Road Private Limited	-	-	2.37	0.88	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	14.45	14.45	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	125.24	125.08	-	-
	IRB Infrastructure Trust	-	-	32,957.00	34,688.21	-	-
4	Other recoverable	-	-	-	869.00	-	-
	IRB Infrastructure Trust	-	-	-	869.00	-	-
5	Director sitting fees payable	-	-	-	-	0.23	0.31
	Virendra D. Mhaskar	-	-	-	-	0.03	0.01
	Deepali V. Mhaskar	-	-	-	-	0.01	0.01
	Ajay P. Deshmukh	-	-	-	-	0.06	0.03
	Dhananjay K. Joshi	-	-	-	-	-	0.04
	Sudhir Rao Hoshing	-	-	-	-	0.03	0.01
	Chandrashekhar S. Kaptan	-	-	-	-	-	0.12
	Mukeshlal Gupta	-	-	-	-	0.03	0.04
	Heena Raja	-	-	-	-	0.01	0.01
	Anil Yadav	-	-	-	-	0.03	0.01

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Millions)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Joint Ventures / Entities controlled by Joint Ventures		Key Management Personnel / Relatives of Key Management Personnel	
		31/03/2021 (Audited)	31/03/2020 (Audited)	31/03/2021 (Audited)	31/03/2020 (Audited)	31/03/2021 (Audited)	31/03/2020 (Audited)
	Rushabh Gandhi	-	-	-	-	0.01	-
	Sandeep Shah	-	-	-	-	0.03	0.03
6	Short term loan given	0.25	0.25	4,155.57	-	30.00	-
	IRB Charitable Foundation	0.25	0.25	-	-	-	-
	Udaipur Tollway Limited	-	-	219.09	-	-	-
	Solapur Yedeshi Tollway Limited	-	-	90.82	-	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	167.90	-	-	-
	IRB Infrastructure Trust	-	-	3,677.76	-	-	-
	Sudhir Rao Hoshing	-	-	-	-	30.00	-
7	Trade receivables	-	-	4,051.02	2,546.50	-	-
	IRB Westcoast Tollway Limited	-	-	354.73	155.71	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	555.17	725.69	-	-
	Solapur Yedeshi Tollway Limited	-	-	200.11	317.88	-	-
	Kaithal Tollway Limited	-	-	73.11	2.81	-	-
	AE Tollway Limited	-	-	35.88	247.34	-	-
	Udaipur Tollway Limited	-	-	1,100.05	20.85	-	-
	CG Tollway Limited	-	-	674.09	316.01	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	750.31	233.98	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	307.56	526.23	-	-
8	Mobilisation advance received	-	-	610.61	1,170.47	-	-
	IRB Westcoast Tollway Limited	-	-	230.42	428.24	-	-
	AE Tollway Limited	-	-	-	72.37	-	-
	Udaipur Tollway Limited	-	-	77.71	116.95	-	-
	CG Tollway Limited	-	-	97.11	124.05	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	205.38	395.19	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	-	33.67	-	-
9	Guarantee margin payable	-	-	0.54	0.54	-	-
	Solapur Yedeshi Tollway Limited	-	-	0.54	0.54	-	-
10	Advance from customers	-	-	1,014.28	2,025.22	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	989.50	2,025.00	-	-
	AE Tollway Limited	-	-	24.79	-	-	-
	IRB Westcoast Tollway Limited	-	-	-	0.22	-	-
11	Retention money receivable	-	-	190.34	182.85	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	23.39	23.27	-	-
	AE Tollway Limited	-	-	20.33	80.95	-	-
	IRB Westcoast Tollway Limited	-	-	50.74	61.08	-	-
	Solapur Yedeshi Tollway Limited	-	-	2.18	2.18	-	-
	Kaithal Tollway Limited	-	-	2.55	2.34	-	-
	CG Tollway Limited	-	-	52.03	0.32	-	-
	Udaipur Tollway Limited	-	-	39.13	12.71	-	-
12	Guarantees given	-	-	460.00	872.83	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	-	37.83	-	-
	AE Tollway Limited	-	-	460.00	460.00	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	-	375.00	-	-
13	Contract liabilities	-	-	85.53	1,108.50	-	-
	AE Tollway Limited	-	-	85.53	97.40	-	-
	IRB Westcoast Tollway Limited	-	-	-	11.10	-	-
	Udaipur Tollway Limited	-	-	-	1,000.00	-	-
14	Contract assets	-	-	545.79	259.14	-	-
	Yedeshi Aurangabad Tollway Limited	-	-	-	16.68	-	-
	Udaipur Tollway Limited	-	-	52.04	52.88	-	-
	CG Tollway Limited	-	-	64.33	64.28	-	-
	Kishangarh Gulabpura Tollway Limited	-	-	47.24	34.84	-	-
	IRB Hapur Moradabad Tollway Limited	-	-	382.18	90.46	-	-
15	Trade payables	36.44	-	-	-	-	-
	AE Tollway Limited	0.51	-	-	-	-	-
	MMK Toll Road Private Limited	29.47	-	-	-	-	-
	Loch Fynne Limited	36.44	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 37 : Segment Information:

- a) The Group has identified business segments in accordance with Indian Accounting Standard 108 "Operating Segment" notified under section 133 of the Companies Act 2013, read together with relevant rules issued thereunder.
- b) The Group has identified two business segments viz., Built, Operate and Transfer ('BOT')/ Toll Operate and Transfer ('TOT') and Construction as reportable segments.

The business segments of the Group comprise of the following:

Segment	Description of Activity
BOT/ TOT Projects	Operation and maintenance of roadways
Construction	Development of roads

- c) Performance is measured based on segment results (before tax), as included in the internal management reports that are reviewed by the Board of Directors. Segment results is used to measure performance as management believes that such information is more relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Segment results (before tax) differs from consolidated profit before tax in that it excludes unallocated corporate expenses, other income, unallocated finance expenses and share of loss from joint venture, as these items are not allocated to individual segments.
- d) The Group's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.
- e) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.
- f) Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.
- g) Details of Business Segment information is presented below:

Particulars	BOT/ TOT Projects		Construction		Unallocated corporate		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
REVENUE								
Total external revenue	15,594.00	17,232.42	37,254.98	51,101.86	137.32	187.95	52,986.30	68,522.23
Inter segment revenue	-	-	-	-	-	-	-	-
Total Revenue (Net)	15,594.00	17,232.42	37,254.98	51,101.86	137.32	187.95	52,986.30	68,522.23
RESULT								
Segment Results	8,536.28	10,681.58	11,817.41	14,866.07	(2.63)	61.76	20,351.06	25,609.41
Unallocated corporate expenses							(1,041.48)	(578.48)
Operating Profit							19,309.58	25,030.93
Other Income							1,889.00	1,949.56
Unallocated financial expenses							(16,924.43)	(15,643.62)
Profit Before Exceptional items and Tax							4,274.15	11,336.87
Exceptional items							-	573.87
Share of loss from joint ventures (net)							(1,657.96)	(158.42)
Profit Before Tax							2,616.19	11,752.32
Current Tax							1,862.39	4,319.26
Deferred Tax							(417.69)	224.43
Profit for the year							1,171.49	7,208.63

(₹ in Millions)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Millions)

Particulars	BOT/ TOT Projects		Construction		Unallocated corporate		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
OTHER INFORMATION								
Segment assets	2,66,328.72	2,61,534.67	62,768.36	64,967.47	82,639.36	72,379.46	4,11,736.44	3,98,881.60
Segment liabilities	1,30,615.85	2,03,198.43	15,817.78	29,998.47	1,96,295.12	98,855.90	3,42,728.75	3,32,052.79
Capital expenditure incurred	77,780.00	51,848.17	153.04	204.09	-	-	77,933.04	52,052.26
Depreciation and Amortisation	5,487.97	4,278.00	304.20	376.31	24.87	28.82	5,817.04	4,683.14

Footnotes:-

- 1 Unallocated corporate assets includes current and non-current investments, goodwill, deferred tax assets, cash and bank balances and advance payment of income tax.
- 2 Unallocated corporate liabilities includes long term borrowings, short term borrowings, current maturities of long term borrowing, deferred tax liability and provision for taxation.
- 3 Unallocated corporate expenses under segment revenue and segment results includes Real Estate Development, Windmill (Sale of electricity generated by windmill), Hospitality and Airport Infrastructure.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 38 : Information required for consolidated financial statements pursuant to schedule III of the Companies Act, 2013:

Name of the entity	Net Assets i.e. total assets minus total liabilities			Share in Profit / (Loss)			Share in Other Comprehensive Income / (Loss)			Share in Total Comprehensive Income / (Loss)						
	March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020		March 31, 2021		March 31, 2020					
	As % of consolidated net assets	(₹ in millions)	As % of consolidated net assets	(₹ in millions)	As % of consolidated net profit	(₹ in millions)	As % of Other comprehensive income / (loss)	(₹ in millions)	As % of Other comprehensive income / (loss)	(₹ in millions)	As % of total comprehensive income / (loss)	(₹ in millions)				
Parent																
IRB Infrastructure Developers Limited	53	36,431.18	87	57,982.01	11	127.76	36	2,564.58	100	2,775.98	99	(3,460.24)	74	2,903.74	-24	(895.67)
Subsidiaries																
Modern Road Makers Private Limited	(7)	(5,082.50)	(17)	(11,410.08)	264	3,094.08	82	5,940.79	(0)	(10.69)	1	(23.72)	78	3,083.39	159	5,917.07
Ideal Road Builders Private Limited	0	254.17	0	330.64	34	394.61	5	357.86	0	-	0	-	10	394.62	10	357.86
Mhaiskar Infrastructure Private Limited	0	204.61	0	226.84	12	135.57	24	1,700.11	0	-	(0)	3.06	3	135.57	46	1,703.17
ATR Infrastructure Private Limited	0	216.93	0	271.54	(1)	(10.72)	2	154.19	(0)	(0.50)	(0)	0.09	(0)	(11.22)	4	154.29
Aryan Toll Road Private Limited	0	19.97	(0)	(13.58)	(1)	(6.30)	(0)	(5.96)	0	-	0	-	(0)	(6.30)	(0)	(5.96)
IRB MP Expressway Private Limited	21	14,461.98	0	205.70	11	133.27	(0)	(6.19)	0	-	0	-	3	133.27	(0)	(6.19)
MMK Toll Road Private Limited	0	-	0	-	0	-	0	2.13	0	-	0	-	0	-	0	2.13
IRB Infrastructure Private Limited	0	14.58	0	77.78	2	20.98	1	61.22	0	0.32	0	(0.19)	1	21.30	2	61.03
Thane Ghodbunder Toll Road Private Limited	0	173.82	1	371.57	1	14.65	2	139.21	0	-	0	(0.19)	0	14.65	4	139.03
Aryan Infrastructure Investments Private Limited	2	1,698.19	3	1,703.02	(1)	(8.42)	(0)	(3.03)	0	-	0	-	(0)	(8.42)	(0)	(3.03)
IRB Kolhapur Integrated Road Development Company Private Limited	0	120.94	(0)	(66.57)	5	60.90	(1)	(68.37)	0	-	0	-	2	60.90	(2)	(68.37)
Aryan Hospitality Private Limited	0	138.24	0	143.79	(1)	(13.95)	(0)	(12.71)	0	-	0	-	(0)	(13.95)	(0)	(12.71)
IRB Sindhudurg Airport Private Limited	10	6,685.34	5	3,664.61	(17)	(203.71)	(1)	(54.04)	0	-	0	-	(5)	(203.71)	(1)	(54.04)
IRB Goa Tollway Private Limited	(1)	(696.21)	(1)	(617.98)	(1)	(14.01)	(0)	(1.46)	0	-	0	-	(0)	(14.01)	(0)	(1.46)
IRB PS Highway Private Limited	(0)	(2.58)	0	191.51	(0)	(0.09)	(0)	(0.03)	0	-	0	-	(0)	(0.09)	(0)	(0.03)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Name of the entity	Net Assets i.e. total assets minus total liabilities			Share in Profit / (Loss)			Share in Other Comprehensive Income / (Loss)			Share in Total Comprehensive Income / (Loss)		
	March 31, 2021	As % of consolidated net assets	(₹ in millions)	March 31, 2021	As % of consolidated net profit	(₹ in millions)	March 31, 2021	As % of Other comprehensive income / (loss)	(₹ in millions)	March 31, 2021	As % of total comprehensive income / (loss)	(₹ in millions)
MRM Mining Private Limited	0	36.46	0	39.84	0	24.04	(0)	(0.62)	0	4.36	1	24.04
IRB Ahmedabad Vadodara Super Express Tollway Private Limited	18	12,313.90	20	13,447.45	(79)	(924.93)	0	0.16	(0)	0.01	(23)	(924.77)
IRB Westcoast Tollway Limited *	0	-	0	-	0	(39.09)	0	-	0	-	0	(39.09)
Solapur Yedeshi Tollway Limited *	0	-	0	-	0	(428.55)	0	-	0	-	0	(428.55)
Kaithal Tollway Limited *	0	-	0	-	0	(752.75)	0	-	0	-	0	(752.75)
Yedeshi Aurangabad Tollway Limited *	0	-	0	-	0	(890.43)	0	-	0	-	0	(890.43)
AE Tollway Limited *	0	-	0	-	0	(395.40)	0	-	0	-	0	(395.40)
IRB PP Project Private Limited	(0)	(1.08)	0	113.99	(0)	(0.04)	0	-	0	(0)	(0)	(0.04)
CG Tollway Limited *	0	-	0	-	0	98.08	0	-	0	-	0	98.08
Kishangarh Gulabpura Tollway Limited *	0	-	0	-	0	417.40	0	-	0	-	0	417.40
Udaipur Tollway Limited *	0	-	0	-	0	84.57	0	-	0	-	0	84.57
VK1 Expressway Private Limited	3	1,797.20	0	38.37	2	24.86	0	-	0	-	1	24.86
IRB Hapur Moradabad Tollway Limited *	0	-	0	-	0	(247.80)	0	-	0	-	0	(247.80)
VM7 Expressway Private Limited	0	94.23	0	-	0	-	0	-	0	-	0	-
Add: Adjustment for goodwill on consolidation	0	78.04	0	78.04	0	-	0	-	0	-	0	-
Add: Exceptional items	0	-	0	-	0	573.87	0	-	0	-	0	573.87
"Add: Adjustment for borrowing cost capitalisation (net of tax)"	0	50.29	0	50.30	0	-	0	-	0	-	0	-
Less: Share of loss from joint venture	0	-	0	-	(142)	(1,657.96)	0	-	0	-	(42)	(1,657.96)
Partnership firm	100	69,007.69	100	66,828.79	100	7,208.63	100	2,764.66	100	(3,481.19)	100	3,936.15
Modern Estate	0	-	0	-	0	-	0	-	0	-	0	-

* For details, kindly refer note 32.

Note: The above figures are net of intra-group elimination.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 39: Disclosure pursuant to Appendix - A to Ind AS 11 - "Service Concession Arrangements" ('SCA')

(A) Disclosures with regard to Toll Collection Rights (Intangible Assets)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable
1	Mhaiskar Infrastructure Private Limited ⁽¹⁾	August 10, 2004	August 10, 2019	15 years	September 7, 2006
2	Thane Ghodbunder Toll Road Private Limited ⁽⁶⁾	December 24, 2005	February 23, 2021	15 years	June 23, 2007
3	Aryan Toll Road Private Limited	March 20, 2003	March 19, 2019	16 years	December 27, 2004
4	ATR Infrastructure Private Limited	September 25, 2003	February 6, 2022	18 years	December 20, 2005
5	IRB Ahmedabad Vadodara Super Express Tollway Private Limited	January 1, 2013	December 31, 2037	25 years	December 6, 2015
6	IRB Westcoast Tollway Limited ⁽⁵⁾	March 3, 2014	March 2, 2042	28 years	27 August 2017
7	Solapur Yedeshi Tollway Limited ⁽⁵⁾	January 21, 2015	January 20, 2043	29 years	July 18, 2017
8	Yedeshi Aurangabad Tollway Limited ⁽⁵⁾	July 1, 2015	June 30, 2041	26 years	December 26, 2017
9	Kaithal Tollway Limited ⁽⁵⁾	July 15, 2015	July 14, 2042	27 years	January 9, 2018
10	AE Tollway Limited ⁽⁵⁾	August 1, 2016	July 31, 2040	24 years	January 27, 2019
11	Udaipur Tollway Limited ⁽⁵⁾	September 3, 2017	September 2, 2038	21 years from Appointed Date	February 29, 2020
12	CG Tollway Limited ⁽⁵⁾	November 4, 2017	November 3, 2037	20 years from Appointed Date	May 1, 2020
13	Kishangarh Gulabpura Tollway Limited ⁽⁵⁾	February 21, 2018	February 20, 2038	20 years from Appointed Date	August 19, 2020
14	IRB Hapur Moradabad Tollway Limited ⁽⁵⁾	May 29, 2019	May 31, 2041	22 years from Appointed Date	November 30, 2021

Note:

- (1) The Concession period for the project was successfully completed on 10th August, 2019.
- (2) The Government of Maharashtra has vide Notification No. MUP-2016/C. R. 2/UD-19 dated February 3, 2016 stopped the collection of toll IRB Kolhapur Integrated Road Development Company Private Limited
- (3) The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the Respective Government Authorities:-
 - a. Rights to use the Specified assets
 - b. Obligations to provide or rights to expect provision of services
 - c. Obligations to deliver or rights to receive at the end of the Concession.
- (4) The actual concession period may vary based on terms of the respective concession agreements.
- (5) During the previous year, the projects were transferred to Trust.
- (6) The Concession period for the project was successfully completed on 23rd February, 2021.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(B) Disclosures with regard to Hybrid Annuity Project

(i)	Name of Concessionaire	VM7 Expressway Private Limited	VK1 Expressway Private Limited	IRB PP Project Private Limited*	IRB PS Highway Private Limited*
(ii)	Description of the arrangement:	Construction of Eight Lane Access Controlled Expressway From Km 190.000 to Km 217.50 of Vadodara Mumbai Expressway (Gandeva to Ena section) in the state of Gujarat on Hybrid Annuity Mode (HAM) basis.	Eight lane 23.74 Km section of Expressway between Vadodara and Kim in Gujarat on a Hybrid Annuity Mode (HAM) basis	Four laning of 38.00 Km section of NH-45A (New NH-32) between Puducherry – Poondiyankuppam in Tamilnadu on a Hybrid Annuity Mode (HAM) basis	Four laning of 56.80 Km section of NH-45A between Poondiyankuppam – Sattanathapuram in Tamilnadu on a Hybrid Annuity Mode (HAM) basis
(iii)	Significant terms of the arrangement:				
	Period of concession:	17 years from Appointed date	17 years from Appointed date	17 years from Appointed date	17 years from Appointed date
	Start of concession period under concession agreement (Appointed date)	Appointed date awaited	January 18, 2019	Project Terminated	Project Terminated
	End of concession period under concession agreement		January 17, 2036		
	Remuneration:	Annuity, interest and O&M	Annuity, interest and O&M	Annuity, interest and O&M	Annuity, interest and O&M
	Investment grant from concession grantor:	Yes	Yes	Yes	Yes
	Investment return to grantor at end of concession:	Yes	Yes	Yes	Yes
	Investment and renewal obligations:	No	No	No	No
	Repricing dates:	Half yearly for O&M	Half yearly for O&M	Half yearly for O&M	Half yearly for O&M
	Basis upon which re-pricing or re-negotiation is determined:	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement	Inflation price index as defined in Concession Agreement
(iv)	Financial assets :				
	a) Current (₹ in millions)	-	3,631.33 (March 31, 2020 : 1,657.76)	-	-
	b) Non-current (₹ in millions)	-	6,136.78 (March 31, 2020: 2,486.64)	-	-

As at March 31 2021, the project is under construction phase. Balance obligation as on March 31, 2021 is ₹ 4,531.80 millions (March 31, 2020 : ₹ 12,397.88 millions).

*NHAI has communicated vide letters dated October 31, 2019 that the Concession agreement are deemed terminated with effect from May 15, 2019. The Company has filed for compensation with NHAI as per the provisions of the Concession Agreement. Pursuant to settlement agreement with NHAI, the Company has received ₹200.00 millions.

Note:

In HAM projects, revenue is received / receivable as under:

- 40% of the total bid project cost with adjustment relating to Price Index Multiple, shall be due and payable to the Group in 5 equal installments during the construction period in accordance with the provisions of the SCA.
- The remaining bid project cost, with adjustment relating to Price Index Multiple, shall be due and payable in 30 bi-annual installments commencing from the 180th day of COD in accordance with the provision of the SCA.
- Interest shall be due and receivable on the reducing balance of Completion Cost at an interest rate equal to the applicable Bank Rate plus 3%. Such interest shall be due and receivable biannually along with each installment specified in of SCA.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(C) Disclosures with regard to Toll Operate Transfer Project

(i)	Name of Concessionaire	IRB MP Expressway Private Limited (IRBMP) (formerly known as NKT Road and Toll Private Limited)
(ii)	Description of the arrangement:	Tolling, operation, maintenance and transfer of Yashwantrao Chavan Expressway & National Highway NH-48 in the state of Maharashtra
(iii)	Significant terms of the arrangement:	
	Period of concession:	10 years 2 months
	Start of concession period under concession agreement	March 1, 2020
	End of concession period under concession agreement	April 30, 2030
	Payment terms:	Upfront payment of ₹ 65,000 millions and further staggered payment of ₹ 8,500 millions in year 2, ₹ 8,500 millions in year 3 and ₹ 620 millions in year 4, aggregating to ₹ 82,620 millions

Note 40 : 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 recognise the same to statement of comprehensive income. Ind AS 101 gives an exemption whereby the Group will continue its Previous GAAP policy for accounting for 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.

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Amount of exchange loss capitalised arising on long-term foreign currency loan	-	343.24

Note 41 : Details of dues to micro and small enterprises as per MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no overdue amount to the Micro and Small enterprises as defined in the Micro, Small Medium Enterprises Development Act, 2006 as set out in the following disclosures:

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the consolidated financial statement as at March 31, 2020 based on the information received and available with the Group.

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Principal amount remaining unpaid to any supplier as at the period end	777.59	1,138.26
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.	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 42 : Fair Values

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

	Carrying amount		Fair Value	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial assets				
Financial assets measured at amortised cost				
Loans	4,367.03	235.56	-	-
Other Financial assets	11,054.24	6,443.53	-	-
Financial assets measured at fair value through statement of Profit & Loss				
Investments (Quoted)	3,122.89	128.27	3,122.89	128.27
Other Financial assets	32,957.00	34,688.21	32,957.00	34,688.21
Trade receivable	2,476.18	-	2,476.18	-
Financial assets measured at fair value through other comprehensive income				
Investments (Quoted)	8,413.34	2,374.18	4,964.35	2,374.18
Investments (Unquoted)	6.25	6.25	6.25	6.25
Financial assets measured at amortised cost				
Investments (Unquoted)	0.17	0.17	-	-
Trade receivable	3,403.08	4,407.58	-	-
Cash and cash equivalents	6,534.85	4,428.71	-	-
Other Bank balances	16,854.88	18,278.34	-	-
Financial liabilities				
Financial liabilities measured at amortised cost				
Trade payables	7,145.61	7,440.28	-	-
Borrowings (net of unamortised transaction cost)	1,85,807.30	91,810.93	-	-
Lease liabilities	88.19	126.39	-	-
Other financial liabilities	1,42,986.86	2,22,155.75	-	-

The management assessed that the fair value of cash and cash equivalents, bank balance, trade receivables, trade payables, borrowings, 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.

Note 43 : 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 in 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2021:

	As on March 31, 2021	Fair value measurement at end of the reporting year using		
		(₹ in millions)		
		Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	11,536.23	11,536.23	-	-
Investments (Unquoted) *	6.42	-	-	6.42
Other financial assets**	32,957.00	-	-	32,957.00
Liabilities				
Lease liabilities***	88.19	-	-	88.19
Non convertible debentures	12,500.00	-	12,580.03	-

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2020:

	As on March 31, 2020	Fair value measurement at end of the reporting year using		
		(₹ in millions)		
		Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	2,502.45	2,502.45	-	-
Investments (Unquoted) *	6.42	-	-	6.42
Other financial assets**	34,688.21	-	-	34,688.21
Liabilities				
Lease liabilities***	126.39	-	-	126.39
Non convertible debentures	-	-	-	-

There have been no transfers between Levels during the year.

*The fair value in respect of the unquoted equity investments can not be reliably estimated and hence the same is valued at cost.

**The fair value measurements for the Receivable from IRB Infrastructure Trust ('Trust') have been categorised as Level 3 fair values based on the inputs to the valuation techniques used. The fair valuation is determined based on present value of projected cash flows and risk free discount rates. The significant unobservable inputs used are (a) applying probability for percentage of amount that will be collected against the claims raised / to be raised with customers including the timing of collection (over a period of three years) with weights being assigned to different probability scenarios; and (b) discount rate applied to determine present value is 10.00%.

Sensitivity: Higher probability by 5% and lower discount rate by 0.5% will increase the fair value by ₹ 3,633.10 million. Lower probability by 5% and higher discount rate by 0.5% will reduce fair value by ₹ 3,422.35 million.

There were no significant inter-relationship between unobservable inputs that materially affects fair value .

Fair value movement for Receivable from Trust is as under:

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Opening balance as at 1 April 2020 (Previous year : 1 April 2019)	34,688.21	-
Add : Recognised during the year	-	34,684.07
Less: Receipt of deferred consideration	(1,792.36)	-
Add: Adjustment on account of fair valuation	13.62	-
Add: Adjustment on account of interest unwinding and others	47.53	4.14
Closing balance of receivables as on March 31, 2021 (Previous period : 31 March 2020)	32,957.00	34,688.21

Lease liabilities***

The sensitivity analysis below have been determined based on reasonably possible changes of the discounting rate occurring at the end of the reporting year, while holding all other assumptions constant.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

If the discounting rate is 50 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 0.05 millions (increased by ₹ 0.05 millions).

Note 44 : 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 have 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 Market risk.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments

Credit risk from balances with banks and financial institutions, trade receivables, loans and advances is managed by the Group's management in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade receivables

Concentration of credit risk with respect to trade receivables are high, due to the Group's customer base being limited. All trade receivables are reviewed and assessed for default on a quarterly basis. Based on historical experience of collecting receivables indicate a low credit risk.

Other financial assets and and Loans

The Group other receivables are from related parties. The Group does not perceive any credit risk pertaining to other receivables. The Group makes provision of expected credit losses to mitigate the risk of default payments and makes appropriate provision at each reporting date whenever outstanding is for a longer period and involves higher risk.

The Group also has receivables from loans which are primarily provided in form of security deposits. The Group monitors the credit worthiness of such lessors where the amount of security deposits is material.

Investment in Equity shares/units of joint ventures

The Group has investments in equity shares / units of joint ventures. The settlement of such instruments is linked to the completion of the respective underlying projects. Such Financial Assets are not impaired as on the reporting date.

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, FVTOCI investments and derivative financial instruments.

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.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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 on fixed rate borrowing. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Long term borrowings - variable interest rate - (Gross of unamortised transaction cost)	1,25,743.42	67,093.48
Long term borrowings - fixed interest rate (Gross of unamortised transaction cost)	46,182.07	4,405.14
Short term borrowings - fixed interest rate	15,789.87	20,645.03
Fixed interest rate financial assets	17,579.51	21,705.70

Cash flow sensitivity analysis for variable rate instrument

Long term borrowings - variable interest rate

If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 628.37 millions (increased by ₹ 628.37 millions) (as at March 31, 2020: decreased by ₹ 335.47 millions (increased by ₹ 335.47 millions)).

Long term borrowings - fixed interest rate

If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 231.26 millions (increased by ₹ 231.26 millions) (as at March 31, 2020: decreased by ₹ 22.03 millions (increased by ₹ 22.03 millions)).

Short term borrowings - fixed interest rate

If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be decreased by ₹ 79.02 millions (increased by ₹ 79.02 millions) (as at March 31, 2020: decreased by ₹ 103.23 millions (increased by ₹ 103.23 millions)).

Fixed interest rate financial assets

If the interest rate is 50 basis point higher (lower), the impact on profit or loss would be increase by ₹ 87.90 millions (decrease by ₹ 87.90 millions) (as at March 31, 2020: increased by ₹ 108.53 millions (decreased by ₹ 108.53 millions)).

Commodity price risk

The Group requires for implementation (construction, operation and maintenance) of the projects, such as cement, bitumen, steel and other construction materials. The Group has hedged its commodity risk in respect of aggregates by having captive mines for production of aggregates. The Group is able to manage its exposure to price increases in other raw materials through bulk purchases and better negotiations. Hence, the sensitivity analysis is not required.

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:

	(₹ in millions)				
As at March 31, 2021	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Current Investments	3,122.58	3,122.58	3,122.58	-	-
Trade receivables	5,879.26	5,879.26	3,403.08	2,476.18	-
Cash and cash equivalents	6,534.85	6,534.85	6,534.85	-	-
Bank balance	16,854.88	16,854.88	16,854.88	-	-
Loans	4,367.03	4,367.03	4,321.03	46.00	-
Other financial assets	44,011.24	44,011.24	13,054.75	30,956.49	-
Total	80,769.84	80,769.84	47,291.17	33,478.67	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in millions)					
As at March 31, 2020	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Current Investments	128.01	128.01	128.01	-	-
Trade receivables	4,407.58	4,407.58	4,407.58	-	-
Cash and cash equivalents	4,428.71	4,428.71	4,428.71	-	-
Bank balance	18,278.34	18,278.34	18,278.34	-	-
Loans	235.56	235.56	158.18	77.38	-
Other financial assets	41,131.74	41,131.74	10,195.12	30,936.62	-
Total	68,609.94	68,609.94	37,595.94	31,014.00	-

(₹ in millions)					
As at March 31, 2021	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Long term Borrowings (Gross of unamortised transaction cost)*#	1,71,925.49	1,94,297.16	15,253.86	1,15,796.60	63,246.70
Short term borrowings	15,817.01	16,211.66	16,211.66	-	-
Lease liabilities	88.19	88.19	45.02	43.17	-
Other financial liabilities	1,42,986.86	1,42,986.86	18,213.10	27,082.74	97,691.02
Trade payables	7,145.61	7,145.61	7,145.61	-	-
Total	3,37,963.16	3,60,729.48	56,869.25	1,42,922.51	1,60,937.72

(₹ in millions)					
As at March 31, 2020	Carrying amt	Total	Less than 1 year	1 to 5 years	> 5 years
Long term Borrowings (Gross of unamortised transaction cost)	71,471.95	76,322.56	8,205.85	21,329.32	46,787.39
Short term borrowings	20,659.87	20,659.87	20,659.87	-	-
Lease liabilities	126.39	126.39	49.69	76.70	-
Other financial liabilities	2,22,155.75	2,22,155.75	83,272.73	31,260.90	1,07,622.12
Trade payables	7,440.28	7,440.28	7,440.28	-	-
Total	3,21,854.24	3,26,704.85	1,19,628.42	52,666.92	1,54,409.51

*Refer note 17(iv)(a)(iv).

Long term borrowings include Non-convertible debentures which, carry premium in the range of 0-8%, at the time of redemption as per the respective debenture agreements.

The Group has sufficient level of cash and bank balances, including highly marketable debt investments to meet the financial liabilities over the next twelve months. Moreover, the Group has maintained adequate sources of financing including debt tie up with banks/ financial institutions and overdraft facility from banks in respect of committed capital and operational outflows.

Note 45 : 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, 2021 and March 31, 2020.

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 (Gross of unamortised transaction cost) less cash and cash equivalents.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Borrowings (Note 17)	1,87,742.50	92,131.82
Less: cash and cash equivalents (Note 12A and 20)	(6,480.38)	(4,374.21)
Net debt	1,81,262.12	87,757.61
Equity (Note 15 and 16)	69,007.69	66,828.79
Total equity	69,007.69	66,828.79
Capital and net debt	2,50,269.81	1,54,586.40
Gearing ratio (%)	72.43%	56.77%

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 46 : Dividend Distribution made

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Cash dividend on equity shares declared and paid :		
Final dividend for the year ended March 31, 2020, ₹ 5/- per share	1,757.25	-
Dividend distribution tax	-	50.15
Total	1,757.25	50.15

Note 47 : Donation

During the current year, donation given to political parties amounts to ₹ 525.00 millions (31 March 2020 - ₹ 293.00 millions). Details are as under:

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Name of Political party		
Bharatiya Janta Party	400.00	50.00
Nationalist Congress Party	-	70.00
Shivsena Nivadnuk Madhyavarti Karyalaya	-	20.00
Donation through Electoral bonds	-	153.00
Kisan Party of India	25.00	-
Maharashtra Pradesh Nationalist Congress Party	100.00	-
	525.00	293.00

Note 48 : Settlement of claim

In earlier years, Maharashtra State Road Development Corporation (MSRDC) had directed to suspend toll collection of the Company's wholly owned subsidiary viz. IRB Kolhapur Integrated Road Development Company Private Limited (IRBK). A Committee of Government of Maharashtra was formed to finalise the valuation of the project which was settled at ₹ 4,730 million. Accordingly, IRBK has received ₹ 4,730 million from MSRDC as a payment against compensation from MSRDC. In the previous year, the Group had adjusted the written down value of the toll collection right of ₹ 4,320.68 million against the composite claim receivable of ₹ 4,730 million and the difference had been charged off to the consolidated statement of profit and loss after considering cost incurred towards development of hotel.

Note 49 : Details of specific projects

During the year ended March 31, 2021, the Group has paid/accrued ₹ Nil millions (March 31, 2020: ₹ 859.54 millions) 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.

AETL

During the year ended March 31, 2017, AE Tollway Limited (AETL) has entered into a Concession agreement (CA) with NHAI for a period of 24 years. As per the terms of the CA, AETL has agreed to pay a premium in the form of "Additional Concession Fee" equal to ₹ 810.00 millions for the first year and each subsequent year such premium shall be determined by increasing the amount of premium in the respective year by an additional 5% as compared to the immediately preceding year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Management based on the legal opinion obtained and their evaluations of the terms of the CA, believes that such premium payable is restricted to the toll collection during the year and is in the form of revenue sharing arrangement. Accordingly, the premium payable for the year is accounted for as revenue share.

IRBAV

- During the year ended March 31, 2015, the Group had received approval of NHAI for premium deferment for Ahmedabad Vadodara project. The Scheme is applicable to the Project from FY14-15 onwards. Such deferred premium is included in non current / other current financial liabilities.
- IRBAV has been awarded the contract on a DBFOT basis. As per the terms of the concession agreement, IRBAV is obligated to pay an amount of ₹ 148,806.38 millions to NHAI as additional concession fee over the concession period. Accordingly, from financial year 2014-15, 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.
- IRB Ahmedabad Vadodara Super Express Tollway Private Limited ('IRBAV'), a subsidiary of the Company has received award from Hon'ble High court for continuation of relief from payment of Premium to NHAI till the outcome of Section 17 proceedings under Arbitration. Pending outcome of the matter, for the year, the said entity has not paid off any premium to NHAI.

Note 50 : Corporate Social Responsibility

March 31, 2021:

(₹ in millions)			
(a) Gross amount required to be spent by the Group during the year			270.03
(b) Amount spent during the year on:			
Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	285.12	-	285.12

March 31, 2020:

(₹ in millions)			
(a) Gross amount required to be spent by the Group during the year			290.79
(b) Amount spent during the year on:			
Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	113.43	-	113.43

Note 51: Interest in joint ventures

The Group has 51% interest in IRB Infrastructure Trust (Trust) and MMK Toll Road Private Limited (MMK) and has joint control over the said entities. The Group's interest in the consolidated financial statements of Trust and the standalone financial statements of MMK is accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint ventures, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Summarised Balance Sheet as at March 31, 2021 and March 31, 2020:

Particulars	March 31, 2021		March 31, 2020	
	Trust	MMK	Trust	MMK
Non-current assets including intangible assets	2,17,020.47	0.17	2,13,951.40	0.10
Current assets including cash and cash equivalents	5,780.08	116.94	6,125.43	115.09
Non-current liabilities including borrowings	(1,17,127.70)	(2.37)	(91,379.72)	(2.18)
Current liabilities including trade payables	(27,653.90)	(12.46)	(52,427.36)	(10.85)
Equity	78,018.95	102.28	76,269.75	102.16
Other Adjustment to Equity	103.81	1.48	-	-
Adjusted Equity	78,122.76	103.76	-	-
Proportion of Group's ownership	51%	51%	51%	51%
Carrying amount of investment	39,842.61	52.92	38,897.58	52.10

Summarised statement of profit and loss of the following entities:

Particulars	March 31, 2021		March 31, 2020	
	Trust	MMK	Trust	MMK
Total income	10,474.22	37.49	2,566.86	31.53
Road work and site expenses	(3,983.41)	-	(2,048.44)	(1.92)
Depreciation and amortisation expenses	(1,255.69)	-	(123.48)	-
Employee benefit expenses	-	(29.58)	-	(15.88)
Finance costs	(8,228.17)	-	(659.36)	-
Investment Manager Fees	(46.25)	-	(26.92)	-
Other expenses	(138.34)	(5.61)	(26.75)	(11.04)
Tax expenses	(74.86)	(0.70)	5.34	(0.57)
(Loss)/Profit for the period	(3,252.50)	1.60	(312.75)	2.12
Proportion of ownership interest	51%	51%	51%	51%
Share of loss /(profit)	(1,658.78)	0.82	(159.50)	1.08

Group's share of Contingent liabilities

Particulars	March 31, 2021		March 31, 2020	
	Trust	MMK	Trust	MMK
Contingent Liabilities	-	-	-	-

Note 52 : Contract Revenue

(a) The Group undertakes Engineering, Procurement and Construction business, toll collection and operation and maintenance work. The type of work in the contracts with the customers involve construction, engineering, designing etc.

(b) Disaggregation of revenue from contracts with customers

The Group believes that the information provided under Note 24, Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers and also refer note (d).

(c) Reconciliation of contract assets and liabilities:

Particulars	March 31, 2021		March 31, 2020	
Contract assets*				
Due from contract customers (contract assets)				
At the beginning of the reporting period	267.77		1,418.62	
Cost incurred plus attributable profits on contracts-in-progress	27,523.62		39,894.88	
Progress billings made towards contracts-in-progress	27,229.71		38,744.03	
At the end of the reporting period	561.68		267.77	
Contract liabilities**				
Advance from contract customers (contract liability)				
At the beginning of the reporting period	1,108.50		71.10	
Revenue recognised during the year	9,721.64		8,733.55	
Progress billings made towards contracts-in-progress	8,698.68		7,625.05	
At the end of the reporting period	85.54		1,108.50	

*The contract assets primarily relate to the Group's rights to consideration for performance obligation satisfied but not billed at the reporting date.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

The contract assets are transferred to receivables when the rights become unconditional. Invoices are raised on the customers based on the agreed contractual terms and are collected within 30-60 days from the date of invoicing.

**The contract liability primarily relates to the advances from customer towards on-going EPC projects. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

(d) Reconciliation of revenue as per Ind AS 115

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Contracted Price	34,136.52	48,628.43
Less: Fair value adjustment as per Ind AS 115	370.81	-
Revenue from Operations (as per Statement of Profit and Loss)		
- Construction Revenue (road construction)	33,765.71	48,628.43
- Operation and maintenance revenue	3,479.55	2,461.34
Total	37,245.26	51,089.77
Revenue from toll operations		
Revenue total collected	14,697.68	17,914.96
Less : Payment as revenue share*	34.32	859.54
Total	14,663.36	17,055.42

* Comprises double user fee from non fastag users in the current year (March 31, 2020: ₹ Nil millions)

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Amounts due to contract customers represents the excess of progress billings over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

Performance obligation

The Group undertakes Engineering, Procurement and Construction business. The ongoing contracts with customers are for road construction. The type of work in these contracts involve construction, engineering, designing, etc.

The Group evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Contracts where the Group provides a significant integration service to the customer by combining all the goods and services are concluded to have a single performance obligations. Contracts with no significant integration service, and where the customer can benefit from each unit on its own, are concluded to have multiple performance obligations. In such cases consideration is allocated to each performance obligation, based on standalone selling prices. Where the Group enters into multiple contracts with the same customer, the Group evaluates whether the contract is to be combined or not by evaluating factors such as commercial objective of the contract, consideration negotiated with the customer and whether the individual contracts have single performance obligations or not.

The Group recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

The Group recognises contract revenue over time as the performance creates or enhances an asset controlled by the customer. For such arrangements revenue is recognised using cost based input methods. Revenue is recognised with respect to the stage of completion, which is assessed with reference to the proportion of contract costs incurred for the work performed at the balance sheet date relative to the estimated total contract costs.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Group's input methods of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer. Significant judgment is required to evaluate assumptions related to the amount of net contract revenues, including the impact of any performance incentives, liquidated damages, and other forms of variable consideration.

If estimated incremental costs on any contract, are greater than the net contract revenues, the Group recognizes the entire estimated loss in the period the loss becomes known. Variations in contract work, claims, incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

(e) Revenue recognition for future related to performance obligations that are unsatisfied (or partially satisfied) :

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Group has applied the practical expedient in Ind AS 115.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is ₹ 77,487.95 million out of which 48.87% (March 31, 2020 : ₹ 47,278.68 million out of which 79.15%) is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

Practical expedients:

Applying the practical expedient in paragraph 63 of Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if at contract inception it is expected that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Company applies practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations for EPC contracts that have original expected duration of one year or less.

Note 53 : Disclosure on Ind-AS 116 Leases

Effective April 1, 2019, the Group has adopted Ind AS 116 'Leases', applied to all leases contracts existing on April 1, 2019 using the prospective method with the transition option to recognise Right-To-Use asset (ROU) at an amount equal to the lease liability.

In Consolidated Statement of profit and loss for the current year, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance costs for interest accrued on lease liability.

The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Consolidated Statement of Profit and Loss under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively under Note No 29 and 28.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	117.20	-
Additions	-	158.56
Depreciation	(31.02)	(41.36)
Balance at the end of the year	86.18	117.20

The following is the break-up of current and non-current lease liabilities as of March 31, 2021:

	(₹ in millions)	
	March 31, 2021	March 31, 2020
lease liabilities - current	45.02	49.69
lease liabilities - non- current	43.17	76.70
	88.19	126.39

The following is the movement in lease liabilities for the year ended March 31, 2021 and March 31, 2020

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Opening balance	126.39	-
Additions during the year	-	158.56
Interest charged	11.48	15.15
Payments made	(49.68)	(47.32)
Closing balance	88.19	126.39

Impact of adoption of Ind AS 116 for the year ended 31 March, 2020 is as follows:

	(₹ in millions)
	March 31, 2020
Decrease in Other expenses by	(47.32)
Increase in Finance cost by	15.15
Increase in Depreciation by	41.36
Net Impact on the Statement of Profit and Loss	9.19

Reconciliation between Operating Lease Commitments Disclosed in Financials as at March 31, 2019 Applying Ind AS 17 and Lease Liabilities Recognised in the Statement of Financial Position as at April 1, 2019 i.e. date of Initial Application

	(₹ in millions)
	March 31, 2020
Opening Balance of Operating Leases	194.45
Less : Adjustment on account of change in policy due to IND AS 116	(35.89)
Lease liabilities as at April 1, 2019	158.56

Rental expense recorded for short-term leases / Variable lease/ low-value leases was ₹42.59 Millions (March 31, 2020: ₹ 36.72 Millions).

Maturity analysis

	Total	Less than 1 year	Between 1 and 3 years	More than 3 years	Weighted average effective interest rate %
March 31, 2020					
Lease liabilities	126.39	49.69	76.70	-	10.50%
March 31, 2021					
Lease liabilities	88.19	45.02	43.17	-	10.50%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Note 54 : Intra-group turnover and profits on BOT construction contracts

The BOT contracts are governed by Service concession agreements with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "toll collection rights" against the construction services incurred. Since the construction revenue earned by the operator is considered as exchanged with the grantor against toll collection rights, profit from such contracts is considered as realised.

Accordingly, BOT contracts awarded to group companies (operator), where work is subcontracted to fellow subsidiaries, the intra group transactions on BOT contracts and the profits arising thereon are taken as realised and not eliminated for consolidation under Ind AS 110 "Consolidated financial statement"

The revenue and profit in respect of these transactions during the year is ₹ 3,010.09 millions (previous year: ₹ 36,670.80 millions) and ₹ 940.48 millions (previous year: ₹ 10,388.09 millions) respectively.

Note 55 : Disclosure pursuant to Section 186 of the Companies Act, 2013

Investments in entities

(₹ in millions)						
Entity	Financial year ended	Opening Balance	Investment made	Sale of Investment/ capital reduction	Fair Value gain/(loss)	Closing Balance
Union Bank of India	31 March 2021	0.26	-	-	0.05	0.31
National Savings Certificates	31 March 2021	0.17	-	-	-	0.17
Indian Highways Management Company Limited	31 March 2021	5.55	-	-	-	5.55
The Kalyan Janta Sahakari Bank Limited	31 March 2021	0.60	-	-	-	0.60
The Dombivali Nagri Sahakari Bank Limited	31 March 2021	0.10	-	-	-	0.10
IRB InvIT Fund	31 March 2021	2,374.18	-	185.42	2,775.59	4,964.35
Total		2,380.86	-	185.42	2,775.64	4,971.08

Investments in entities - joint ventures

(₹ in millions)						
Entity	Financial year ended	Opening Balance	Investment made	Share of (loss)/ profit	Equity Share	Closing Balance
IRB Infrastructure Trust	31 March 2021	38,897.58	2,603.81	(1,658.78)	-	39,842.61
MMK Toll Road Private Limited	31 March 2021	52.10	-	0.82	-	52.92

Investments in entities

(₹ in millions)						
Entity	Financial year ended	Opening Balance	Investment made	Sale of Investment/ capital reduction	Fair Value gain/(loss)	Closing Balance
Union Bank of India	31 March 2020	0.88	-	-	(0.62)	0.26
National Savings Certificates	31 March 2020	0.17	-	-	-	0.17
Indian Highways Management Company Limited	31 March 2020	5.55	-	-	-	5.55
The Kalyan Janta Sahakari Bank Limited	31 March 2020	0.60	-	-	-	0.60
The Dombivali Nagri Sahakari Bank Limited	31 March 2020	0.20	-	0.10	-	0.10
IRB InvIT Fund	31 March 2020	6,123.17	-	287.39	(3,461.60)	2,374.18
Total		6,130.57	-	287.49	(3,462.22)	2,380.86

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

Investments in entities - joint ventures

(₹ in millions)						
Entity	Financial year ended	Opening Balance	Investment made/ Transfer In	Share of (loss)/ profit	Equity Share	Closing Balance
IRB Infrastructure Trust *	31 March 2020	-	39,057.10	(0.02)	(159.50)	38,897.58
MMK Toll Road Private Limited	31 March 2020	-	34.30	16.72	1.08	52.10

* The Company has received units worth ₹ 2,603.81 million as part of the consideration (Previous Year: ₹ 39,057.10 million) towards sale of 9 subsidiary companies to Private Trust representing 51% stake in the said Private Trust.

Management is of the view that investment in mutual fund shall not form part of disclosure under section 186 (11) read with Schedule VI of the Act since they do not fall under the definition of body corporate as defined in section 2 of Companies Act, 2013.

The Company is engaged in the business of providing infrastructural facilities as per Section 186 (11) read with Schedule VI of the Companies Act 2013. Accordingly, disclosures under Section 186 of the Act in respect of loan made, investments, guarantees given or security provided is not applicable to the Company.

Note 56 : Arbitration award

During the earlier year, pursuant to the measures approved by the Cabinet Committee on Economic Affairs ("CCEA") for revival of the construction sector, IRB Goa Tollway Private Limited (IRB Goa) has received from National Highways Authority of India (NHAI) ₹ 2,485.04 millions against bank guarantee submitted by IRB Goa as 75% of the Arbitral Award amount pronounced by the Arbitral Tribunal. Subsequently NHAI has challenged the arbitration award in High Court which is currently pending. Pending outcome of the matter, IRB Goa has recorded the amount as liability in its books.

Note 57 : Note on Covid-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. As per the directions of the Ministry of Road Transport & Highways (MoRTH)/National Highway Authority of India (NHAI), in order to follow MHA guidelines about commercial and private establishment in the wake of COVID-19 epidemic in the country, operations at the toll plaza of the 'Group' and its joint ventures were closed down w.e.f. March 26, 2020. The toll operations were resumed from April 20, 2020 by ensuring compliance with preventive measures in terms of guidelines/ instructions issued by Government of India to contain spread of COVID-19.

Based on the financial budget of the Company, the Company shall have positive operating cash flows in the next year and will be able to meet its obligations as and when due.

The management has assessed and determined that considering the nature of its operations and overall revenue model, COVID-19 does not have any material impact on the Company's financial position as at March 31, 2021 its financial performance for the year then ended and its internal control over financial reporting as at March 31, 2021.

Note 58 : Subsequent events

There are no subsequent events which require disclosure or adjustment subsequent to the balance sheet date.

As per our report of even date
For B S R & Co. LLP
 Chartered Accountants
 ICAI Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
IRB Infrastructure Developers Limited
 CIN: L65910MH1998PLC115967

Aniruddha Godbole
 Partner
 Membership No.: 105149

Virendra D. Mhaikar
 Chairman & Managing Director
 DIN: 00183554

Deepali V. Mhaikar
 Director
 DIN: 00309884

For Gokhale & Sathe
 Chartered Accountants
 ICAI Firm Registration Number : 103264W

Sudhir Rao Hoshing
 Chief Executive Officer

Tushar K. Kawedia
 Chief Financial Officer
 Membership No.: 127712

Jayant Gokhale
 Partner
 Membership No.: 033767

Mehul N. Patel
 Company Secretary
 Membership No.: A14302

Place: Mumbai
 Date: June 01, 2021

Place: Mumbai
 Date: May 27, 2021

Gokhale & Sathe
Chartered Accountants
304/308/309, Udyog Mandir No.1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016.
Telephone + 91 (22) 43484242
Fax + 91 (22) 43484241

M S K A & Associates
Chartered Accountants
602, Floor 6, Raheja Titanium
Western Express Highway,
Geetanjali Railway Colony,
Ram Nagar, Goregaon (E),
Mumbai 400063, India
Tel: +91 22 6238 0519

Independent Auditors' Review Report on Unaudited Condensed Interim Consolidated Financial Statements for the nine months period ended December 31, 2023 of IRB Infrastructure Trust.

To
The Board of Directors,
MMK Toll Road Private Limited
The Investment manager of the IRB Infrastructure Trust ("the Investment Manager")

1. We have jointly reviewed the accompanying Unaudited Condensed Interim Consolidated Financial Statements of IRB Infrastructure Trust ("the Trust") and its subsidiaries (the Trust and its subsidiaries together referred to as "the Group") which comprises Condensed Interim Consolidated Balance Sheet as on December 31, 2023, Unaudited Condensed Interim Consolidated Statement of Profit and Loss, including other comprehensive income, Unaudited Condensed Interim Consolidated Cash Flow Statement and Unaudited Condensed Interim Consolidated Statement of Changes in Unitholders Equity for the nine months period then ended and a summary of select explanatory notes (together hereinafter referred to as the "Unaudited Condensed Interim Consolidated Financial Statements"). "These Unaudited Condensed Interim Consolidated Financial Statements for the period from April 01, 2023 to December 31, 2023 have been prepared solely to assist IRB Infrastructure Developers Limited ("Sponsor") for inclusion in the Offering Memorandum in connection with raising of funds with the proposed issuance of USD denominated Notes under the External Commercial Borrowings ("ECB") guidelines of the Reserve Bank of India ("RBI"), and proposed to be listed on India International Exchange (IFSC) Limited ("India INX").
2. The Unaudited Condensed Interim Consolidated Financial Statements, which is the responsibility of the Investment Manager and approved by the Investment Manager's Board of Directors, has been prepared in accordance with the requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with the Paragraph 3.23 of Chapter 3 of the Securities and Exchange Board of India ("SEBI") Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 06, 2023, as amended ("SEBI Circular"), together known as ("InvIT Regulations"), and recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34') prescribed under rule 2(1)(a) of Companies (Indian Accounting Standards) Rules 2015, as amended and other recognised accounting principles generally accepted in India, to the extent not inconsistent with the InvIT Regulations.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review consists of making inquiries, primarily of Investment Manager's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. This Statement includes the interim financial statements of the Trust and the following entities:

Sr No	Name of Entity	Relationship with the Trust
1	AE Tollway Limited	Subsidiary
2	Yedeshi Aurangabad Tollway Limited	Subsidiary
3	IRB Westcoast Tollway Limited	Subsidiary
4	Kaithal Tollway Limited	Subsidiary

Gokhale & Sathe
Chartered Accountants
304/308/309, Udyog Mandir No.1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016.
Telephone + 91 (22) 43484242
Fax + 91 (22) 43484241

M S K A & Associates
Chartered Accountants
602, Floor 6, Raheja Titanium
Western Express Highway,
Geetanjali Railway Colony,
Ram Nagar, Goregaon (E),
Mumbai 400063, India
Tel: +91 22 6238 0519

5	Solapur Yedeshi Tollway Limited	Subsidiary
6	CG Tollway Limited	Subsidiary
7	Udaipur Tollway Limited	Subsidiary
8	Kishangarh Gulabpura Tollway Limited	Subsidiary
9	IRB Hapur Moradabad Tollway Limited	Subsidiary
10	Palsit Dankuni Tollway Private Limited (w.e.f. 2 April 2022)	Subsidiary
11	IRB Golconda Expressway Private Limited (w.e.f. 11 August 2023)	Subsidiary
12	IRB Lalitpur Tollway Private Limited (w.e.f. 10 November 2023)	Subsidiary
13	Samakhiali Tollway Private Limited (w.e.f. 28 December 2023)	Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of review reports of other auditors as stated in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Consolidated Financial Statements, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under prescribed under rule 2(1)(a) of Companies (Indian Accounting Standards) Rules 2015, as amended and other recognised accounting principles generally accepted in India, to the extent not inconsistent with the InvIT Regulations, has not disclosed the information required to be disclosed in terms of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulation, 2014, as amended, read with SEBI circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Statement of Changes in Unitholders Equity of the accompanying unaudited condensed interim consolidated financial statements, which describes the presentation of 'Unit Capital' as 'Equity' to comply with the InvIT Regulations.

Our conclusion is not modified in respect of this matter.

7. We did not review the unaudited condensed interim financial statements of 6 subsidiaries included in the Unaudited Condensed Interim Consolidated Financial Statements, whose interim financial statements reflects total assets of Rs. 120,900 million (before consolidation adjustments) as on December 31, 2023, total revenues of Rs. 15,609 million (before consolidation adjustment), total net loss after tax of Rs. 5,351 million (before consolidation adjustment), total comprehensive loss of Rs. 5,351 million (before consolidation adjustment), and cash flows (net) of Rs. 267 million for the period April 01, 2023 to December 31, 2023, as considered in the Unaudited Condensed Interim Consolidated Financial Statements. These condensed interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Unaudited Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of the above matter.

8. The Unaudited Condensed Interim Consolidated Financial Statements of the Trust for the period April 01, 2022 to December 31, 2022 included in the Unaudited Condensed Interim Consolidated Financial Statements, were reviewed by Gokhale & Sathe, one of the Joint Auditor of the Trust, whose report dated February 16, 2024 expressed an unmodified conclusion of those Unaudited Condensed Interim Consolidated Financial Statements.

M S K A & Associates conclusion is not modified in respect of this matter.

Gokhale & Sathe
Chartered Accountants
304/308/309, Udyog Mandir No.1,
7-C, Bhagoji Keer Marg,
Mahim, Mumbai 400 016.
Telephone + 91 (22) 43484242
Fax + 91 (22) 43484241

M S K A & Associates
Chartered Accountants
602, Floor 6, Raheja Titanium
Western Express Highway,
Geetanjali Railway Colony,
Ram Nagar, Goregaon (E),
Mumbai 400063, India
Tel: +91 22 6238 0519

9. The consolidated financial information for the year ended March 31, 2023, included in the Unaudited Condensed Interim Consolidated Financial Statements, are from the consolidated financial statements of the Trust, which were audited by Gokhale & Sathe, one of the Joint Statutory Auditor of the Trust, whose report dated May 12, 2023 expressed an unmodified opinion of those audited consolidated financial statements.

M S K A & Associates conclusion is not modified in respect of this matter.

10. The report is addressed to the Board of Directors of the Investment Manager and submitted solely to assist the Sponsor to prepare its Financial Statements for inclusion in the Offering Memorandum in connection with issuance of USD denominated Notes under the External Commercial Borrowings ("ECB") guidelines of the Reserve Bank of India ("RBI") which is proposed to be listed on India International Exchange (IFSC) Limited ("India INX").

Accordingly, do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our conclusion is not modified in respect of this matter.

For Gokhale & Sathe
Chartered Accountants
ICAI Firm Registration No.103264W

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

SD/-

SD/-

CA Kaustubh Deshpande
Partner
Membership No.: 121011
UDIN:24121011BKAAKE9755

Nitin Tiwari
Partner
Membership No.: 118894
UDIN: 24118894BKGQGH5136

Place: Mumbai
Date: 16th FEB 2024

Place: Mumbai
Date: 16th FEB 2024

IRB Infrastructure Trust
Condensed Interim Consolidated Balance sheet as at December 31, 2023

		(Rs. in million)	
	Notes	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
ASSETS			
Non-current assets			
Property, Plant and Equipment		6.87	7.59
Goodwill		604.54	604.54
Other Intangible assets		3,08,561.98	2,28,418.29
Intangible assets under development		6,218.25	2,421.67
Financial assets			
i) Others		32.06	0.33
Other non-current assets		8.00	174.07
Deferred tax assets		1,280.76	792.60
		3,16,712.46	2,32,419.09
Current assets			
Financial assets			
i) Investments		7,095.52	1,283.09
ii) Trade receivables		213.05	84.67
iii) Cash and cash equivalents		687.54	731.31
iv) Bank balance other than (iii) above		9,453.30	4,866.69
v) Others		2,219.42	1,448.56
Current tax assets (net)		176.67	24.81
Other current assets		2,250.32	2,657.07
		22,095.82	11,096.20
Total assets		3,38,808.28	2,43,515.29
EQUITY AND LIABILITIES			
Equity			
Unit Capital		1,15,445.40	87,929.33
Subordinate debt		16,916.65	-
Other equity			
Other reserves		(14,777.41)	(10,395.80)
Total Equity		1,17,584.64	77,533.53
Non-controlling interests		1.39	0.81
		1,17,586.03	77,534.34
Non-current liabilities			
Financial liabilities			
i) Borrowings	4	1,69,150.24	98,943.95
ii) Other financial liabilities		37,493.58	35,780.80
iii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises		-	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	4,165.72
Provisions	5	3,418.74	2,965.03
Deferred tax liabilities		235.60	36.80
		2,10,298.16	1,41,892.30
Current liabilities			
Financial liabilities			
i) Borrowings	4	1,261.08	6,135.65
ii) Trade payables			
a) total outstanding dues of micro enterprises and small enterprises		1.50	1.61
b) total outstanding dues of creditors other than micro enterprises and small enterprises		7,945.74	15,303.87
iii) Other financial liabilities		1,623.92	2,549.37
Other current liabilities		91.85	98.15
		10,924.09	24,088.65
Total liabilities		2,21,222.25	1,65,980.95
Total equity and liabilities		3,38,808.28	2,43,515.29

The accompanying other explanatory information (notes) are an integral part of Unaudited Condensed Interim Consolidated Financial Statements.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : U45200MH2002PTC135512

SD/-
CA Kaustubh Deshpande
Partner
Membership No. 121011

SD/-
Virendra D. Mhaskar
Chairman
DIN :00183554

SD/-
Dhananjay K. Joshi
Chief Executive officer

For M S K A & Associates
Chartered Accountants
ICAI registration number: 105047W

SD/-
Nitin Tiwari
Partner
Membership No. 118894

SD/-
Shilpa Todankar
Chief Financial Officer

SD/-
Kaustubh Shevade
Company Secretary
Membership No.A27833

Place: Mumbai
Date: 16.02.2024

Place: Mumbai
Date: 16.02.2024

IRB Infrastructure Trust
Unaudited Condensed Interim Consolidated Statement of Profit and Loss for the period April 01, 2023 to December 31, 2023

(Rs. in million)			
Particulars	Notes	Nine months ended December 31, 2023 (Unaudited)	Nine months ended December 31, 2022 (Unaudited)
Income			
Revenue from operations		26,535.36	19,896.67
Other income		527.86	161.32
Total income		27,063.22	20,057.99
Expenses			
Valuation Expenses		2.29	0.97
Audit fees		3.68	3.85
Operating Expenses		13,201.29	9,305.29
Project Management Fees		2,931.62	1,997.38
Insurance and Security Expenses		66.74	8.13
Trustee Fees		4.54	3.33
Depreciation on Property, plant and Equipment		0.72	0.95
Amortisation of Intangible Assets		2,614.32	1,957.61
Finance costs (Interest)		9,531.37	6,698.66
Finance costs (Others)		814.76	990.24
Legal & Professional Fees		239.81	136.14
Investment Manager Fees		122.60	42.39
Custodian fees		1.10	0.24
Fair value loss on measurement of other payable		1,676.37	356.63
Other expenses		63.25	86.20
Total expenses		31,274.46	21,588.00
Profit/(loss) before tax		(4,211.24)	(1,530.02)
Tax expenses			
Current tax	13	(75.08)	351.25
Deferred tax		(289.36)	(445.56)
Total tax expenses		(364.44)	(94.30)
Profit/(loss) after tax		(3,846.80)	(1,435.72)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
(a) Re-measurement (loss)/gain on defined benefit plans (net of taxes)		-	-
Other comprehensive income/ (loss) for the period, net of tax		-	-
Total comprehensive income/(loss) for the period		(3,846.80)	(1,435.72)
Profit/(loss) after tax		(3,846.80)	(1,435.72)
Attributable to:			
Unit holders		(3,846.93)	(1,436.18)
Non-controlling interests		0.13	0.46
Total comprehensive income for the period			
Attributable to:			
Unit holders		(3,846.93)	(1,436.18)
Non-controlling interests		0.13	0.46
Earnings per unit (Face value of Rs 100 each)			
Basic	6	(4.03)	(1.64)
Diluted		(4.03)	(1.64)

The accompanying other explanatory information (notes) are an integral part of Unaudited Condensed Interim Consolidated Financial Statements.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : U45200MH2002PTC135512

SD/-
CA Kaustubh Deshpande
Partner
Membership No. 121011

SD/-
Virendra D. Mhaskar
Chairman
DIN :00183554

SD/-
Dhananjay K. Joshi
Chief Executive officer

For M S K A & Associates
Chartered Accountants
ICAI registration number: 105047W

SD/-
Nitin Tiwari
Partner
Membership No. 118894

SD/-
Shilpa Todankar
Chief Financial Officer

SD/-
Kaustubh Shevade
Company Secretary
Membership No.A27833

Place: Mumbai
Date: 16.02.2024

Place: Mumbai
Date: 16.02.2024

IRB Infrastructure Trust
Unaudited Condensed Interim Consolidated Cash Flows Statement for the period April 01, 2023 to December 31, 2023

	(Rs. in million)	
Particulars	Nine months ended December 31, 2023 (Unaudited)	Nine months ended December 31, 2022 (Unaudited)
Cash flow from operating activities		
Profit/(loss) before tax	(4,211.24)	(1,530.02)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	2,615.04	1,958.56
Resurfacing expenses	453.71	1,179.10
Fair value gain on mutual funds	(66.87)	(7.32)
Net (gain) on sale of current Investment	(77.82)	(42.12)
Finance costs	10,113.54	7,688.90
Interest income	(368.74)	(110.53)
Gain/(loss) on fair value measurement of other payable	1,676.37	356.63
Operating profit before working capital changes	10,133.99	9,493.19
Movement in working capital:		
Increase/ (Decrease) in trade payables	(11,873.19)	484.04
Decrease in other financial liabilities	(1,474.83)	(274.45)
Decrease in other liabilities	(58.75)	(438.94)
Increase in trade receivables	(128.38)	(0.10)
Decrease / (Increase) in other financial assets	(738.77)	496.71
Decrease in other assets	2,313.69	420.27
Cash generated from operations	(1,826.24)	10,180.73
Taxes paid (net of refunds)	(71.71)	(179.49)
Net cash flows (used in)/generated from operating activities (A)	(1,897.95)	10,001.24
Cash flows from investing activities		
Purchase of property, plant and equipment including CWIP, intangible assets including intangible assets under development	(86,554.59)	(7,745.84)
Proceeds from sale/ (purchase) of current investments (net)	(5,667.73)	(431.32)
Investments in bank deposits (having maturity of more than three months) (net)	(4,586.61)	(1,987.42)
Interest received	305.66	129.08
Net cash flows (used in) investing activities (B)	(96,503.27)	(10,035.50)
Cash flows from financing activities		
Proceeds from non-current borrowings	1,19,742.76	31,668.76
Repayment of non-current borrowings	(48,312.74)	(25,772.63)
Proceed of current borrowings	97.66	(267.50)
Repayment of current borrowings	(5,350.72)	1,532.48
Issue of Unit capital	28,619.50	2,425.22
Return of Unit capital	(1,103.43)	-
Issue of Subordinate Debt	16,916.65	-
Unit issue expenses	(85.13)	(15.33)
Finance cost paid	(9,725.17)	(7,575.83)
Transaction cost paid	(1,994.36)	-
Interest distribution to unitholders	(449.55)	-
Net cash flows generated from financing activities (C)	98,355.47	1,995.17
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(45.75)	1,960.90
Cash and cash equivalents at the beginning of the year	731.31	287.23
Add: Cash acquired on transfer of SPV's	1.98	-
Cash and cash equivalents at the end of the year	687.54	2,248.13
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Trust, retention and other escrow accounts	375.57	1,833.69
- Others	214.72	279.80
- In deposit accounts with original maturity less than 3 months	80.00	124.50
Cash on hand	17.25	10.14
Total cash and cash equivalents	687.54	2,248.13

IRB Infrastructure Trust
Unaudited Condensed Interim Consolidated Cash Flows Statement for the period April 01, 2023 to December 31, 2023

	(Rs. in million)	
Particulars	Nine months ended December 31, 2023 (Unaudited)	Nine months ended December 31, 2022 (Unaudited)
Debt reconciliation statement in accordance with Ind AS 7		
Opening balances		
Long term borrowing	1,01,369.82	94,124.22
Short term borrowing	5,350.72	4,085.74
Movements		
Cash Flows		
Long term borrowing	72,418.93	5,896.12
Short term borrowing	(5,253.06)	1,264.98
Non-cash changes		
Long term borrowing	-	-
Short term borrowing	-	-
Closing balances		
Long term borrowing	1,73,788.75	1,00,020.34
Short term borrowing	97.66	5,350.72

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. The Unaudited Condensed Interim Consolidated Cash Flow Statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".
4. The Borrowings reflected in above Debt Reconciliation Statement are gross of Unamortised Transaction Cost.

The accompanying other explanatory information (notes) are an integral part of Unaudited Condensed Interim Consolidated Financial Statements.

As per our report of even date

For Gokhale & Sathe

Chartered Accountants

ICAI registration number: 103264W

For and on behalf of the Board of Directors of

MMK Toll Road Private Limited

(As Investment Manager to IRB Infrastructure Trust)

CIN : U45200MH2002PTC135512

SD/-

CA Kaustubh Deshpande

Partner

Membership No. 121011

SD/-

Virendra D. Mhaikar

Chairman

DIN :00183554

SD/-

Dhananjay K. Joshi

Chief Executive officer

For M S K A & Associates

Chartered Accountants

ICAI registration number: 105047W

SD/-

Nitin Tiwari

Partner

Membership No. 118894

SD/-

Shilpa Todankar

Chief Financial Officer

SD/-

Kaustubh Shevade

Company Secretary

Membership No.A27833

Place: Mumbai

Date: 16.02.2024

Place: Mumbai

Date: 16.02.2024

IRB Infrastructure Trust**Unaudited Condensed Interim Consolidated Statement of changes in unitholder's equity for the period April 01, 2023 to December 31, 2023****Statement of changes in Unitholders equity****A. Unit capital:***

	(Rs. in million)			
	As at December 31, 2023 (Unaudited)		As at March 31, 2023 (Audited)	
	No.	Rs.	No.	Rs.
i) Units issued, subscribed and fully paid				
Units having face value of Rs. 100/-				
Balance at the beginning of the year	87,92,93,265	87,929.33	85,50,43,265	85,504.33
Issue of Unit capital	14,24,00,000	28,619.50	2,42,50,000	2,425.00
Return of Unit capital	-	(1,103.43)	-	-
Balance at the end of the period	1,02,16,93,265	1,15,445.40	87,92,93,265	87,929.33

B. Other equity

	(Rs. in million)	
	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Retained earnings		
Balance at the beginning of the year	(10,395.80)	(8,108.29)
Loss for the period	(3,846.93)	(2,272.18)
Interest Distribution	(449.55)	-
Unit Issue expenses	(85.13)	(15.33)
Balance at the end of the period	(14,777.41)	(10,395.80)

The accompanying other explanatory information (notes) are an integral part of Unaudited Condensed Interim Consolidated Financial Statements.

The Unaudited Condensed Interim Consolidated Financial Statement has been prepared in accordance with the requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with the Paragraph 3.23 of Chapter 3 of the SEBI circular ("InvIT Regulations"); recognition and measurement principles laid down in the Indian Accounting Standards, as defined in Rule 2(1) (a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India to the extent not inconsistent with the InvIT Regulations.

* Under the provisions of the InvIT Regulations, Trust is required to distribute to Unitholders not less than 90% of the net distributable cash flows of the Trust for each financial year. Accordingly, a portion of the Unit Capital contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. Hence, the Unit Capital is a compound financial instrument which contains equity and liability components in accordance with Ind AS 32 - Financial Instruments. However, in accordance with Chapter 3 and Chapter 4 of the SEBI circular, the Unit capital have been presented as "Equity" in order to comply with the requirements of Section H of Chapter 3 to the SEBI circular, dealing with the minimum presentation and disclosure requirements for key financial statements. Consistent with Unit Capital being classified as equity, the distributions to Unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager.

The accompanying other explanatory information (notes) are an integral part of Unaudited Condensed Interim Consolidated Financial Statements.

As per our report of even date

For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : U45200MH2002PTC135512

SD/-
CA Kaustubh Deshpande
Partner
Membership No. 121011

SD/-
Virendra D. Mhaikar
Chairman
DIN :00183554

SD/-
Dhananjay K. Joshi
Chief Executive officer

For M S K A & Associates
Chartered Accountants
ICAI registration number: 105047W

SD/-
Nitin Tiwari
Partner
Membership No. 118894

SD/-
Shilpa Todankar
Chief Financial Officer

SD/-
Kaustubh Shevade
Company Secretary
Membership No.A27833

Place: Mumbai
Date: 16.02.2024

Place: Mumbai
Date: 16.02.2024

IRB Infrastructure Trust
Notes to Unaudited Condensed Interim Consolidated Financial Statements as at December 31, 2023

1 Corporate Information

The IRB Infrastructure Trust (the "Trust") is a trust settled pursuant to the indenture of trust dated August 27, 2019 which is registered under the Registration Act, 1908 and under the Securities Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time. The Trust is settled by the Sponsor, IRB Infrastructure Developers Limited ("IRB" or the "Sponsor"), an infrastructure development company in India. The Trustee to the Trust is IDBI Trusteeship Services Limited (the "Trustee"). Investment manager for the Trust is MMK Toll Road Private Limited (the "Investment Manager"). The Trust has received registraion certificate from SEBI on November 25, 2019.

The Trust has been formed to invest in infrastructure assets primarily being in the road sector in India. The Trust's road projects are eligible infrastructure projects under the InvIT Regulations and held through special purpose vehicles ("Project SPVs" together as "Project SPV Group"). The Trust's portfolio comprises of thirteen road projects as listed below:-

Project SPV Name**	Residual Concession life*	Proposed shareholding	Nature of Investment	Status	Principal Activities	Country of incorporation
IRB Westcoast Tollway Limited (IRBWTl)	18 years 2 Months 2 days	100%	Subsidiary	Tolling and Construction	Construction and operation of road including toll collection.	India
Solapur Yedeshi Tollway Limited (SYTL)	20 years 0 Months 20 days	100%	Subsidiary	Operating		India
Yedeshi Aurangabad Tollway Limited (YATL)	17 years 5 Months 30 days	100%	Subsidiary	Operating		India
Kaithal Tollway Limited (KTL)	18 years 6 Months 14 days	100%	Subsidiary	Operating		India
AE Tollway Limited (AETL)	16 years 6 Months 31 days	100%	Subsidiary	Operating		India
Udaipur Tollway Limited (UTL)	14 years 8 Months 2 days	100%	Subsidiary	Operating		India
CG Tollway Limited (CGTL)	13 years 10 Months 3 days	100%	Subsidiary	Operating		India
Kishangarh Gulabpura Tollway Limited (KGTL)	14 years 1 Months 20 days	100%	Subsidiary	Operating		India
IRB Hapur Moradabad Tollway Limited (IRBHMTL)	17 years 4 Months 26 days	100%	Subsidiary	Operating		India
Palsit Dankuni Tollway Private Limited (PDTPPL) w.e.f 02.04.2022	15 years 3 Months 1 days	100%	Subsidiary	Tolling and Construction		India
IRB Golconda Tollway Private Limited(IGEPL) w.e.f 11.08.2023	29 years 7 Months 11 days	100%	Subsidiary	Operating		India
Samakhiali Tollway Private Limited(STPL) w.e.f 28.12.2023	19 years 11 Months 27 days	100%	Subsidiary	Tolling and Construction		India
IRB Lalitpur Tollway Private Limited(ILTPL) w.e.f 10.11.2023	-	100%	Subsidiary	Appointed date pending		India

* Represents residual concession life as at December 31, 2023 as per original concession period (without considering extension of concession period, if any).

** Of the above Project SPVs, IRBWTl, SYTL, YATL, AETL, CGTL, UTL and IRBHMTL have been converted to public companies on November 13, 2019 and KTLand KGTL on November 14, 2019 .

The registered office of the Investment Manager is Off No-11th Floor/1101 Hiranandani Knowledge Park, Technology Street, Hill Side Avenue, Powai Mumbai 400076.

The Trust has been listed on NSE w.e.f. 03.04.2023.

2 Basis of preparation of Consolidated Financial Statements

The Unaudited Condensed Interim Consolidated Financial Statements which comprise the Unaudited Condensed Interim Consolidated Balance Sheet as at December 31, 2023, the Unaudited Condensed Interim Consolidated Statement of Profit and Loss (including other comprehensive income), the Unaudited Condensed Interim Consolidated Statement of Changes in Unit holders equity and the Unaudited Condensed Interim Consolidated Statement of Cash Flows for the period from April 1, 2023 to December 31, 2023 and other explanatory information (together herein after referred to as "Unaudited Condensed Interim Consolidated Financial Statements").

The Unaudited Condensed Interim Consolidated Financial Statements has been prepared in accordance with the requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with the Paragraph 3.23 of Chapter 3 of the SEBI Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 06, 2023 ("SEBI Circular"), together known as ("InvIT Regulations"); recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under rule 2(1)(a) of Companies (Indian Accounting Standards) Rules 2015, as amended and other recognised accounting principles generally accepted in India, to the extent not inconsistent with Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended.

These unaudited condensed interim consolidated financial statements for the period from April 01, 2023 to December 31, 2023 have been prepared solely to assist IRB Infrastructure Developers Limited for inclusion in the Offering Memorandum in connection with raising of funds via with the proposed issuance of USD denominated Notes under the External Commercial Borrowings ("ECB") guidelines of the Reserve Bank of India ("RBI"), and proposed to be listed on India International Exchange (IFSC) Limited ("India INX"), and should not be relied upon for any other purpose.

These Unaudited Condensed Consolidated Financial Statements are not the statutory accounts for the purpose of any statutory compliances or for regulatory requirements in any jurisdiction. The Condensed Consolidated Financial Statements of the Trust for the period from April 1, 2023 to December 31, 2023 were approved by the Board of Directors of the Investment Manager and authorised for inclusion in the Offering Memorandum of the Sponsor on February 16, 2024.

The Unaudited Condensed Interim Consolidated Financial Statements do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with the Trust's Annual Consolidated Financial Statements as at March 31, 2023.

3 Standard issued but not yet effective

Ministry of Corporate affairs ("MCA") notifies new standard or amendment to the existing standards. There is no such notification which would have been applicable from January 01, 2024.

IRB Infrastructure Trust
Notes to Unaudited Condensed Interim Consolidated Financial Statements as at December 31, 2023

	(Rs. in million)	
	As at December 31, 2023 (Unaudited)	As at March 31, 2023 (Audited)
Note : 4 : Borrowings		
Non-current Borrowings		
Term loans		
Indian rupee loan from banks (secured)		
Project loans for SPVs	1,10,031.99	61,005.36
Less : current maturities expected to be settled within 12 month from balance sheet date	(737.46)	(639.16)
Total (a)	1,09,294.53	60,366.20
Indian rupee loan from financial institutions (secured)		
Project loans for SPVs	35,715.62	6,931.65
Less : current maturities expected to be settled within 12 month from balance sheet date	(362.50)	(9.75)
Total (b)	35,353.12	6,921.90
Non-convertible debentures (secured)	28,041.14	33,432.82
Less : current maturities expected to be settled within 12 month from balance sheet date	(53.38)	(130.59)
Total (c)	27,987.76	33,302.22
Less: Unamortised transaction cost (d)	(3,485.17)	(1,646.37)
Total non current borrowings (e = a + b + c + d)	1,69,150.24	98,943.95
Current Borrowings		
Short-term borrowings		
Current maturity of long term loans		
Indian rupee loan from banks (secured)	737.46	639.16
Indian rupee loan from financial institutions (secured)	362.50	9.75
Non convertible debentures (secured)	53.38	130.59
Interest accrued but not due on borrowings	10.08	5.43
(Unsecured, repayable on demand and interest free)		
Loan from related parties	97.66	5,350.72
Total current borrowings (f)	1,261.08	6,135.65
Total borrowings (e+f)	1,70,411.32	1,05,079.60
Aggregate secured loans	1,70,303.58	99,723.46
Aggregate unsecured loans	97.66	5,350.72

(i) Project loans for SPVs

December 31, 2023: Rs. 1,73,788.75 millions; March 31, 2023: Rs.1,01,369.83 millions; pertains to term loans taken by SPV's (Special Purpose Vehicles) & Trust for Project financing.

Rate of interest

Rate of interest on the Indian Rupee loan from banks and financial institutions varies from 7.75% to 10.65% p.a. (March 31, 2023: 7.75% to 10.75% p.a.) and are secured by pledge of shares of its subsidiaries and subservient charge on the current assets of the company.

Secured redeemable Non-convertible debentures carries interest rates which varies from 8.65% - 8.95% p.a.

Nature of security

- Secured by first charge on the movable/immovable asset by way of mortgage/hypothecation; first charge on all intangible assets, assignment of all receivables; book debts, loans and advances extended by the Borrower to SPVs and all rights and interest in project, both present and future, excluding the Project Assets of respective companies;
- Secured by first charge over all the equity shares, Preference shares, Debentures representing 100% of such securities.
- Secured by first charge on the Escrow Account, Debt Service Reserve Account and any other reserves and other bank accounts of the respective Companies.
- Unconditional and irrevocable corporate guarantee by each of the RG SPV's, in a form and manner satisfactory to the Finance parties (the "Corporate Guarantee").
- An irrevocable and unconditional corporate guarantee from IRB Infrastructure Developers Limited to meet shortfall (if any) between debt due and termination payments received from Concessioneing Authority in case of termination of Concession Agreement for any reason in case of Project SPV's.
- Pledge of securities of obligators created pursuant to the terms of loan Agreement held as common security for the benefit of Rupee lenders.

Repayment terms

The Non Convertible Debentures of YATL are redeemable at par on in August 2027 for Rs.12,150 million and in September 2029 for Rs.3,000 million.

The Non Convertible Debentures of SYTL are redeemable at par on in September 2027 for Rs.4,910 million and in October 2029 for Rs.1,000 million.

The Indian rupee loans from Banks, Financial Institutions, Non Convertible Debentures(other than above) are repayable in structured monthly/quarterly installments such that the total tenor does not exceed 19 years and repayable as per the repayment schedule specified in common loan agreement with the Lenders.

IRB Infrastructure Trust
Notes to Unaudited Condensed Interim Consolidated Financial Statements as at December 31, 2023

(Rs. in million)

Note 5 : Provisions

	December 31, 2023 (Unaudited)		March 31, 2023 (Audited)	
	Current	Non-current	Current	Non-current
Major maintenance expenses	-	3,418.74	-	2,965.03
Total	-	3,418.74	-	2,965.03

The movement in provision for resurfacing expenses is as follows:

	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)
Opening balance	2,965.03	1,350.57
Obligation on new toll projects	1,289.57	1,614.46
Utilised / reversed during the period	(835.86)	-
Closing balance	3,418.74	2,965.03

Note 6: Earnings Per Unit (EPU)

EPU amounts are calculated by dividing the profit for the period attributable to unit holders by the weighted average number of units outstanding during the period.

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

	(Rs. in million)	
	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
Profit attributable to unit holders for earnings	(3,846.80)	(1,435.72)
Weighted average number of Units for EPU	95,38,59,083	87,75,29,629
Face value per unit (in Rs)	100.00	100.00
Earnings per unit (in Rs.)*		
Basic	(4.03)	(1.64)
Diluted	(4.03)	(1.64)

* Not annualised

Note 7 : Commitment and Contingencies

a. Leases

Rental expense recorded for short-term leases/ low-value lease was Rs.0.05 million (December 31, 2022: Rs.0.03 million)

b. Capital commitments

	(Rs. in million)	
	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)
Estimated value of contracts in capital account remaining to be executed	77,403.87	14,295.07

IRB Kota Tollway Private Limited and IRB Gwalior Tollway Private Limited have been incorporated on January 01, 2024 and the commitment related to Project cost amounts to Rs.5,890 million and Rs.12,490 million respectively.

SPV's have entered into agreement for toll operations and management services with Sponsor and Subsidiary of Sponsor.

c. Contingent liabilities

	(Rs. in million)	
	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)
Contingent liabilities	-	-
Total	-	-

UTL, CGTL and KGTL have filed Writ petition with Hon'ble Rajasthan High Court with prayer to commence payment of Premium to National Highways Authority of India (NHAI) six months post actual completion of the project construction work. The Hon'ble High Court prima facie agreed with the contention of these companies and had provided interim relief from payment of premium. Vide judgement order dated 25th August, 2021, the Hon'ble High Court found merit in the contention of the companies and has directed the parties to resolve the dispute under Arbitration. The said matter is currently pending under Arbitration.

Note 8 : Fair values

	(Rs. in million)			
	Carrying amount		Fair Value	
	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)
Financial assets				
<u>Financial assets measured at amortised cost</u>				
Other Financial assets	2,251.48	1,448.89	2,251.48	1,448.89
Trade receivable	213.05	84.67	213.05	84.67
Cash and cash equivalents	687.54	731.31	687.54	731.31
Other Bank balances	9,453.30	4,866.69	9,453.30	4,866.69
<u>Financial assets measured at fair value through statement of Profit & Loss</u>				
Investments (Quoted)	7,028.46	1,283.09	7,095.52	1,283.09
Financial liabilities				
<u>Financial liabilities measured at amortised cost</u>				
Trade payables	7,947.24	19,471.20	7,947.24	19,471.20
Borrowings (net of transaction cost)	1,70,411.32	1,05,079.60	1,70,411.32	1,05,079.60
Other financial liabilities	1,627.69	2,552.14	1,627.69	2,552.14
<u>Financial liabilities measured at fair value through statement of Profit & Loss</u>				
Other financial liabilities	37,489.82	35,778.03	37,489.82	35,778.03

The management assessed that the fair value of other financial assets, trade receivables, cash and cash equivalents, other bank balance, trade payables, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

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

Note 9 : 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 in 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.

Quantitative disclosures fair value measurement hierarchy for financial instruments as at December 31, 2023:

	(Rs in million)			
	As on December 31, 2023	Fair value measurement at end of the reporting period using		
	(Unaudited)	Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	7,095.52	7,095.52	-	-
Liabilities				
Other financial liabilities	37,489.82	-	-	37,489.82

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2023:

	(Rs in million)			
	As on March 31, 2023	Fair value measurement at end of the reporting period using		
	(Audited)	Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	1,283.09	1,283.09	-	-
Liabilities				
Other financial liabilities	35,778.03	-	-	35,778.03

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

Sensitivity: Higher probability by 5% and lower discount rate by 0.5% will increase the fair value by Rs.4,446.51 million (31 march 2023 - Rs.4,166.87 million). Lower probability by 5% and higher discount rate by 0.5% will reduce fair value by Rs.4,197.70 million (31 March 2023 - Rs.3,946.06 million).

Fair value movement for Payable to IRB Infrastructure Developers Limited is as under:

	(Rs in million)	
	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)
Opening balance as at 1st April 2023 (Previous period: 1st April 2022)	35,778.03	35,168.79
Add: Recognised during the period/ year	1,676.37	560.53
Less: Payment of deferred consideration	-	-
Add: Adjustment on account of interest unwinding	35.42	48.71
Closing balance of payable as on December 31, 2023 (Previous period: March 31, 2023)	37,489.82	35,778.03

Note 10 : 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 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 December 31, 2023 (Unaudited)	Carrying amount	Total	On Demand	Less than 1 year	1 to 5 years	> 5 years
Borrowings (Gross of unamortised transaction cost)	1,73,896.49	1,73,896.49	97.66	1,163.42	16,521.37	1,56,114.04
Other financial liabilities	39,117.51	39,117.51	-	1,623.93	37,493.58	-
Trade payables	7,947.24	7,947.24	-	7,947.24	-	-
Total	2,20,961.24	2,20,961.24	97.66	10,734.59	54,014.95	1,56,114.04
As at March 31, 2023 (Audited)	Carrying amount	Total	On Demand	Less than 1 year	1 to 5 years	> 5 years
Borrowings (Gross of unamortised transaction cost)	1,06,725.97	1,06,725.97	5,350.72	784.93	17,853.83	82,736.49
Other financial liabilities	38,330.17	38,330.17	-	2,549.37	35,780.80	-
Trade payables	15,305.48	15,305.48	-	15,305.48	-	-
Total	1,60,361.62	1,60,361.62	5,350.72	18,639.78	53,634.63	82,736.49

Note 11 : Distribution made

	(Rs in million)	
	December 31, 2023 (Unaudited)	March 31, 2023 (Audited)
Distributed during the period as :		
Interest	449.55	-
Return of Capital	1,103.43	-
	1,552.98	-

Note: The Board of Directors of the Investment Manager have declared 1st Distribution of Rs.1.52 per unit which comprises of Rs.0.44 per unit as interest and Rs. 1.08 per unit as return of capital and 2nd Distribution of Rs.2.82 per unit towards return of capital in their meeting held on October 25, 2023 and January 25, 2024

Note 12 : Details of Project management fees and Investment management fees

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 a resolution dated July 4, 2023 of the Board of Directors of the Investment Manager and a resolution dated July 27, 2023 of the Unitholders, the Management Fees have been revised to be equivalent to 110% of the cost incurred by the Investment Manager in connection with providing investment management services to the Trust including routine administrative and operational expenses (exclusive of any out of pocket expenses, reimbursements and taxes).

Note 13 : Income Tax

Reconciliation of tax expenses and the accounting of profit multiplied by Indian Domestic tax rate for nine months ended December 31, 2023 and December 31, 2022 are:

	(Rs in million)	
	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
Profit Before tax	(4,211.24)	(1,530.02)
Tax rate	29.12%	29.12%
Expected income tax at India's statutory rate	(1,226.31)	(445.54)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	882.97	768.01
Difference in tax rate as per new regime as compared to normal tax rates	(18.49)	(58.76)
Additional Prior Period Taxes booked in current year for current tax of prior years	5.96	-
Adjustments recognised in the current year in relation to the Deferred tax of prior years	-	(339.00)
Others	(8.57)	(19.01)
Income tax expense reported in statement of Profit and loss	(364.44)	(94.30)

IRB Infrastructure Trust
Notes to Unaudited Condensed Interim Consolidated Financial Statements as at December 31, 2023
Note 14 : Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA')
(A) Disclosures with regard to Toll Collection Rights (Intangible Assets)

Sr. No.	Name of Concessionaire	Type of Concession	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or expected construction completion date, as applicable
1	IRB Westcoast Tollway Limited	BOT	March 3, 2014	March 2, 2042	28 years	June 30, 2022
2	Solapur Yedeshi Tollway Limited	BOT	January 21, 2015	January 20, 2044	29 years	October 15, 2019
3	Yedeshi Aurangabad Tollway Limited	BOT	July 1, 2015	June 30, 2041	26 years	September 24, 2020
4	Kaithal Tollway Limited	BOT	July 15, 2015	July 14, 2042	27 years	March 29, 2019
5	AE Tollway Limited	BOT	August 1, 2016	July 31, 2040	24 years	November 24, 2020
6	Udaipur Tollway Limited	BOT	September 3, 2017	September 2, 2038	21 years from Appointed Date	June 01, 2021
7	CG Tollway Limited	BOT	November 4, 2017	November 3, 2037	20 years from Appointed Date	August 14, 2021
8	Kishangarh Gulabpura Tollway Limited	BOT	February 21, 2018	February 20, 2038	20 years from Appointed Date	June 30, 2022
9	IRB Hapur Moradabad Tollway Limited	BOT	May 28, 2019	May 26, 2041	22 years from Appointed Date	June 30, 2022
10	Palsit Dankuni Tollway Private Limited	BOT	April 2, 2022	April 1, 2039	17 years from Appointed Date	Tolling & Construction
11	IRB Golconda Expressway Private Limited*	TOT	August 12, 2023	August 11, 2053	30 years from Appointed Date	NA
12	Samakhiyali Tollway Private Limited	BOT	December 28, 2023	December 27, 2043	20 years from Appointed Date	Tolling & Construction
13	IRB Lalitpur Tollway Private Limited#	TOT	-	-	-	-

* Upfront concession fee of Rs. 73,800 Millions

Upfront concession fee of Rs. 44,280 Millions & appointed date pending

Note:

The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the Respective Government Authorities:-

- Rights to use the Specified assets
- Obligations to provide or rights to expect provision of services
- Obligations to deliver or rights to receive at the end of the Concession.

Note 15 :Disclosure as per Ind AS 115
a) Disaggregation of revenue from contracts with customers

The Group believes that the information provided below for Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers and also refer note (b).

Particulars	(Rs. in million)	
	Nine months ended December 31, 2023 (Unaudited)	Nine months ended December 31, 2022 (Unaudited)
Contract Revenue (refer note b below)	12,668.24	8,444.95
Income from toll collection (net) (refer note b below)	13,867.12	11,451.49
Total	26,535.36	19,896.44

b) Reconciliation of revenue as per Ind AS 115

Particulars	(Rs. in million)	
	Nine months ended December 31, 2023 (Unaudited)	Nine months ended December 31, 2022 (Unaudited)
Contract Revenue		
Construction revenue (Utility shifting & Construction work)	12,668.24	8,444.95
Total	12,668.24	8,444.95
Income from toll collection		
Revenue total collected	19,638.74	15,442.74
Less: NHAI Premium	(5,659.54)	(3,845.40)
Less : NHAI Revenue share - Double user fee	(112.08)	(145.85)
Total	13,867.12	11,451.49

IRB Infrastructure Trust
Notes to Unaudited Condensed Interim Consolidated Financial Statements as at December 31, 2023
Note 16 : Related party disclosures
List of Related parties of the Trust

1	Parties to the InvIT	IRB Infrastructure Developers Limited (Sponsor Group and Project Manager) MMK Toll Road Private Limited (Investment Manager) IDBI Trusteeship Services Limited (Trustee of the IRB Infrastructure Trust)
2	Associates, Promoters, Directors and Partners of the persons mentioned in clause 1	As per table below #

List of Associates, Promoters, Directors and Partners of the persons mentioned in clause 1

Particulars	IRB Infrastructure Developers Limited (Sponsor and Project Manager)	MMK Toll Road Private Limited (Investment Manager)	IDBI Trusteeship Services Limited (Trustee of IRB Infrastructure Trust)
Promoters	Mr. Virendra D. Mhaiskar Mrs. Deepali V. Mhaiskar Mr. Virendra D. Mhaiskar (HUF)	IRB Infrastructure Developers Limited (IRBIDL)	IDBI Bank Limited LIC Corporation Limited General Insurance Corporation
Directors	Mr. Virendra D. Mhaiskar, Chairman and Managing Director Mrs. Deepali V. Mhaiskar, Whole Time Director Mr. Jose Tamariz Martel Goncer Mr. Ravindra Dhariwal	Mr. Virendra D Mhaiskar Mr. Kunnasagaran Chinniah Mr. Boon Chin Hau (w.e.f. 31.05.2023) Mr. Aryan Mhaiskar (w.e.f.31.05.2023)	Mr. Jayakumar Subramonia Pillai Mr. Pradeep Kumar Jain Mrs. Jayashree Vijay Ranade Mr. Pradeep Kumar Malhotra Ms. Baljinder Kaur Mandal
	Independent directors Mr. Chandrashekhar S. Kaptan Mr. Sunil H. Talati Mr. Sandeep J. Shah Ms. Priti Savla, Independent Director	Independent directors Mr. K G Krishnamurthy Mrs.Ranjana Paranjape Mr. Nagendraa Parakh (w.e.f. 31.05.2023) Mr. Amyn Jassani (w.e.f. 31.05.2023)	

Associates	A) Holding Company of Sponsor / Project Manager IRB Holding Private Limited (Formerly Mhaiskar Ventures Private Limited) B) Subsidiaries/JV's of Sponsor / Project Manager 1. Ideal Road Builders Private Limited (IRBPL) 2. Mhaiskar Infrastructure Private Limited (MIPL) 3. Modern Road Makers Private Limited (MRMPL) 4. Aryan Toll Road Private Limited (ATRPL) 5. ATR Infrastructure Private Limited (ATRFL) 6. IRB Infrastructure Private Limited (IRBFL) 7. Thane Ghodbunder Toll Road Private Limited (TGTRPL) 8. Aryan Infrastructure Investments Private Limited (AIPL) 9. IRB MP Expressway Private Limited (formerly known as NKT Road and Toll Private Limited) 10. MMK Toll Road Private Limited (MMK) (Entity with Joint Control) 11. IRB Kolhapur Integrated Road Development Company Private Limited (IRBK) 12. Aryan Hospitality Private Limited (AHPL) 13. IRB Sindhudurg Airport Private Limited (IRBSA) 14. IRB Goa Tollway Private Limited (IRB Goa) 15. IRB PS Highway Private Limited (formerly known as MRM Highways Private Limited) (IRBPS) 16. IRB Ahmedabad Vadodara Super Express Tollway Private Limited (IRBAV) 17. MRM Mining Private Limited (Formerly "J J Patel Infrastructural and Engineering Private Limited") (Subsidiary of MRMPL) 18. GE1 Expressway Private Limited (formerly known as IRB PP Project Private Limited) 19. VK1 Expressway Private Limited (VK1) 20. Pathankot Mandi Highway Private Limited 21. Chittoor Thachur Highway Private Limited 22. Meerut Budaun Expressway Limited - Subsidiary upto October 14, 2022 and Entity with Joint Control w.e.f. October 15,2022 23. VM7 Expressway Private Limited
	C) Other Associate Companies of Sponsor / Project Manager 1. Virendra D. Mhaiskar (HUF) 2. VCR Toll Services Private Limited 3. VDM Ventures Private Limited 4. DEUX Farming Films Private Limited 5. IRB Charitable Foundation Key Managerial personnel (Only with whom Trust had transactions during the period/ there was balance outstanding at the year end) 1. Ms. Shilpa Todankar 2. Mr. Abhay Phatak 3. Mr. Darshan Sangurdekar 4. Mr. Omprakash Singh 5. Mr. Chandrashekhar Kaptan 6. Mrs. Ranjana Paranjape 7. Mrs. Arati Taskar 8. Mr. Sudhir Rao Hoshing 9. Mr. Rajpaul Sharma 10. Mr. Amitabh Murarka 11. Devendra Ranka (Appointed as CFO) 12. Jayprakash Nandi (Appointed as CEO) 13. Mr. Tushar Kawedia 14. Swati Chandekar (Appointed as CS of Yedeshi Aurangabad Tollway Limited)

IRB Infrastructure Trust

Notes to Unaudited Condensed Interim Consolidated Financial Statements as at December 31, 2023

I. Related Party Transactions										(Rs. in million)	
Sr. No.	Particulars	Sponsor and Project Manager		Investment Manager		Fellow subsidiaries of Sponsor and Project Manager		Key Managerial personnel		Trustee of IRB Infrastructure Trust	
		31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)
1	Contract expenses IRB Infrastructure Developers Limited Modern Road Makers Private Limited	10,182.51 10,182.51 -	1,113.81 1,113.81 -	- - -	- - -	806.29 - 806.29	689.11 - 689.11	- - -	- - -	- - -	- - -
2	Interest Distribution IRB Infrastructure Developers Limited	229.35 229.35	- -	- -	- -	- -	- -	- -	- -	- -	- -
3	Capital Reduction IRB Infrastructure Developers Limited	562.94 562.94	- -	- -	- -	- -	- -	- -	- -	- -	- -
4	Expenses incurred on our behalf IRB Infrastructure Developers Limited	4.10 4.10	- -	- -	- -	- -	- -	- -	- -	- -	- -
5	Reimbursement of expenses incurred on our behalf IRB Infrastructure Developers Limited	1.28 1.28	- -	- -	- -	- -	- -	- -	- -	- -	- -
6	Operation & Main. Expenses IRB Infrastructure Developers Limited	3,815.46 3,815.46	2,047.15 2,047.15	- -	- -	- -	- -	- -	- -	- -	- -
7	Finance Cost - Interest unwinding on Trade payable Modern Road Makers Private Limited	- -	- -	- -	- -	187.67 187.67	541.65 541.65	- -	- -	- -	- -
8	Interest unwinding on Trade Payable - TCR Modern Road Makers Private Limited	- -	- -	- -	- -	172.03 172.03	- -	- -	- -	- -	- -
9	Sub-ordinate debts (Unsecured & interest free) IRB Infrastructure Developers Limited IRB Goa Tollway Private Limited	16,916.65 16,916.65 -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -

IRB Infrastructure Trust

Notes to Unaudited Condensed Interim Consolidated Financial Statements as at December 31, 2023

I. Related Party Transactions										(Rs. in million)	
Sr. No.	Particulars	Sponsor and Project Manager		Investment Manager		Fellow subsidiaries of Sponsor and Project Manager		Key Managerial personnel		Trustee of IRB Infrastructure Trust	
		31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)
10	Expenses incurred on behalf of others IRB Infrastructure Developers Limited MMK Toll Road Private Limited Modern Road Makers Private Limited	- - - -	- - - -	0.45 - 0.45 -	- - - -	0.01 - - 0.01	- - - -	- - - -	- - - -	- - - -	- - - -
11	Reimbursement of Expenses incurred on behalf of others IRB Infrastructure Developers Limited MMK Toll Road Pvt Limited	16.68 16.68 -	- - -	0.53 - 0.53	- - -	- - -	- - -	- - -	- - -	- - -	- - -
12	Mobilisation advances given IRB Infrastructure Developers Limited	802.50 802.50	- -	- -	- -	- -	- -	- -	- -	- -	- -
13	Trading Purchase Modern Road Makers Private Limited	- -	- -	- -	- -	- -	588.05 588.05	- -	- -	- -	- -
14	Advance received including BG margin payable IRB Infrastructure Developers Limited Modern Road Makers Private Limited	55.27 55.27 -	- - -	- - -	- - -	0.03 - 0.03	- - -	- - -	- - -	- - -	- - -
15	Advance given including BG margin given IRB Infrastructure Developers Limited Modern Road Makers Private Limited	713.11 713.11 -	- - -	- - -	- - -	21.41 - 21.41	- - -	- - -	- - -	- - -	- - -
16	Trustee Fees IDBI Trusteeship Services Limited	- -	- -	- -	- -	- -	- -	- -	- -	0.12 0.12	- -

IRB Infrastructure Trust

Notes to Unaudited Condensed Interim Consolidated Financial Statements as at December 31, 2023

I. Related Party Transactions										(Rs. in million)	
Sr. No.	Particulars	Sponsor and Project Manager		Investment Manager		Follow subsidiaries of Sponsor and Project Manager		Key Managerial personnel		Trustee of IRB Infrastructure Trust	
		31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)
17	Fair value loss on measurement of other payable IRB Infrastructure Developers Limited	1,677.04	356.63	-	-	-	-	-	-	-	-
18	Interest Unwinding on Loan Taken Mhaiskar Infrastructure Private Limited	1,677.04	356.63	-	-	36.70	36.70	-	-	-	-
19	Unsecured Loan taken IRB Infrastructure Developers Limited	400.00	1,264.98	-	-	-	-	-	-	-	-
20	Unsecured Loan repaid IRB Infrastructure Developers Limited	5,750.72	-	-	-	-	-	-	-	-	-
21	Units Issued IRB Infrastructure Developers Limited	14,631.32	1,236.75	-	-	-	-	-	-	-	-
22	BG Margin paid on behalf of others IRB Infrastructure Developers Limited	30.95	-	-	-	-	-	-	-	-	-
23	Additional Intangible Asset Modern Road Makers Private Limited	-	-	-	-	-	104.86	-	-	-	-
24	Investment Management Fees MMK Toll Road Pvt Limited	-	-	122.60	-	-	-	-	-	-	-

IRB Infrastructure Trust
Notes to Unaudited Condensed Interim Consolidated Financial Statements as at December 31, 2023

I. Related Party Transactions										(Rs. in million)	
Sr. No.	Particulars	Sponsor and Project Manager		Investment Manager		Fellow subsidiaries of Sponsor and Project Manager		Key Managerial personnel		Trustee of IRB Infrastructure Trust	
		31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)	31/12/2023 (Unaudited)	31/12/2022 (Unaudited)
25	Director sitting fees paid	-	-	-	-	-	-	1.88	1.25	-	-
	Mrs. Arati Taskar	-	-	-	-	-	-	0.16	0.05	-	-
	Mr. Darshan Sangurdekar	-	-	-	-	-	-	0.13	0.14	-	-
	Mr. Omprakash Singh	-	-	-	-	-	-	0.15	0.14	-	-
	Mr. Sudhir Hoshing	-	-	-	-	-	-	0.12	0.05	-	-
	Mr. C S Kaptan	-	-	-	-	-	-	0.32	0.23	-	-
	Ms. Shilpa Todankar	-	-	-	-	-	-	0.34	0.34	-	-
	Mr. Tushar Kavedia	-	-	-	-	-	-	0.07	-	-	-
	Mr. Rajpaul S. Sharma	-	-	-	-	-	-	0.12	-	-	-
	Mrs. Ranjana Paranjape	-	-	-	-	-	-	0.09	0.09	-	-
	Mr. Abhay Pathak	-	-	-	-	-	-	0.18	0.16	-	-
	Mr. Amitabh Murarka	-	-	-	-	-	-	0.20	0.05	-	-

IRB Infrastructure Trust
Notes to Unaudited Condensed Interim Consolidated Financial Statements as at December 31, 2023

II. Related party balances

(Rs. in million)											
Sr. No.	Particulars	Sponsor and Project Manager		Investment Manager		Fellow subsidiaries of Sponsor and Project Manager		Key Managerial personnel		Trustee of IRB Infrastructure Trust	
		31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)
1	Short-term borrowings	-	477.81	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	-	477.81	-	-	-	-	-	-	-	-
2	Subordinated debt (unsecured and interest free)	16,916.65	-	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	16,916.65	-	-	-	-	-	-	-	-	-
3	Trade payable	5,900.05	5,423.13	101.45	78.54	272.83	12,475.69	-	-	-	-
	IRB Infrastructure Developers Limited	5,900.05	5,423.13	-	-	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	272.83	12,475.69	-	-	-	-
	MMK Toll Road Private Limited	-	-	101.45	78.54	-	-	-	-	-	-
4	Mobilisation advances	301.37	33.68	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	301.37	33.68	-	-	-	-	-	-	-	-
5	Advance given	1,123.96	451.18	-	-	21.41	0.03	-	-	-	-
	IRB Infrastructure Developers Limited	1,123.96	451.18	-	-	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	21.41	0.03	-	-	-	-
6	Advance taken	81.57	-	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	81.57	-	-	-	-	-	-	-	-	-
7	BG Margin Money Receivable	30.95	-	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	30.95	-	-	-	-	-	-	-	-	-
8	Retention payable	653.70	-	-	-	23.17	281.35	-	-	-	-
	IRB Infrastructure Developers Limited	653.70	-	-	-	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	23.17	281.35	-	-	-	-
9	Deferred Consideration payable	33,771.95	32,246.65	-	-	3,717.38	3,697.39	-	-	-	-
	IRB Infrastructure Developers Limited	33,771.95	32,246.65	-	-	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	1,784.13	1,800.84	-	-	-	-
	IRB Goa Tollway Private Limited	-	-	-	-	1,544.86	1,544.86	-	-	-	-
	Mhaikar Infrastructure Private Limited	-	-	-	-	388.39	351.69	-	-	-	-
10	Other payable (Exp incurred on behalf of others)	25.72	1.77	-	-	16.70	-	-	-	-	-
	IRB Infrastructure Developers Limited	25.72	1.77	-	-	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	16.70	-	-	-	-	-
11	Unsecured Loan	-	4,872.91	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	-	4,872.91	-	-	-	-	-	-	-	-
12	Trade Receivable	-	-	-	-	0.51	0.61	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	0.51	0.61	-	-	-	-
13	Expense payable	-	-	-	-	-	-	-	-	-	0.51
	IDBI Trusteeship Services Limited	-	-	-	-	-	-	-	-	-	0.51
14	Other receivable	-	-	-	0.08	0.01	-	-	-	-	-
	MMK Toll Road Private Limited	-	-	-	0.08	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	0.01	-	-	-	-	-

II. Related party balances

(Rs. in million)											
Sr. No.	Particulars	Sponsor and Project Manager		Investment Manager		Fellow subsidiaries of Sponsor and Project Manager		Key Managerial personnel		Trustee of IRB Infrastructure Trust	
		31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)	31/12/2023 (Unaudited)	31/03/2023 (Audited)
15	Director sitting fees Payable	-	-	-	-	-	-	0.43	0.44	-	-
	Mrs. Aarti Taskar	-	-	-	-	-	-	0.03	0.01	-	-
	Mr. Darshan Sangurdekar	-	-	-	-	-	-	0.02	0.05	-	-
	Mr. Omprakash Singh	-	-	-	-	-	-	0.04	0.04	-	-
	Mr. Sudhir Hoshing	-	-	-	-	-	-	0.04	0.01	-	-
	Mr. Jitendra Sharma	-	-	-	-	-	-	-	0.02	-	-
	Mr. Rajpaul S. Sharma	-	-	-	-	-	-	0.01	-	-	-
	Mr. C S Kaptan	-	-	-	-	-	-	0.09	0.08	-	-
	Miss Shilpa Todankar	-	-	-	-	-	-	0.09	0.13	-	-
	Mr. Abhay Pathak	-	-	-	-	-	-	0.05	0.07	-	-
	Mr. Amitabh Murarka	-	-	-	-	-	-	0.05	0.01	-	-
	Mr. Tushar Kawedia	-	-	-	-	-	-	0.02	-	-	-
	Mrs. Ranjana Paranjape	-	-	-	-	-	-	0.02	0.03	-	-

Note 17 : Segment reporting

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

Note 18 : Debt payment history

(Rs in million)

Particulars	Opening Balance as on April 1, 2023	Loan availed during the period	Loan repaid during the period	Closing Balance as at December 31, 2023
Secured loan from Bank and Financial Institution	67,937.01	1,20,731.67	(42,921.06)	1,45,747.61
Debenture	33,432.82	-	(5,391.68)	28,041.14
Loan from related party	5,350.72	97.66	(5,350.72)	97.66
Total	1,06,720.55	1,20,829.33	(53,663.46)	1,73,886.42

Particulars	Opening Balance as on April 1, 2022	Loan availed during the period	Loan repaid during the period	Closing Balance as at March 31, 2023
Secured loan from Bank and Financial Institution	88,627.04	5,109.36	(25,799.39)	67,937.01
Debenture	5,497.18	28,060.00	(124.36)	33,432.82
Loan from related party	4,085.74	1532.48	(267.50)	5,350.72
Total	98,209.96	34,701.84	(26,191.25)	1,06,720.55

Note 19 : Subsequent Events

There are no subsequent events which require disclosure or adjustment subsequent to the balance sheet date.

Note 20 : Previous year figures have been converted to make them comparable with the current period as per InvIT regulations.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : U45200MH2002PTC135512

SD/-
CA Kaustubh Deshpande
Partner
Membership No. 121011

SD/-
Virendra D. Mhaikar
Chairman
DIN :00183554

SD/-
Dhananjay K. Joshi
Chief Executive officer

For M S K A & Associates
Chartered Accountants
ICAI registration number: 105047W

SD/-
Nitin Tiwari
Partner
Membership No. 118894

SD/-
Shilpa Todankar
Chief Financial Officer

SD/-
Kaustubh Shevade
Company Secretary
Membership No.A27833

Place: Mumbai
Date: 16.02.2024

Place : Mumbai
Date: 16.02.2024

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of IRB Infrastructure Trust

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Ind AS Financial Statements of IRB Infrastructure Trust ("the InvIT" or "the Trust") and its subsidiaries (the Trust and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Unit Holder's Equity for the year then ended and the Consolidated Statement of Net Assets at Fair value as at March 31, 2023, the Consolidated Statement of Total Returns at Fair Value and the consolidated statement of Net Distributable Cash Flows ('NDCFs') of the trust and each of the subsidiaries for the year then ended, and notes to the Consolidated Financial Statements including 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 (together referred to as the "SEBI InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended and other accounting principles generally accepted in India, of the consolidated State of Affairs of the Group as at March 31, 2023, its Consolidated Loss and Total Comprehensive Loss, consolidated movement of the unit

holders' funds and its consolidated cash flows for the year ended March 31, 2023, its consolidated Net Assets at fair value as at March 31, 2023, its consolidated total Returns at fair value and the Net Distributable Cash Flows ('NDCFs') of the trust and each of the subsidiaries for the year ended March 31, 2023.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated IND AS financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the SEBI InvIT Regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

PARTICULARS	HOW THEY WERE ADDRESSED IN OUR AUDIT
1. Loss on fair value measurement of other payable / deferred consideration payable to IRB Group. Pursuant to settlement of IRB Infrastructure Trust by IRB Infrastructure Developers Limited (Sponsor), as a Private INVIT, the Trust has entered into Debt Novation Agreements (DNA). As per the terms of DNA, in consideration of assets taken over in 9 SPVs, Trust has issued units and agreed to transfer to the Sponsor, the claim amounts when and to the extent the same are eventually received by Project SPVs, on account of Sponsor Claims.	- We reviewed the Placement Memorandum filed with SEBI and the consequential legal documentation entered into by the Trust, including inter alia the Debt Novation Agreements and their reflection in the underlying SPVs. - We have reviewed the methodology adopted by the valuer in deriving the value including the assumptions made.

PARTICULARS	HOW THEY WERE ADDRESSED IN OUR AUDIT
Such Sponsor Claims shall be lodged after obtaining COD by respective SPVs. The amount realizable against claims has been estimated by the valuers appointed by the Management based on the weighted average of probabilities of realization of such claims. Based on the fair value of liability as estimated by the valuers, a resultant impact in the value of liability has been recognized under the head 'Loss on fair value measurement of other payable'.	• We assessed the estimates of Fair Value provided in the Valuation Report and realizability of claims as indicated therein. • We also reviewed the reasonableness of the variables applied in the said computation. • Based on the above, the fair value of liability to the Sponsor, as estimated by the valuer, taking into consideration the weighted average of probabilities of realization has been validated.
2. Impairment Testing The Group has toll collection rights as intangible assets pursuant to the concession agreement. The carrying value of these rights acquired under BOT basis is being compared to the recoverable value (which is value in use in the instant case) thereof to ascertain if there is any impairment. The process involves estimating the value in use of the asset which is determined by forecasting and discounting future cash flows. The same is sensitive to changes in discount rate, traffic growth rates, toll growth rates etc. The determination of the recoverable amount of the toll collection right involves significant judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these rights. Accordingly, the evaluation of impairment of toll collection rights has been determined as a Key Audit Matter.	• We evaluated management's assessment on impairment for intangible assets under development and intangible assets – toll collection rights by testing the assumptions and methodologies used by the Management. • Referred to valuation reports and Traffic Growth Study Reports and determined reasonableness of future toll revenue. • Evaluated the potential changes in major components as compared to previous year vis-à-vis actual performance in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • Assessed the appropriateness of the weighted average cost of capital used in determining recoverable amount. • Performed sensitivity analysis of key assumptions used in valuation. • Tested the arithmetical accuracy of the model.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Board of Directors of the Investment Manager is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Report of Investment Manager including annexures to Investment Manager's Report and other information as required to be given by SEBI InvIT Regulations 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.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF INVESTMENT MANAGER FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of Investment Manager ('the Management') is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position as at 31 March 2023, consolidated financial performance including other comprehensive income, consolidated movement of the unit holder's funds and consolidated cash flows for the year ended March 31, 2023, the consolidated net assets at fair value as at 31 March 2023, its consolidated total returns at fair value and the net distributable cash flow of the trust and each of its subsidiaries in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified and/or any addendum thereto as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended read with the Securities and

Exchange Board of India (Infrastructure Investment Trusts) Regulation 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the “InvIT Regulations”).

The Board of Directors of Investment Manager and 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 relevant laws for safeguarding of the assets of the Group 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; and design, implementation and maintenance of adequate internal financial controls for ensuring the accuracy and completeness of 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 and error, which have been used for the purpose of preparation of the consolidated financial statements by the management of the trust, as aforesaid.

In preparing the Consolidated Financial Statements, the Board of Directors of Investment Manager and respective Board of Directors of the subsidiary 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 the Board of Directors of Investment Manager and respective Board of Directors of the subsidiary companies included in the Group either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Investment Manager and the respective Board of Directors of the subsidiary companies included in the Group are also responsible for overseeing the financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment 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 control 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 the Board of Directors of the Investment Manager.
- Conclude on the appropriateness of use of the going concern basis of accounting by the Board of Directors of Investment Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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 of which we are the independent auditors, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For companies included in the consolidated financial statement, 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 Financial Statements.

We communicate with those charged with governance of the trust 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 5 subsidiaries, whose Financial Statements reflect Total Assets of INR 1,13,238.70 Million, Net Assets of INR 35,029.67 Million as at 31 March 2023, Total Revenues of INR 19,132.81 Million, Losses after taxes of INR 1,657.28 Million and Net Cash Inflow amounting to INR 201.07 Million for the year ended on 31 March 2023, 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 auditor 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 auditor.

Our opinion above, on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b. The consolidated Balance Sheet, and the consolidated Statement of Profit and Loss including other comprehensive income dealt with by this report 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 Indian Accounting Standards (Ind AS) and / or any addendum thereto as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended.

For Gokhale & Sathe,

Chartered Accountants

Firm Registration No.: 103264W

CA Kaustubh Deshpande,

Partner

Membership No. 121011

UDIN: 23121011BGXXWC5823

Date: 12th May 2023

Place: Mumbai

Consolidated Balance Sheet

as at 31st March, 2023

(₹ in Millions)

	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	7.59	8.85
Goodwill		604.54	604.54
Other Intangible assets	4	2,28,418.29	2,21,859.48
Intangible assets under development	4	2,421.67	1,290.89
Financial assets			
i) Others	7	0.33	2.74
Other non-current assets	9	174.07	656.55
Deferred tax assets (net)	8	755.80	287.67
		2,32,382.29	2,24,710.72
Current assets			
Financial assets			
i) Investments	5	1,283.09	659.54
ii) Trade receivables	6	84.67	51.55
iii) Cash and cash equivalents	10	731.31	287.23
iv) Bank balance other than (iii) above	11	4,866.69	2,469.97
v) Others	7	1,448.56	1,604.18
Current tax assets (net)	12	24.81	114.22
Other current assets	13	2,657.07	1,677.46
		11,096.20	6,864.15
TOTAL ASSETS		2,43,478.49	2,31,574.87
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	87,929.33	85,504.33
Other equity	15		
Other reserves		(10,395.80)	(8,108.29)
Total Equity		77,533.53	77,396.04
Non-controlling interests		0.81	-
		77,534.34	77,396.04
Non-current liabilities			
Financial liabilities			
i) Borrowings	16	98,943.95	92,559.82
ii) Other financial liabilities	18	35,780.80	35,168.79
iii) Trade payables	19	4,165.72	5,998.85
Provisions	20	2,965.03	1,350.57
		1,41,855.50	1,35,078.03
Current liabilities			
Financial liabilities			
i) Borrowings	16	6,135.65	4,719.18
ii) Trade payables	17		
a) total outstanding dues of micro enterprises and small enterprises		1.61	3.69
b) total outstanding dues of creditors other than micro enterprises and small enterprises		15,303.87	11,214.65
iii) Other financial liabilities	18	2,549.37	3,023.13
Other current liabilities	21	98.15	140.15
		24,088.65	19,100.80
Total liabilities		1,65,944.15	1,54,178.83
Total equity and liabilities		2,43,478.49	2,31,574.87
Summary of significant accounting policies	3		

The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of Consolidated Financial Statements.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

Sd/-
CA. Kaustubh Deshpande
Partner
Membership No.: 121011

Place: Mumbai
Date : 12.05.2023

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : U45200MH2002PTC135512

Sd/-
Virendra D. Mhaikar
Chairman
DIN : 00183554

Sd/-
Shilpa Todankar
Chief Financial officer

Place : Mumbai
Date : 12.05.2023

Sd/-
Dhananjay K. Joshi
Chief Executive officer

Sd/-
Kaustubh Shevade
Company secretary
Membership No. A27833

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Millions)

	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	22	26,912.59	12,404.84
Other income	23	263.08	100.13
Total income		27,175.67	12,504.97
Expenses			
Valuation Expenses		2.67	1.46
Audit fees	27A	5.04	3.13
Operating Expenses	24	12,865.52	2,029.53
Project Management Fees		2,647.70	1,960.27
Insurance and Security Expenses		14.72	1.12
Trustee Fees		5.95	4.16
Depreciation on Property, plant and Equipment	25	1.25	1.74
Amortisation of Intangible Assets	25	2,809.17	1,673.16
Finance costs (Interest)	26	9,005.28	8,670.13
Finance costs (Others)	26	1,249.41	868.58
Investment Manager Fees		56.52	42.48
Custodian fees		0.09	0.18
Loss on sale of assets		0.01	-
Fair value loss on measurement of other payable		560.53	2,161.31
Other expenses	27	256.29	235.06
Total expenses		29,480.14	17,652.31
Profit/(loss) before tax		(2,304.47)	(5,147.34)
Tax expenses			
Current tax		435.25	8.87
Deferred tax		(468.13)	(720.23)
MAT Credit utilisation / (Entitlement)		-	-
Total tax expenses		(32.88)	(711.36)
Profit/(loss) after tax		(2,271.59)	(4,435.98)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
(a) Re-measurement (loss)/gain on defined benefit plans (net of taxes)		-	-
Other comprehensive income/ (loss) for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		(2,271.59)	(4,435.98)
Profit/(loss) after tax		(2,271.59)	(4,435.98)
Attributable to:			
Owners of the Project SPV Group		(2,272.18)	(4,435.98)
Non-controlling interests		0.59	-
Total comprehensive income for the year			
Attributable to:			
Equity holders of the Project SPV Group		(2,272.18)	(4,435.98)
Non-controlling interests		0.59	-
Earnings per unit (of Rs 100 each)	43		
Basic		(2.59)	(5.26)
Diluted		(2.59)	(5.26)
Summary of significant accounting policies	3		

The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of Consolidated Financial Statements.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

Sd/-
CA. Kaustubh Deshpande
Partner
Membership No.: 121011

Place: Mumbai
Date : 12.05.2023

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : U45200MH2002PTC135512

Sd/-
Virendra D. Mhaikar
Chairman
DIN : 00183554

Sd/-
Shilpa Todankar
Chief Financial officer

Place : Mumbai
Date : 12.05.2023

Sd/-
Dhananjay K. Joshi
Chief Executive officer

Sd/-
Kaustubh Shevade
Company secretary
Membership No. A27833

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 Millions)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Book value	Fair value	Book value	Fair value
A. Assets	2,43,478.49	2,99,372.54	2,31,574.87	2,52,287.18
B. Liabilities (at book value)	1,65,944.15	1,16,629.02	1,54,178.83	1,05,330.89
C. Net Assets (A-B)	77,534.34	1,82,743.52	77,396.04	1,46,956.29
D. Number of units (in millions)	879.29	879.29	855.04	855.04
E. NAV (C/D) (Amount in Rs.)	88.18	207.83	90.52	171.87

Project wise break up of fair value of total assets:

Name of the project	As at March 31, 2023
IRB Westcoast Tollway Limited (IRBWTL)	36,482.81
Solapur Yedeshi Tollway Limited (SYTL)	24,790.88
Yedeshi Aurangabad Tollway Limited (YATL)	43,312.69
Kaithal Tollway Limited (KTL)	25,383.75
AE Tollway Limited (AETL)	32,259.22
Udaipur Tollway Limited (UTL)	27,580.66
CG Tollway Limited (CGTL)	29,523.00
Kishangarh Gulabpura Tollway Limited (KGTL)	23,223.41
IRB Hapur Moradabad Tollway Limited (IRBHMTL)	43,631.92
Palsit Dankuni Tollway Private Limited (PDTPPL)	12,478.53
Subtotal	2,98,666.88
Add : IRB Infrastructure Trust Assets	705.66
Total assets	2,99,372.54

B. Consolidated statement of total returns at fair value :

(₹ in Millions)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total Comprehensive Income (As per the Statement of Profit and Loss)	(2,271.59)	(4,435.98)
Add/Less: other changes in fair value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in total comprehensive income	1,05,209.18	69,560.25
Total Return	1,02,937.59	65,124.27

Notes : Fair value of assets as at March 31, 2023 and March 31, 2022 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 Gokhale & Sathe
 Chartered Accountants
 ICAI registration number: 103264W

Sd/-
CA. Kaustubh Deshpande
 Partner
 Membership No.: 121011

Place: Mumbai
 Date : 12.05.2023

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
 (As Investment Manager to IRB Infrastructure Trust)
 CIN : U45200MH2002PTC135512

Sd/-
Virendra D. Mhaikar
 Chairman
 DIN : 00183554

Sd/-
Shilpa Todankar
 Chief Financial officer

Place : Mumbai
 Date : 12.05.2023

Sd/-
Dhananjay K. Joshi
 Chief Executive officer

Sd/-
Kaustubh Shevade
 Company secretary
 Membership No. A27833

Statement of changes in Equity

for the year ended 31st March, 2023

(₹ in Millions)

	March 31, 2023		March 31, 2022	
i) Units issued, subscribed and fully paid	No.	Rs.	No.	Rs.
Units having face value of ₹ 100/-				
Balance at the beginning of the year	85,50,43,265	85,504.33	81,68,80,000	81,688.00
Issue of Unit capital (Note 14)	2,42,50,000	2,425.00	3,81,63,265	3,816.33
Balance at the end of the year	87,92,93,265	87,929.33	85,50,43,265	85,504.33

B. Other equity

(₹ in Millions)

	March 31, 2023	March 31, 2022
Retained earnings		
Balance at the beginning of the year	(8,108.29)	(3,669.05)
Profit/(loss) for the year	(2,272.18)	(4,435.98)
Pre-incorporation profit		
Unit Issue expenses	(15.33)	(3.26)
Balance at the end of the year	(10,395.80)	(8,108.29)

Summary of significant accounting policies

3

The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of Consolidated Financial Statements.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

Sd/-
CA. Kaustubh Deshpande
Partner
Membership No.: 121011

Place: Mumbai
Date : 12.05.2023

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : U45200MH2002PTC135512

Sd/-
Virendra D. Mhaskar
Chairman
DIN : 00183554

Sd/-
Shilpa Todankar
Chief Financial officer

Place : Mumbai
Date : 12.05.2023

Sd/-
Dhananjay K. Joshi
Chief Executive officer

Sd/-
Kaustubh Shevade
Company secretary
Membership No. A27833

Consolidated Statement of Cash Flows

for the year ended 31st March, 2023

(₹ in Millions)

	For year ended March 31, 2023	For year ended March 31, 2022
Cash flow from operating activities		
Profit/(loss) before tax	(2,304.47)	(5,147.34)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	2,810.42	1,674.90
Resurfacing expenses	1,614.45	992.73
Fair value gain on mutual funds	(11.35)	(0.78)
Net (gain) on sale of current Investment	(62.95)	(13.93)
Finance costs	10,111.65	9,538.70
Interest income	(186.05)	(81.69)
Gain/(loss) on fair value measurement of other payable	560.53	2,161.31
Operating profit before working capital changes	12,532.23	9,123.91
Movement in working capital:		
Increase/ (decrease) in trade payables	1,178.92	11,498.13
Increase/ (decrease) in provisions	-	-
Increase/ (decrease) in other financial liabilities	435.72	306.46
(Decrease)/ increase in other liabilities	(45.01)	30.37
Decrease / (increase) in trade receivables	(33.12)	48.69
(Increase) / decrease in other financial assets	134.16	(989.59)
(Increase) / decrease in other assets	(343.36)	(167.46)
Cash generated from operations	13,859.54	19,850.51
Taxes paid (net)	(345.84)	32.09
Net cash flows generated from operating activities (A)	13,513.70	19,882.59
Cash flows from investing activities		
Purchase of property, plant and equipment including CWIP, intangible assets including intangible assets under development and capital advances	(11,055.81)	(17,617.12)
Proceeds from sale/ (purchase) of current investments (net)	(549.25)	(72.33)
Investments in bank deposits (having original maturity of more than three months) (net)	(2396.72)	(725.62)
Interest received	200.12	103.63
Net cash flows (used in) investing activities (B)	(13,801.66)	(18,311.44)
Cash flows from financing activities		
Proceeds from non-current borrowings	32,302.27	3,988.29
Repayment of non-current borrowings	(25923.75)	(775.43)
Proceed of current borrowings	1,532.48	4759.00
Repayment of current borrowings	(447.97)	(4828.83)
Issue of equity share capital	2,425.00	3,816.33
Unit issue expenses	(15.33)	(3.26)
Finance cost paid	(9,140.79)	(8,653.52)
Net cash flows (used in)/generated from financing activities (C)	731.91	(1,697.41)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	443.95	(126.26)
Cash and cash equivalents at the beginning of the year	287.23	413.49
Add: Cash acquired during business combination	0.13	
Cash and cash equivalents at the end of the year (refer note 10)	731.31	287.23
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Trust, retention and other escrow accounts	394.06	161.56
- Others	279.37	118.03
- In deposit accounts with original maturity less than 3 months	49.50	-
Cash on hand	8.38	7.64
Total cash and cash equivalents	731.31	287.23

Debt reconciliation statement in accordance with Ind AS 7

(₹ in Millions)

	For year ended March 31, 2023	For year ended March 31, 2022
Opening balances		
Long term borrowing	94,124.22	90,833.34
Short term borrowing	4,085.74	4,155.57
Movements		
Cash Flows		
Long term borrowing	7,245.60	3,290.88
Short term borrowing	1264.98	(69.83)
Closing balances		
Long term borrowing	1,01,369.82	94,124.22
Short term borrowing	5,350.72	4,085.74

Note:

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. The Consolidated cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".

Summary of significant accounting policies

3

The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of Consolidated Financial Statements.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

Sd/-
CA. Kaustubh Deshpande
Partner
Membership No.: 121011

Place: Mumbai
Date : 12.05.2023

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : U45200MH2002PTC135512

Sd/-
Virendra D. Mhaskar
Chairman
DIN : 00183554

Sd/-
Shilpa Todankar
Chief Financial officer

Place : Mumbai
Date : 12.05.2023

Sd/-
Dhananjay K. Joshi
Chief Executive officer

Sd/-
Kaustubh Shevade
Company secretary
Membership No. A27833

Additional Disclosures as required by Paragraph 6 to SEBI Circulars No. CIR/MD/DF/127/2016

a. Net Distributable Cash Flow for the half year ended March 31, 2023

(i) IRB Infrastructure Trust

		(₹ in Millions)	
Sr. No.	Particulars	Year ended March 31, 2023 [#]	Year ended March 31, 2022
1	Cash flows received from Project SPVs in the form of Interest	2,097.00	825.00
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	0.92	0.40
4	Cash flows received from the project SPVs towards the repayment (Net) of the debt issued to the Project SPVs by the Trust	(1,928.34)	(1,682.67)
5	Total cash inflow at the Trust level (A)	169.58	(857.27)
	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	(113.33)	(63.38)
7	Income tax (if applicable) at the Standalone Trust Level	-	-
8	Repayment of external debt	-	-
9	Total cash outflows / retention at the Trust level (B)	(113.33)	(63.38)
10	Net Distributable Cash Flows (C) = (A+B)	56.25	(920.65)

The same is earmarked towards capex for ongoing projects.

Note :

- 1 Excludes interest due but not received of ₹ 2,124.77 millions and ₹ 3,375 Millions for the year ended March 31, 2023 and year ended March 31, 2022.
- 2 Netted - off with disbursement of short-term unsecured loan to project SPVs. (Refer RPT disclosures of standalone financial results).

(ii) IRB Westcoast Tollway Limited (IRBWC)

			(₹ in Millions)
Sr. No.	Description	Year ended March 31, 2023	Year ended March 31, 2022
1	Profit after tax as per profit and loss account (A)	(1,135.93)	(815.33)
2	Add: Depreciation and amortisation as per Statement of profit and loss	164.74	113.19
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	137.31	64.76
4	Add: Interest paid/payable to the Trust	530.18	491.37
5	Add :- Provision for resurfacing expenses (Net)		
6	Less: Principal repayment of external debt	(70.97)	(86.97)
7	Less: Tax paid		
8	Less: Creation of MMRA		
9	Less: Capital expenditure towards the project		
10	Total adjustments (B)	761.26	582.35
11	Net Distributable Cash Flows (C) = (A+B)	(374.67)	(232.98)

(ii) Yedeshi Aurangabad Tollway Limited (YATL)

(₹ in Millions)

Sr. No.	Description	Year ended March 31, 2023	Year ended March 31, 2022
1	Profit after tax as per profit and loss account (A)	(264.71)	(834.88)
2	Add: Depreciation and amortisation as per Statement of profit and loss	559.99	305.02
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	41.68	3.08
4	Add: Interest paid/payable to the Trust	581.77	560.00
5	Add :- Provision for resurfacing expenses (Net)	109.06	102.67
6	Less: Principal repayment of external debt	(60.29)	(361.08)
7	Less: Tax paid		
8	Less: Creation of MMRA	(220.00)	
9	Less: Capital expenditure towards the project		
10	Total Adjustments (B)	1,012.21	609.69
11	Net Distributable Cash Flows (C) = (A+B)	747.50	(225.19)

(iii) Solpaur Yedeshi Tollway Limited (SYTL)

(₹ in Millions)

Sr. No.	Description	Year ended March 31, 2023	Year ended March 31, 2022
1	Profit after tax as per profit and loss account (A)	(225.45)	(543.70)
2	Add: Depreciation and amortisation as per Statement of profit and loss	168.97	116.74
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	20.80	7.61
4	Add: Interest paid/payable to the Trust	560.00	560.00
5	Add :- Provision for resurfacing expenses (Net)	60.75	59.68
6	Less: Principal repayment of external debt	(5.86)	(111.88)
7	Less: Tax paid		
8	Less: Creation of MMRA	(80.00)	
9	Less: Capital expenditure towards the project		
10	Total Adjustments (B)	724.66	632.15
11	Net Distributable Cash Flows (C) = (A+B)	499.21	88.45

(iii) Kaithal Tollway Limited (KTL)

(₹ in Millions)

Sr. No.	Description	Year ended March 31, 2023	Year ended March 31, 2022*
1	Profit after tax as per profit and loss account (A)	(848.69)	(896.42)
2	Add: Depreciation and amortisation as per Statement of profit and loss	212.13	52.97
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	96.97	77.30
4	Add: Interest paid/payable to the Trust	1,186.02	1,186.02
5	Add :- Provision for resurfacing expenses (Net)	176.65	171.38
6	Less: Principal repayment of external debt	(121.25)	(66.45)
7	Less: Tax paid		
8	Less: Creation of MMRA		
9	Less: Capital expenditure towards the project		
10	Total Adjustments (B)	1,550.52	1,421.22
11	Net Distributable Cash Flows (C) = (A+B)	701.83	524.80

* Profit after tax is inclusive of compensation income towards toll suspension due to farmers agitation amounting to ₹900.90 millions.

(v) Agra Etawah Tollway Limited (AETL)

(₹ in Millions)

Sr. No.	Description	Year ended March 31, 2023	Year ended March 31, 2022*
1	Profit after tax as per profit and loss account (A)	(1,749.13)	(1,669.85)
2	Add: Depreciation and amortisation as per Statement of profit and loss	309.71	262.06
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	32.54	12.68
4	Add: Interest paid/payable to the Trust	1,333.98	1,333.98
5	Add :- Provision for resurfacing expenses (Net)	185.82	178.57
6	Less: Principal repayment of external debt	(68.51)	(37.63)
7	Less: Tax paid		
8	Less: Creation of MMRA		
9	Less: Capital expenditure towards the project		
10	Total Adjustments (B)	1,793.54	1,749.66
11	Net Distributable Cash Flows (C) = (A+B)	44.41	79.81

* Profit after tax is inclusive of compensation income towards toll suspension due to farmers agitation amounting to ₹64.26 millions.

(vi) Udaipur Tollway Limited (UTL)

(₹ in Millions)

Sr. No.	Description	Year ended March 31, 2023	Year ended March 31, 2022
1	Profit after tax as per profit and loss account (A)	(1,903.87)	(1,291.68)
2	Add: Depreciation and amortisation as per Statement of profit and loss	364.50	267.28
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	120.39	164.27
4	Add: Interest paid/payable to the Trust	-	-
5	Add :- Provision for resurfacing expenses (Net)	432.11	349.85
6	Less: Principal repayment of external debt	(28.84)	(32.90)
7	Less: Tax paid		
8	Less: Creation of MMRA		
9	Less: Capital expenditure towards the project		
10	Total Adjustments (B)	888.16	748.50
11	Net Distributable Cash Flows (C) = (A+B)	(1,015.71)	(543.18)

(vii) Chittorgarh Gulabpura Tollway Limited (CGTL)

(₹ in Millions)

Sr. No.	Description	Year ended March 31, 2023	Year ended March 31, 2022
1	Profit after tax as per profit and loss account (A)	(936.67)	(213.49)
2	Add: Depreciation and amortisation as per Statement of profit and loss	371.14	243.63
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	(110.79)	145.29
4	Add: Interest paid/payable to the Trust	-	-
5	Add :- Provision for Resurfacing Expenses (Net)	126.16	76.99
6	Less: Repayment of external debt (principal)	(79.44)	(51.48)
7	Less: Tax paid		
8	Less: Creation of MMRA		
9	Less: Capital expenditure towards the project		
10	Total Adjustments (B)	307.08	414.43
11	Net Distributable Cash Flows (C) = (A+B)	(629.59)	200.94

(viii) Kishangarh Gulabpura Tollway Limited (KGTL)

(₹ in Millions)

Sr. No.	Description	Year ended March 31, 2023#	Year ended March 31, 2022
1	Profit after tax as per profit and loss account (A)	(247.35)	(405.09)
2	Add: Depreciation and amortisation as per Statement of profit and loss	212.76	103.80
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	249.35	174.35
4	Add: Interest paid/payable to the Trust	-	-
5	Add :- Provision for Resurfacing Expenses (Net)	110.67	
6	Less: Repayment of external debt (principal)	(36.32)	(15.94)
7	Less: Tax paid		
8	Less: Creation of MMRA		
9	Less: Capital expenditure towards the project		
10	Total Adjustments (B)	536.46	262.21
11	Net Distributable Cash Flows (C) = (A+B)	289.11	(142.88)

The said funds are earmarked towards NHAI premium payment.

(ix) IRB Hapur Muradabad Tollway Limited (IRBHM)

(₹ in Millions)

Sr. No.	Description	Year ended March 31, 2023#	Year ended March 31, 2022
1	Profit after tax as per profit and loss account (A)	(75.48)	(285.44)
2	Add: Depreciation and amortisation as per Statement of profit and loss	351.78	210.21
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	120.02	87.52
4	Add: Interest paid/payable to the Trust	-	-
5	Add :- Provision for Resurfacing Expenses (Net)	270.19	
6	Less: Repayment of external debt (principal)	(134.90)	(11.10)
7	Less: Tax paid		
8	Less: Creation of MMRA		
9	Less: Capital expenditure towards the project	(62.03)	(10.20)
10	Total Adjustments (B)	545.06	276.43
11	Net Distributable Cash Flows (C) = (A+B)#	469.58	(9.01)

The said funds are earmarked towards balance Capex.

(x) Palsit Dankuni Tollway Private Limited (PDTPL)

(₹ in Millions)

Sr. No.	Description	Year ended March 31, 2023#
1	Profit after tax as per profit and loss account (A)	1,430.69
2	Add: Depreciation and amortisation as per Statement of profit and loss	94.71
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	193.17
4	Add: Interest paid/payable to the Trust	
5	Add :- Provision for Resurfacing Expenses (Net)	
6	Less: Repayment of external debt (principal)	
7	Less: Tax paid	(363.10)
8	Less: Creation of MMRA	
9	Less: Capital expenditure towards the project	(1,332.99)
10	Total Adjustments (B)	(1,408.21)
11	Net Distributable Cash Flows (C) = (A+B)	22.48

The said funds are earmarked towards balance Capex.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

1 Corporate Information

The IRB Infrastructure Trust (the “Trust”) is a trust settled pursuant to the indenture of trust dated August 27, 2019 which is registered under the Registration Act, 1908 and under the Securities Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time. The Trust 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”). Investment manager for

the Trust is MMK Toll Road Private Limited (the “Investment Manager”). The Trust has received registration certificate from SEBI on November 25, 2019.

The Trust has been formed to invest in infrastructure assets primarily being in the road sector in India. The Trust's road projects are eligible infrastructure projects under the InvIT Regulations and held through special purpose vehicles (“Project SPVs” together as “Project SPV Group”). The Trust's portfolio comprises of ten road projects as listed below:-

Project SPV Name**	Residual Concession life*	Proposed shareholding	Nature of Investment	Status	Principal Activities	Country of incorporation
IRB Westcoast Tollway Limited (IRBWTL)	18 years 11 Months 2 days	100%	Subsidiary	Tolling and Construction	Construction and operation of road including toll collection.	India
Solapur Yedeshi Tollway Limited (SYTL)	20 years 9 Months 21 days	100%	Subsidiary	Operating		India
Yedeshi Aurangabad Tollway Limited (YATL)	18 years 3 Months 1 days	100%	Subsidiary	Operating		India
Kaithal Tollway Limited (KTL)	19 years 3 Months 15 days	100%	Subsidiary	Operating		India
AE Tollway Limited (AETL)	17 years 4 Months 2 days	100%	Subsidiary	Operating		India
Udaipur Tollway Limited (UTL)	15 years 5 Months 4 days	100%	Subsidiary	Operating		India
CG Tollway Limited (CGTL)	14 years 7 Months 5 days	100%	Subsidiary	Operating		India
Kishangarh Gulabpura Tollway Limited (KGTL)	14 years 10 Months 22 days	100%	Subsidiary	Operating		India
IRB Hapur Moradabad Tollway Limited (IRBHMTL)	18 years 1 Months 25 days	100%	Subsidiary	Operating		India
Palsit Dankuni Tollway Private Limited (PDTPL) w.e.f 02.04.2022	16 years 0 Months 1 days	100%	Subsidiary	Tolling and Construction		India

* Represents residual concession life as at March 31, 2023 as per original concession period (without considering extension of concession period, if any).

** Of the above Project SPVs, IRBWTL, SYTL, YATL, AETL, CGTL, UTL and IRBHMTL have been converted to public companies on November 13, 2019 and KTL and KGTL on November 14, 2019.

The registered office of the Investment Manager is Off No-11th Floor/1101 Hiranandani Knowledge Park, Technology Street, Hill Side Avenue, Powai Mumbai 400076.

The financial statements were authorised for issue in accordance with resolution passed by the board of directors of the Investment manager on May 12, 2023.

The Trust has been listed on NSE w.e.f. 03.04.2023.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

2 Basis of preparation

A. Statement of compliance

The Consolidated Financial Statements of Project SPV Group comprises of Consolidated Balance Sheet as at March 31, 2023 and March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) of the Project SPV group, the Consolidated Statement of Cash Flow Statement, the Consolidated Statement of Changes in Equity of the movement of the unit holders for the year ended March 31, 2023 and March 31, 2022, the consolidated statement of Net Assets at Fair Value as at March 31, 2023 and March 31, 2022 and the Consolidated Statement of Total Returns at Fair Value for the year ended March 31, 2023 and March 31, 2022, a summary of significant accounting policies, notes and other explanatory Information.

The Consolidated Financial Statements of the Project SPV Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, 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 a accrued and historical cost basis, except for certain assets and liabilities which have been measured at fair value.

The Consolidated Financial Statements are presented in ₹ in millions, except when otherwise indicated. Wherever the amount represented '0' (zero) construes value less than Rupees five thousand.

B Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements comprise the Financial Statements of the Project SPV Group.

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

The Financial Statements of all Project SPVs used for the purpose of consolidation are drawn up to the same reporting date i.e. year ended on March 31.

Consolidation procedure:

- (a) Consolidate like items of assets, liabilities, equity, income, expenses and cash flows of Project SPVs.
- (b) Eliminate in full intra Project SPVs assets and liabilities, income, expenses and cash flows relating to

transactions between Project SPVs of the Project SPV Group (profits or losses resulting from intra Project SPV Group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Project SPV Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

3 Summary of significant accounting policies

3.01 Current versus non-current classification

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

The Project SPV 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

The Project SPV Group classifies all other liabilities as non-current.

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

3.02 Use of estimates and judgements

The preparation of the Project SPV 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 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. The Project SPV 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.

Fair value measurement of financial instruments (refer note 31)

Provision for major maintenance (refer note 20)

Impairment of non financial assets (refer note 3.19)

3.03 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 fair value on acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

3.04 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 asset acquired including those assets that meet the definition of, and recognition criteria for, intangible asset 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

3.05 Fair value measurement

The Project SPV Group measures financial instruments, (refer note 31) 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 Project SPV 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 Project SPV 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 Project SPV 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 Project SPV 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 Project SPV 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 presents the valuation results to the Investment Manager and the Project SPV Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Project SPV 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 3.02)

Financial instruments (including those carried at amortised cost) (note 5,6,7,11,17,18,19,31)

Quantative disclosure of fair value measurement hierarchy (note 32)

3.06 Revenue recognition

The Project SPV Group has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Project SPV Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Project SPV Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Project SPV Group's performance as the Project SPV Group performs; or
2. The Project SPV Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Project SPV Group's performance does not create an asset with an alternative use to the Project SPV Group and the entity has an enforceable right to payment for performance completed to date.

Contract revenue

Contract revenue associated with the utility shifting incidental to construction of road are recognized as revenue by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs. Project SPVs operations involve levying of GST on the construction work. Goods and Service tax is not received

by the project SPVs 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.

Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Project SPV Group, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised in line with the actual usage of the specific public utility facility, with a maximum of the duration of the concession.

Income from toll contracts

The income from Toll Contracts on BOT basis are recognised on actual collection of toll revenue (net of Premium and revenue share payable to NHAI) as per Concession Agreement. Revenue from electronic toll collection is recognised on accrual basis.

Interest income

For all financial assets 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 Project SPV 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 Project SPV Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Trade receivables

A receivable represents the Project SPV Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

3.07 Government Grants

Grants and subsidies from the government are recognised if the following conditions are satisfied.

There is reasonable assurance that the Project SPV Group will comply with the conditions attached to it.

Such benefits are earned and reasonable certainty exists of the collection.

Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant 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.

3.08 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 in accordance the Income Tax Act, 1961. 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 country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or 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 reassessed 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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in the consolidated statement of profit and loss. Deferred tax is recognised in consolidated statement of profit and loss on the consolidated adjustments.

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 Project SPV Group will pay normal income tax during the specified period. Being DTA 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.

Goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of 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.

3.09 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.

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 Project SPV Group based on technical evaluation. The Project SPV Group has estimated the following useful lives for its tangible fixed assets:

Asset class	Useful life
Building	30 years*
Office equipment	5 years
Computers	3 years
Furniture & fixtures	10 years

* The useful life of building has been calculated by management as per their technical estimate.

3.10 Intangible assets

The Project SPV Group exercised first time adoption under Ind AS 101 and has elected to continue with the carrying value of its "Toll Collection Rights" (Intangible Assets) including corresponding obligation, as recognised in the financial statements as at the date of transition April 1, 2016 measured as per the Previous GAAP and uses that as its deemed cost as at date of transition.

Toll collection rights are stated at cost, less accumulated amortisation, impairment losses and grant from government. Cost includes:

- For acquired Toll Collection Rights - Upfront payments towards acquisition and incidental expenses related thereto.
- Toll Collection Rights awarded by the grantor against construction service rendered by the Project SPV Group on BOT / DBFOT basis - Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.
- Toll Collection Rights in lieu of premium - Undiscounted premium obligation over the concession period.

Amortisation

Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as prescribed in Ind As-36. 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.

Intangible assets under development

Expenditure related to and incurred during implementation of project are included under "Intangible

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Assets under Development". The same will be transferred to the respective intangible assets on completion of project.

3.11 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 between the foreign currency borrowing and the functional currency borrowing to the extent regarded as an adjustment to the borrowing costs.

3.12 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 fulfilment 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.

Project SPV Group as a lessee

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Project SPV 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.

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 Project SPV Group is classified as a finance lease.

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

Ind AS 116 - Leases

Ind AS 116, Leases, it sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability

representing its obligation to make lease payments. Lessor accounting largely unchanged from the existing standard – i.e. lessors continue to classify leases as finance or operating leases.

Based on the preliminary assessment, the Company does not expect any significant impacts on transition to Ind AS 116. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted.

Project SPV Group as a lessor

Leases in which the Project SPV Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Project SPV Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Project SPV Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.13 Provisions

Provisions are recognised when the Project SPV 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 Project SPV 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

3.14 Resurfacing expenses

As per the Concession Agreements, the Project SPV Group is obligated to carry out resurfacing of the roads under concession. Provision required for resurfacing expenses are measured at the present value of the expenditure required to settle the present obligation at the end of reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost. Provision for the planned expenditure is made for the period upto end of the period for which periodic maintenance is required, out of the total entitled period. The same is stated in the consolidated statement of profit and loss in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets."

3.15 Contingent liability 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 Project SPV 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 Project SPV 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.

3.16 Financial instruments

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, transaction costs that are attributable to the acquisition of the financial asset.

On initial recognition, a financial asset is classified as measured of

- amortised cost
- FVOCI - Debt instruments
- FVOCI - equity instruments
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the year, the Project SPV Group changes its business model for managing financial assets.

Debt instruments at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTOCI

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

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

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

- The rights to receive cash flows from the asset has expired, or
- The Project SPV 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 Project SPV

Group has transferred substantially all the risks and rewards of the asset, or (b) the Project SPV Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Project SPV 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 Project SPV Group continues to recognise the transferred asset to the extent of the Project SPV Group's continuing involvement. In that case, the Project SPV 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 Project SPV 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 Project SPV Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Project SPV Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as contractual revenue receivables' in these financial statements)
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Project SPV Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables; and
- Other receivables

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The application of simplified approach does not require the Project SPV Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Project SPV Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Project SPV Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument. -
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Project SPV Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of

profit and 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 Project SPV Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through Statement of profit and 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 statement of profit and 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 Project SPV 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 consolidated statement of profit and loss.

Loans and borrowings

This is the category most relevant to the Project SPV 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 statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings. For more information refer note 16.

Derecognition

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated 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.

3.17 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises of 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, as they are considered an integral part of the Project SPV Group's cash management.

3.18 Cash dividend to equity holders of the Project SPV Group

The Project SPV Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Project SPV Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.19 Impairment of non-financial assets

The Project SPV 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 Project SPV 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 Project SPV Group's of 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Project SPV Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Project SPV Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Project SPV Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Project SPV Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Project SPV Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

3.20 Segment information

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Management ("the Board of Directors") evaluates the Project SPV Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment policies:

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Management evaluates the Project SPV Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

The Project SPV Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Project SPV Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

3.21 Earnings per unit

Basic earnings per unit are calculated by dividing the net profit or loss for the period attributable to unitholders by the weighted average number of units outstanding during the period. For the purpose of calculating diluted earnings per unit, the net profit or loss for the period attributable to unitholders and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

3.22 Foreign currencies

The Trust's financial statements are presented in INR, which is also the Trust's functional currency. The Trust 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 Trust 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.

3.23 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1: Disclosure of Material Accounting policy information and similar consequential amendment to Ind AS 34.

Ind AS 1: Disclosure of the judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Ind AS 8: Definition of Accounting Estimate as "Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty". Further amendments to paragraphs delineating Changes to Accounting Estimates.

Ind AS 12: Amendments to taxable temporary difference, initial recognition of asset or liability and Deductible taxable differences.

Ind AS 12: Deferred tax related to assets and liabilities arising from Single Transaction.

Ind AS 107: Information about measurement basis (or bases) for financial instruments to be disclosed as material accounting policy.

Ind AS 109: Amendment to paragraph on reassessment of embedded derivative.

Ind AS 115: Amendments to Appendix 1 which gives there in the major differences, if any, between Indian Accounting Standard (Ind AS) 115 and the corresponding International Financial Reporting Standard (IFRS) 15, Revenue from Contracts with Customers, IFRIC 12, Service Concession Arrangements and SIC 29 Service Concession Arrangements: Disclosures, issued by the International Accounting Standards Board

Based on the preliminary assessment, the company does not expect these amendment to have any significant impact on its consolidated financial statements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 4 : Property, Plant and Equipment

(₹ in Millions)

	Premises	Computer	Office Equipments	Furniture and Fixture	Total
At 31 March 2021	16.09	0.30	1.40	0.39	18.18
Additions	-	-	-	-	-
Disposals/ Adjustments	-	-	-	-	-
At 31 March 2022	16.09	0.30	1.40	0.39	18.18
Additions	-	-	-	-	-
Disposals/ Adjustments	-	-	0.09	-	0.09
At 31 March 2023	16.09	0.30	1.31	0.39	18.10
Depreciation					
At 31 March 2021	5.79	0.28	1.18	0.34	7.59
Additions	1.61	0.00	0.09	0.04	1.74
Disposals/ Adjustments	-	-	-	-	-
At 31 March 2022	7.40	0.29	1.28	0.38	9.34
Additions	1.20	0.00	0.03	0.01	1.25
Disposals/ Adjustments	-	-	0.08	-	0.08
At 31 March 2023	8.60	0.29	1.23	0.39	10.51
Net Book value					
At 31 March 2023	7.49	0.01	0.08	0.00	7.59
At 31 March 2022	8.69	0.02	0.12	0.02	8.85
Net Book value				March 31, 2023	March 31, 2022
Property, Plant and Equipment				7.59	8.85

Note 4 : Intangible Assets and Intangible Assets under development

Intangible Assets

(₹ in Millions)

Particulars	Toll Collection Rights	Total
At 31 March 2021	2,16,344.42	2,16,344.42
Additions	11,814.99	11,814.99
Deletions	-	-
Adjustments	-	-
At 31 March 2022	2,28,159.42	2,28,159.42
Additions	9,663.30	9,663.30
Deletions	295.32	295.32
Adjustments	-	-
At 31 March 2023	2,37,527.40	2,37,527.40
Amortisation		
At 31 March 2021	4,626.78	4,626.78
Additions	1,673.16	1,673.16
Deletions	-	-
Adjustments	-	-
At 31 March 2022	6,299.93	6,299.93
Additions	2,809.17	2,809.17
Deletions	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Millions)

Particulars	Toll Collection Rights	Total
Adjustments	-	-
At 31 March 2023	9,109.10	9,109.10
Net Book value		
At 31 March 2023	2,28,418.29	
At 31 March 2022	2,21,859.48	

Particulars	March 31, 2023	March 31, 2022
Toll Collection Rights	2,28,418.29	2,21,859.48
Total	2,28,418.29	2,21,859.48

Intangible assets under development

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Toll Collection Rights		
At the beginning of the year	1,290.89	4,684.26
Add : development during the year	11,128.99	835.34
	12,419.88	5,519.60
Less : Transfer to Intangible Asset (Toll Collection Rights)	9,998.21	4,228.70
Closing balance	2,421.67	1,290.89
Total	2,421.67	1,290.89

Tangible and Intangible assets given as security

Tangible and Intangible assets are subject to first charge to secured long-term borrowings from the lenders.

Financial Assets

Note 5 : Investment

(₹ in Millions)

Particulars	March 31, 2023				March 31, 2022			
	Face Value Rs.	No of Units	Current	Non-current	Face Value Rs.	No of Units	Current	Non-current
i) Investments in Mutual Funds (quoted)								
Fair Value Through Profit or Loss (FVTPL)								
Canara Robeco Liquid Fund - Direct Plan - Growth	1,000	18,486.04	49.85	-	1,000	-	-	-
Canara Robeco Overnight Fund - Direct Plan - Growth	1,000	5,174.20	6.00	-	1,000	-	-	-
IDBI Liquid Fund - Direct Plan - Growth	1,000	64,718.69	156.76	-	1,000	48,116.73	110.24	-
ABSL Liquid Fund - Direct Plan - Growth	100		-	-	100	53,926.78	18.50	-
SBI Liquid Fund - Direct Growth	1,000	2,91,778.24	1,028.03	-	1,000	1,53,238.96	510.75	-
SBI Overnight Fund - Direct Growth	1,000	11,632.96	42.44	-	1,000	5,790.54	20.04	-
			1,283.09	-			659.54	-
Total			1,283.09	-			659.54	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	March 31, 2023				March 31, 2022			
	Face Value Rs.	No of Units	Current	Non-current	Face Value Rs.	No of Units	Current	Non-current
Aggregate book value of quoted investments			1,271.74				658.76	
Market value of quoted investments			1,283.09				659.54	
Aggregate amount of unquoted investments			-				-	
Aggregate amount of impairment in value of investments			-				-	
Refer note 31 for determination of fair value of investments			-				-	

Note 6 : Trade receivable

(Unsecured, considered good)

(₹ in Millions)

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Related parties	0.61	-	0.51	-
Others	84.05	-	51.03	-
Total	84.67	-	51.55	-
Less: Allowances for expected credit loss/ bad and doubtful debt	-	-	-	-
Total	84.67	-	51.55	-

The Group has not identified any credit impairment loss as at March 31, 2023 and March 31, 2022.

Note 7 : Other financial assets

(Unsecured, considered good)

(₹ in Millions)

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Interest accrued on fixed deposits	11.57	-	25.64	-
Interest receivable from others	3.73	-	23.99	-
Retention money receivable	530.54	-	526.28	-
Receivable from Government Authorities (NHAI)	816.07	-	965.24	-
Other receivable	75.65	-	56.15	-
Security and other deposits	10.99	0.33	6.89	2.74
Total	1,448.56	0.33	1,604.18	2.74

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 8 : Deferred tax assets

	(₹ in Millions)	
Particulars	March 31, 2023	March 31, 2022
Deferred tax liabilities (net):		
Deferred tax liabilities:		
Difference in Depreciation and other differences in block of Property, Plant and equipment and Intangible assets as per tax books & financial books	36.80	1,350.50
Deferred tax assets:		
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	-	-
Deferred tax liabilities (net)	36.80	1,350.50
Deferred tax assets:		
Deferred tax assets:		
Depreciation	-	428.55
MAT credit entitlement	-	582.83
Deferred Tax assets on Fair valuation	792.60	626.79
Deferred Tax Assets	792.60	1,638.17
Deferred Tax liabilities:		
Difference in Depreciation/ amortisation and other differences		
Tax losses	-	-
Deferred tax (assets) / liabilities	(755.80)	(287.67)

Note 9 : Other non - current assets

	(₹ in Millions)	
Particulars	March 31, 2023	March 31, 2022
Duties and taxes receivable	174.07	656.55
Total	174.07	656.55

Note 10 : Cash and cash equivalents

	(₹ in Millions)	
Particulars	March 31, 2023	March 31, 2022
Cash and Bank balances		
Balances with banks:		
- on current accounts	279.37	118.03
- on trust, retention and other escrow accounts*	394.06	161.56
Deposits with banks		
- Original maturity less than 3 months	49.50	-
Cash on hand	8.38	7.64
Total	731.31	287.23

Note 11 : Bank balance other than cash and cash equivalent

	(₹ in Millions)	
Particulars	March 31, 2023	March 31, 2022
Maturity more than 3 months less than 12 months		
Other deposits	15.09	102.53
Debt service reserve account with banks /earmarked balance**	3,459.60	2,365.43
Major Maintenance Reserve Account	1,390.00	-
Maturity more than 12 months		
Debt service reserve account with banks /earmarked balance**	-	-
Other deposits	2.00	2.00
Total	4,866.69	2,469.97

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Debt service reserve account/ major maintenance reserve account and trust, retention and other escrow accounts

Bank deposits are marked lien / pledged against the non current secured loan as per term loan agreement with the lender, further the lenders have first charge on trust, retention and other escrow accounts.

* First charge on above to the extent of amount payable as per the waterfall mechanism as defined in the Concession Agreement / Common Loan Agreement.

** The deposits to the extent of ₹ 3,459.60 millions (March 31, 2022 : ₹ 2,365.43 millions) maintained by the Project SPV Group with bank includes time deposits, which are held against Debt Service Reserve (DSR), are considered as current portion under the head "Other bank balances" since the same are encashable by the lenders in the event of default by the Project SPV Group, if any.

Current deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at the respective current deposit rates. Other time deposits earn interest at the rate of 4.70% to 7.95% p.a.

Refer note 16 for details of security against term loans.

For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

	(₹ in Millions)	
Particulars	March 31, 2023	March 31, 2022
Balance with banks:		
- on current accounts	279.37	118.03
- on trust, retention and other escrow accounts	394.06	161.56
Fixed deposits less than 3 months	49.50	-
Cash on hand	8.38	7.64
Less: Bank overdraft	-	-
Total	731.31	287.23

Note 12 : Current tax assets (net)

	(₹ in Millions)	
Particulars	March 31, 2023	March 31, 2022
Advance income-tax (net of provision for tax)	24.81	114.22
Total	24.81	114.22

Note 13 : Other current assets

(Unsecured, considered good unless otherwise stated)

	(₹ in Millions)	
Particulars	March 31, 2023	March 31, 2022
Advance with suppliers		
- Related parties (refer note 34)	1,347.33	502.89
- Others	45.29	32.22
Mobilisation advances (refer note 34)	33.68	435.80
Prepaid expenses	45.88	0.51
Duties and taxes receivable	1,184.89	706.04
Total	2,657.07	1,677.46

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 14 : Unit capital

(₹ in Millions)

	March 31, 2023		March 31, 2022	
Unit capital				
Authorised Unit capital				
Units having face value of ₹100 each	87,92,93,265	87,929.33	85,50,43,265	85,504.33
	87,92,93,265	87,929.33	85,50,43,265	85,504.33
Issued Unit capital				
Units having face value of ₹100 each	87,92,93,265	87,929.33	85,50,43,265	85,504.33
Total	87,92,93,265	87,929.33	85,50,43,265	85,504.33

Terms / rights attached to equity shares

The Project SPVs have only one class of equity shares having par value of ₹ 100/- per share. Each holder of equity shares is entitled to one vote per share. The Project SPVs declares and pays dividend in Indian rupees.

In the event of liquidation of the Project SPV, the holders of equity shares will be entitled to receive remaining assets of the Project SPV, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of unit outstanding and the amount of Unit capital:

	March 31, 2023		March 31, 2022	
Units issued, subscribed and fully paid	No. of units	₹	No. of units	₹
Units having face value of ₹ 100/-				
At the beginning of the year	85,50,43,265	85,504.33	81,68,80,000	81,688.00
Issued during the year	2,42,50,000	2,425.00	3,81,63,265	3,816.33
At the end of the year	87,92,93,265	87,929.33	85,50,43,265	85,504.33

Details of unit holders holding more than 5% units:

	March 31, 2023		March 31, 2022	
Units issued, subscribed and fully paid	No. of units	% of total unit capital	No. of units	% of total unit capital
IRB Infrastructure Developers Limited	44,84,39,840	51%	43,60,72,332	51%
Anahera Investments Pte Ltd	21,98,23,181	25%	21,37,60,685	25%
Bricklayers Investments Pte Ltd	5,27,57,561	6%	5,13,02,562	6%
Chiswick Investments Pte Ltd	5,27,57,561	6%	5,13,02,562	6%
Stretford End Investments Pte Ltd	5,27,57,561	6%	5,13,02,562	6%
Dangenham Investments Pte Ltd	5,27,57,561	6%	5,13,02,562	6%

	March 31, 2023		March 31, 2022	
Details of Sponsor units				
IRB Infrastructure Developers Limited	44,84,39,840	51%	43,60,72,332	51%

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note : 15 : Other equity

Attributable to the equity holders

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Retained earnings		
At the beginning of the year	(8,108.29)	(3,669.05)
Profit for the year	(2,272.18)	(4,435.98)
Less: Appropriations		
Pre-incorporation Profits		
Unit Issue expenses	(15.33)	(3.26)
At the end of the year	(10,395.80)	(8,108.29)
Total	(10,395.80)	(8,108.29)

Financial liabilities

Note : 16 : Borrowings

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Non-current Borrowings		
Term loans		
Indian rupee loan from banks (secured)		
Project loans for SPVs	61,005.36	78,298.59
Less : current maturities expected to be settled within 12 month from balance sheet date	(639.16)	(429.15)
Total (a)	60,366.20	77,869.44
Indian rupee loan from financial institutions (secured)		
Project loans for SPVs	6,931.65	10,328.45
Less : current maturities expected to be settled within 12 month from balance sheet date	(9.75)	(59.79)
Total (b)	6,921.90	10,268.66
Non-convertible debentures (secured)	33,432.82	5,497.18
Less : current maturities expected to be settled within 12 month from balance sheet date	(130.59)	(110.76)
Total (c)	33,302.22	5,386.42
Less: Unamortised transaction cost (d)	(1,646.37)	(964.70)
Total non current borrowings (e = a + b + c + d)	98,943.95	92,559.82
Current Borrowings		
Short-term borrowings (secured)		
Current maturity of long term loans		
Indian rupee loan from banks (secured)	639.16	429.15
Indian rupee loan from financial institutions (secured)	9.75	59.79
Non convertible debentures (secured)	130.59	110.76
Interest accrued but not due on borrowings	5.43	33.73
(Unsecured, repayable on demand and interest free)		
Loan from related parties (refer note 34)	5,350.72	4,085.74
Total current borrowings (f)	6,135.65	4,719.18
Total borrowings (e+f)	1,05,079.60	97,279.00
Aggregate secured loans	99,723.46	93,159.52
Aggregate unsecured loans	5,350.72	4,085.74

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(i) Project loans for SPVs

March 31, 2023: ₹1,01,369.83 millions; March 31, 2022: ₹ 94,124.22 millions; pertains to term loans taken by SPV's (Special Purpose Vehicles) for Project financing.

Rate of interest

Rate of interest on the Indian Rupee loan from banks and financial institutions varies from 7.75% to 10.75% p.a. (March 31, 2022: 8.25% to 10.40% p.a.) and are secured by pledge of shares of its subsidiaries and subservient charge on the current assets of the company to the extent of 125% of the outstanding loan.

Nature of security

- i) Secured by first charge on the movable/immovable asset by way of mortgage/hypothecation; first charge on all intangible assets, present and future; assignment of all receivables; book debts and all rights and interest in project, both present and future, excluding the Project Assets of respective companies;
- ii) Secured by first charge on the Escrow Account, Debt Service Reserve Account and any other reserves and other bank accounts of the respective Companies.
- iii) An irrevocable and unconditional corporate guarantee from IRB Infrastructure Developers Limited to meet shortfall (if any) between debt due and termination payments received from Concessioneing Authority in case of termination of Concession Agreement for any reason in case of Project SPV's.

Repayment terms

The Indian rupee loans are repayable in structured monthly installments commencing after commercial operation date such that the total tenor does not exceed 17 years and repayable as per the repayment schedule specified in common loan agreement with the Lenders.

Note : 17 : Trade payables

	(₹ in Millions)	
Particulars	March 31, 2023	March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 29)	1.61	3.69
Total outstanding dues of creditors other than micro and small enterprises		
- Related parties (refer note 34)	13,812.18	10,022.93
- Others	1,491.69	1,191.71
Total	15,305.48	11,218.34

Note 18 : Other financial liabilities

	(₹ in Millions)			
Units issued, subscribed and fully paid	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Obligation for construction	1,102.31	-	2,009.01	-
Directors sitting fees payable	0.44	-	0.36	-
Deposit	1.18	-	1.13	-
Retention money payable				
- Related parties (refer note 34)	636.46	-	256.48	-
- Others	295.83	2.77	336.92	-
Revenue share payable	345.46	-	225.81	-
Other payable				
- Related parties (refer note 34)	167.70	35,778.03	193.42	35,168.79
Total	2,549.37	35,780.80	3,023.13	35,168.79

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 19 : Trade payables

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
a) Total outstanding dues of micro enterprises and small enterprises		
- Related parties	4,165.72	5,998.85
Total	4,165.72	5,998.85

Note 20 : Provisions

(₹ in Millions)

Particulars	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Others				
Major maintenance expenses		2,965.03	-	1,350.57
Total	-	2,965.03	-	1,350.57

The movement in provision for resurfacing expenses is as follows:

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Opening balance	1,350.57	357.84
Obligation on new toll projects	1,614.45	992.73
Utilised / reversed during the year	-	-
Closing balance	2,965.03	1,350.57

The above provisions are based on current best estimation of expenses that may be required to fulfill 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.

Note 21 : Other current liabilities

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Duties and taxes payable	64.12	129.65
Advance from customer- Others	34.03	10.50
Total	98.15	140.15

Note 22 : Revenue from operations

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Contract revenue (road construction)	11,672.04	1,054.48
Income from toll collection (gross)	21,097.46	12,377.44
Less - Revenue Share to NHAI	(5,671.70)	(1,779.36)
Income arising out of toll collection (net)	15,425.76	10,598.07
Revenue share to NHAI- Fastag	(185.44)	(212.87)
Other operating revenue	0.23	965.16
Total	26,912.59	12,404.84

Note 23 : Other income

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Interest income on		
- Bank deposits	178.88	73.64
- Others	7.17	8.05
Profit on sale of investments	62.95	13.93
Fair value gain on mutual funds	11.35	0.78
Other non operating income	2.73	3.73
Total	263.08	100.13

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 24 : Road work and site expenses

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Contract expenses	11,330.91	1,036.47
Operation and maintenance expenses	1,471.41	939.15
Site and other direct expenses	0.00	-
Sub-contracting / Security expenses	0.35	0.72
Technical consultancy and supervision charges	62.84	53.20
Total	12,865.52	2,029.53

Note 25 : Depreciation and amortisation expenses

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Depreciation on property, plant and equipment (refer note 4)	1.25	1.74
Amortisation on intangible assets (refer note 4)	2,809.17	1,673.16
Total	2,810.42	1,674.90

Note 26 : Finance cost

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Interest expense		
- Banks and financial institutions	7,387.76	8,670.13
- Debentures	1,617.52	-
- Unwinding of retention money	-	48.71
Other borrowing costs		
- Amortisation of Transaction cost	128.80	78.02
- Unwinding of discount on provision of MMR	143.04	39.64
- Interest unwinding on loan/retention money	48.71	-
- Interest unwinding of Trade Payable- Associates	765.06	655.78
- Others	163.82	46.44
Total	10,254.69	9,538.70

Note 27 : Other expenses

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Rent	0.03	0.24
Rates and taxes	81.75	31.64
Water charges	-	-
Travelling and conveyance	0.01	-
Director sitting fees	1.83	1.61
Legal and professional expenses	163.58	186.84
Corporate social responsibilities expenditure	-	8.00
Donations	2.50	-
Bank charges	2.83	5.54
Miscellaneous expenses	3.76	1.19
Fair value loss on measurement of other payable	-	-
Total	256.29	235.06

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 27A : Payment to auditor (including GST)

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
As auditors:		
- Statutory audit fees	1.42	1.23
- Limited review fees	2.05	1.70
In other capacity	-	-
- Other services (certification fees)	1.37	0.17
Reimbursement of expenses	0.20	0.04
Total	5.04	3.13

Note 28 : Commitment and Contingencies

a. Leases

Rent / lease payments under operating lease are recognised as an expense in the Consolidated Statement of profit and loss on a straight line basis over the lease term.

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Operating lease		
a) Future lease rental payments under non-cancellable operating lease are as follows:-		
i) Not later than one year	-	-
ii) Later than one year and not more than five year	-	-
iii) Later than five year	-	-
b) Lease payment recognised in the consolidated statement of profit and loss	0.03	0.24
c) General description of the leasing agreement		
i) Leased assets – accommodation for employees	-	-
ii) Future lease rentals are determined on agreed terms	-	-

b. Capital commitments

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Estimated value of contracts in capital account remaining to be executed	14,295.07	625.98

c. Contingent liabilities

Contingent liabilities not provided for

(₹ in Millions)

Particulars	March 31, 2023	March 31, 2022
Guarantees given by the Group to suppliers, government bodies and performance guarantee		
For Service Tax, ESIC, Custom Duty, Other Finance expenses and Stamp duty matters	-	-
Total	-	-

UTL, CGTL and KGTL have filed Writ petition with Hon'ble Rajasthan High Court with prayer to commence payment of Premium to National Highways Authority of India (NHAI) six months post actual completion of the project construction work. The Hon'ble High Court prima facie agreed with the contention of these companies and had provided interim relief from payment of premium. Vide judgement order dated 25th August, 2021, the Hon'ble High Court found merit in the contention of the companies and has directed the parties to resolve the dispute under Arbitration. The said matter is currently pending under Arbitration.

During the year premium payment to NHAI has been commenced in IRBHM and KGTL.

Note 29 : Trade payable

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no overdue amount to the Micro and Small enterprises as defined in the Micro, Small Medium Enterprises Development Act, 2006 as set out in the following disclosures:

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the consolidated financial statement as at March 31, 2023 based on the information received and available with the Group.

Particulars	March 31, 2023	March 31, 2022
Principal amount remaining unpaid to any supplier as at the period end	1.61	3.69
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	-	-

a) MSME ageing schedule as at

	(₹ in Millions)	
Particulars	March 31, 2023	March 31, 2022
MSME Undisputed Dues	-	-
Less than 1 year	1.61	3.69
1-2 Years	-	-
2-3 Years	-	-
More than 3 years	-	-
Total dues to micro and small enterprises as per MSMED Act, 2006	1.61	3.69

There are no disputed dues to micro and small enterprises as per MSMED Act, 2006. The amounts payable to MSME are not due for payments.

b) Ageing of creditors other than micro enterprises and small enterprises as at

	(₹ in Millions)	
Particulars	March 31, 2023	March 31, 2022
Undisputed Dues	-	-
Less than 1 year	7,438.37	13,369.16
1-2 Years	9,433.59	3,808.21
2-3 Years	2,559.45	12.82
More than 3 years	38.18	23.32
Total dues to creditors other than micro enterprises and small enterprises as at	19,469.59	17,213.50

There are no disputed dues to creditors other than micro enterprises and small enterprises.

	(₹ in Millions)	
Particulars	March 31, 2023	March 31, 2022
c) out of the above unbilled amount	2,660.17	3,191.66

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 30 : Intangible Asset under development ageing schedule

a) Intangible asset under development

(₹ in Millions)		
Particulars	March 31, 2023	March 31, 2022
Less than 1 year	2,339.97	1,055.74
1-2 Years	54.59	59.90
2-3 Years	27.11	175.24
More than 3 years	-	-
Total	2,421.67	1,290.89

b) Intangible asset under development

(₹ in Millions)		
Particulars	March 31, 2023	March 31, 2022
To be completed in		
Less than 1 year	2,421.67	1,290.89
1-2 Years	-	-
2-3 Years	-	-
More than 3 years	-	-
Total	2,421.67	1,290.89

Note 31 : Fair values

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

(₹ in Millions)				
Units issued, subscribed and fully paid	Carrying amount		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial assets				
Financial assets measured at amortised cost				
Loans	-	-	-	-
Other Financial assets	1,448.89	1,606.92	1,448.89	1,606.92
Financial assets measured at fair value through statement of Profit & Loss				
Investments (Quoted)	1,283.09	659.54	1,283.09	659.54
Financial assets measured at amortised cost				
Investments (Unquoted)	-	-	-	-
Trade receivable	84.67	51.55	84.67	51.55
Cash and cash equivalents	731.31	287.23	731.31	287.23
Other Bank balances	4,866.69	2,469.97	4,866.69	2,469.97
Financial liabilities				
Financial liabilities measured at amortised cost				
Trade payables	19,471.20	17,217.19	19,471.20	17,217.19
Borrowings	1,05,079.60	97,279.00	1,05,079.60	97,279.00
Other financial liabilities	38,330.17	38,191.92	38,330.17	38,191.92

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 Consolidated Financial Statements

for the year ended March 31, 2023

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.

Note 32 : 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 in 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.

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2023:

(₹ in Millions)

Units issued, subscribed and fully paid	March 31, 2023	Fair value measurement at end of the reporting year using		
	Current	Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	1,283.09	1,283.09	-	-
Trade Receivable	84.67	-	-	84.67
Cash and cash equivalents	731.31	-	-	731.31
Bank balance other than above	4,866.69	-	-	4,866.69
Loans	-	-	-	-
Other Financial assets	1,448.89	-	-	1,448.89
Liabilities				
Borrowings	1,05,079.60	-	-	1,05,079.60
Trade Payable	19,471.20	-	-	19,471.20
Other financial liabilities	38,330.17	-	-	38,330.17

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2022:

(₹ in Millions)

Units issued, subscribed and fully paid	March 31, 2023	Fair value measurement at end of the reporting year using		
	Current	Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	659.54	659.54	-	-
Trade Receivable	51.55	-	-	51.55
Cash and cash equivalents	287.23	-	-	287.23
Bank balance other than above	2,469.97	-	-	2,469.97
Loans	-	-	-	-
Other Financial assets	1,606.92	-	-	1,606.92
Liabilities				
Borrowings	97,279.00	-	-	97,279.00
Trade Payable	17,217.19	-	-	17,217.19
Other financial liabilities	38,191.92	-	-	38,191.92

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

Note 33 : 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.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

The Board of Directors have 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, deposits, FVTOCI investments and derivative financial instruments.

Credit risk on financial assets

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments

Credit risk from balances with banks, trade receivables, loans and advances and financial institutions is managed by the Group's management in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade receivables and Loans and Advances

Customer credit risk and Loans and advances is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major trade receivables and loan and advances. The Group has not identified any impairment loss as at March 31, 2023.

The following table provides information about the ageing of gross carrying amount of trade receivables as at :

Particulars	(₹ in Millions)	
	March 31, 2023	March 31, 2022
Gross Carrying Amount		
Undisputed Trade receivables -considered good		-
Less than 6 months	33.02	-
6 months - 1 year	0.10	29.37
1-2 Years	29.37	0.51
2-3 Years	0.51	21.66
More than 3 years	21.66	
Total	84.67	51.55

Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only in highly marketable debt instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

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.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

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 on fixed rate borrowing. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Millions)

Balance of Fixed Deposit and Borrowings	Borrowings	Fixed Deposit	Borrowings	Fixed Deposit
	March 31, 2023		March 31, 2022	
- INR Millions	1,01,369.82	4,866.69	94,124.22	2,469.97
Increase in basis points				
- INR	50 bps	50 bps	50 bps	50 bps
Effect on profit before tax				
- INR Millions	(506.85)	24.33	(470.62)	12.35
Decrease in basis points				
- INR	50 bps	50 bps	50 bps	50 bps
Effect on profit before tax				
- INR Millions	506.85	(24.33)	470.62	(12.35)

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 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, 2023	Carrying amt	Total	On Demand	Less than 1 year	1 to 5 years	> 5 years
Long term Borrowings (Gross of unamortised transaction cost)	1,06,725.97	1,06,725.97	5,350.72	784.93	17,853.83	82,736.49
Other financial liabilities	38,330.17	38,330.17	-	2,549.37	35,780.80	-
Trade payables	19,471.20	19,471.20	-	15,305.48	4,165.72	-
Total	1,64,527.34	1,64,527.34	5,350.72	18,639.78	57,800.35	82,736.49

As at March 31, 2022	Carrying amt	Total	On Demand	Less than 1 year	1 to 5 years	> 5 years
Long term Borrowings (Gross of unamortised transaction cost)	98,243.70	98,243.70	4,085.74	633.43	14,152.24	79,372.29
Other financial liabilities	38,191.92	38,191.92	-	3,023.13	35,168.79	-
Trade payables	17,217.19	17,217.19	-	11,218.34	5,998.85	-
Total	1,53,652.81	1,53,652.81	4,085.74	14,874.90	55,319.88	79,372.29

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 34 : Related party disclosures

List of Related parties of the Fund

(i)	Parties to the InvIT	IRB Infrastructure Developers Limited (Sponsor and Project Manager) MMK Toll Road Private Limited (Investment Manager) IDBI Trusteeship Services Limited (Trustee of the IRB Infrastructure Trust)
(ii)	Associates, Promoters, Directors and Partners of the persons mentioned in clause (i) and (ii)	As per table below

List of associates, promoters, directors and partners of the persons mentioned in clause (i) and (ii)

Particulars	IRB Infrastructure Developers Limited (Sponsor and Project Manager)	MMK Toll Road Private Limited (Investment Manager)	IDBI Trusteeship Services Limited (Trustee of IRB Infrastructure Trust)
Promoters	Mr. Virendra D. Mhaikar Mrs. Deepali V. Mhaikar Mr. Virendra D. Mhaikar (HUF)	IRB Infrastructure Developers Limited (IRBIDL)	IDBI Bank Limited LIC Corporation Limited General Insurance Corporation
Directors	Mr. Virendra D. Mhaikar Mrs. Deepali V. Mhaikar Mr. Jose Tamariz Martel Goncer Mr. Ravindra Dhariwal Independent Directors Mr. Chandrashekhar S. Kaptan Mr. Sunil H. Talati Mr. Sandeep J. Shah Mrs. Priti Savla	Mr. Virendra D. Mhaikar Mr. Kunnasagaran Chinniah Independent Directors Mr. K G Krishnamurthy Mrs. Ranjana Paranjape	Mr. Samuel Joseph Jebaraj Mr. Pradeep Kumar Jain Mrs. Jayashree Vijay Ranade Mr. Pradeep Kumar Malhotra Ms. Baljinder Kaur Mandal
Associates	A) Holding Company of Sponsor / Project Manager IRB Holding Private Limited (Formerly Mhaikar Ventures Private Limited) B) Subsidiary Companies of Sponsor / Project Manager Project SPVs 1. IRB Westcoast Tollway Limited (IRBWTL) 2. Solapur Yedeshi Tollway Limited (SYTL) 3. Yedeshi Aurangabad Tollway Limited (YATL) 4. Kaithal Tollway Limited (KTL) 5. AE Tollway Limited (AETL) 6. Udaipur Tollway Limited (UTL) 7. CG Tollway Limited (CGTL) 8. Kishangarh Gulabpura Tollway Limited (KGTL) 9. IRB Hapur Muradabad Tollway Limited (IRBHMTL) 10. Palsit Dankuni Tollway Private Limited (PDTPL) Others 1. Ideal Road Builders Private Limited (IRBPL) 2. Mhaikar Infrastructure Private Limited (MIPL) 3. Modern Road Makers Private Limited (MRMPL) 4. Aryan Toll Road Private Limited (ATRPL) 5. ATR Infrastructure Private Limited (ATRFL) 6. IRB Infrastructure Private Limited (IRBFL) 7. Thane Ghodbunder Toll Road Private Limited (TGTRPL) 8. Aryan Infrastructure Investments Private Limited (AIPL) 9. IRB MP Expressway Private Limited (formerly known as NKT Road and Toll Private Limited) 10. MMK Toll Road Private Limited (MMK) 11. IRB Kolhapur Integrated Road Development Company Private Limited (IRBK)		

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Particulars	IRB Infrastructure Developers Limited (Sponsor and Project Manager)	MMK Toll Road Private Limited (Investment Manager)	IDBI Trusteeship Services Limited (Trustee of IRB Infrastructure Trust)
	12. Aryan Hospitality Private Limited (AHPL) 13. IRB Sindhudurg Airport Private Limited (IRBSA) 14. IRB Goa Tollway Private Limited (IRB Goa) 15. IRB PS Highway Private Limited (formerly known as MRM Highways Private Limited) (IRBPS) 16. IRB Ahmedabad Vadodara Super Express Tollway Private Limited (IRBAV) 17. MRM Mining Private Limited (Formerly “J J Patel Infrastructural and Engineering Private Limited”) (Subsidiary of MRMPL) 18. GE1 Expressway Private Limited (formerly known as IRB PP Project Private Limited) 19. VK1 Expressway Private Limited (VK1) 20. Modern Estate (Partnership Firm) 21. Pathankot Mandi Highway Private Limited 22. Chittoor Thachur Highway Private Limited 23. Meerut Budaun Expressway Limited - Subsidiary upto October 14, 2022 and Entity with Joint Control w.e.f. October 15,2022 24. VM7 Expressway Private Limited 25. Samakhiali Tollway Private Limited w.e.f 14.03.2023		
	C) Other Associate Companies of Sponsor / Project Manager 1. Virendra D. Mhaikar (HUF) 2. VCR Toll Services Private Limited 3. VDM Ventures Private Limited 4. DEUX Farming Films Private Limited 5. IRB Charitable Foundation		
	Key Managerial personnel of Project SPV Group (Only with whom Project SPV Group had transactions during the year/ there was balance outstanding at the year end) 1. Ms. Shilpa Todankar 2. Mr. Abhay Phatak (w.e.f. March 09, 2022) 3. Mr. Darshan Sangurdekar 4. Mr. Omprakash Singh 5. Mr. Chandrashekhar Kaptan 6. Mrs. Ranjana Paranjape (w.e.f October 06, 2021) 7. Mrs. Arati Taskar 8. Mr. Sudhir Rao Hoshing 9. Mr. Amitabh Murarka 10. Mr. Jitendra Sharma (upto February 28, 2022) 11. Mrs. Heena Raja (upto October 01, 2021)		

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

I. Related Party Transaction											
Sr. No.	Particulars	Sponsor and Project Manager		Investment Manager		Fellow subsidiaries of Project SPV Group		Key Management Personnel of Project SPV Group		Trustee of IRB Infrastructure Trust	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	Contract expenses	-	-	-	-	858.69	629.52	-	-	-	-
	IRB Infrastructure Developers Limited	-	-	-	-	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	858.69	629.52	-	-	-	-
2	Operation & Main. Expenses	2,719.41	1,906.45	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	2,719.41	1,906.45	-	-	-	-	-	-	-	-
3	Finance Cost - Interest unwinding on Trade payable	-	-	-	-	765.06	655.79	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	765.06	655.79	-	-	-	-
4	Mobilisation advances recovered	509.07	743.02	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	509.07	743.02	-	-	-	-	-	-	-	-
5	Material Aggregate Purchase	-	-	-	-	588.05	1,555.19	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	588.05	1,555.19	-	-	-	-
6	Advance given including BG margin given	896.12	451.03	-	-	-	62.57	-	-	-	-
	IRB Infrastructure Developers Limited	896.12	451.03	-	-	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	-	62.57	-	-	-	-
7	General advance recovered - EPC	-	394.25	-	-	-	62.48	-	-	-	-
	IRB Infrastructure Developers Limited	-	394.25	-	-	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	-	62.48	-	-	-	-
8	Construction cost	11,171.92	8,484.71	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	11,171.92	8,484.71	-	-	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	-	-	-	-	-	-
9	Amount held up	77.81	-	-	-	74.86	2.76	-	-	-	-
	IRB Infrastructure Developers Limited	77.81	-	-	-	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	74.86	2.76	-	-	-	-
10	Retention / Held up release during Year	-	-	-	-	45.63	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	45.63	-	-	-	-	-
11	Other payable	560.52	2,161.31	-	-	48.73	48.71	-	-	-	-
	IRB Infrastructure Developers Limited	560.52	2,161.31	-	-	-	-	-	-	-	-
	Mhaikar Infrastructure Private Limited	-	-	-	-	48.71	48.71	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	0.02	-	-	-	-	-
12	Expenses incurred on our behalf	-	1.77	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	-	1.77	-	-	-	-	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Millions)											
Sr. No.	Particulars	Sponsor and Project Manager		Investment Manager		Fellow subsidiaries of Project SPV Group		Key Management Personnel of Project SPV Group		Trustee of IRB Infrastructure Trust	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
13	Unsecured Loan received	1,532.48	4,759.00	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	1,532.48	4,759.00	-	-	-	-	-	-	-	-
14	Unsecured Loan repaid	267.50	4,828.83	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	267.50	4,828.83	-	-	-	-	-	-	-	-
15	Units Issued	1,236.75	1,946.33	-	-	-	-	-	-	-	-
	IRB Infrastructure Developers Limited	1,236.75	1,946.33	-	-	-	-	-	-	-	-
16	Trade payable	212.45	-	-	12.88	12.80	-	-	-	-	-
	IRB Infrastructure Developers Limited	212.45	-	-	-	-	-	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	12.88	12.80	-	-	-	-	-
	MMK Toll Road Private Limited	-	-	-	-	-	-	-	-	-	-
17	Additional Intangible Asset	-	-	-	-	-	7,148.39	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	-	-	7,148.39	-	-	-	-
18	Deletion Intangible Asset	-	-	-	-	23.46	-	-	-	-	-
	Modern Road Makers Limited	-	-	-	-	23.46	-	-	-	-	-
19	Interest unwinding of Intangible Asset	-	-	-	-	33.74	-	-	-	-	-
	Modern Road Makers Limited	-	-	-	-	33.74	-	-	-	-	-
20	Investment Management Fees	-	-	56.52	42.48	-	-	-	-	-	-
	MMK Toll Road Pvt Limited	-	-	56.52	42.48	-	-	-	-	-	-
21	Trustee Fees	-	-	-	-	-	-	-	-	5.30	3.33
	IDBI Trusteeship Services Limited	-	-	-	-	-	-	-	-	5.30	3.33
22	Director sitting fees paid	-	-	-	-	-	-	1.83	1.65	1.83	1.65
	Mrs. Arati Taskar	-	-	-	-	-	-	0.06	-	0.06	-
	Mr. Darshan Sangurdekar	-	-	-	-	-	-	0.22	0.23	0.22	0.23
	Mr. Omprakash Singh	-	-	-	-	-	-	0.19	0.23	0.19	0.23
	Mr. Sudhir Hoshing	-	-	-	-	-	-	0.06	-	0.06	-
	Mr. Jitendra Sharma	-	-	-	-	-	-	-	0.41	-	0.41
	Mrs. Heena Raja	-	-	-	-	-	-	-	0.06	-	0.06
	Mr. C S Kaptan	-	-	-	-	-	-	0.33	0.39	0.33	0.39
	Ms. Shilpa Todankar	-	-	-	-	-	-	0.51	0.26	0.51	0.26
	Mrs. Ranjana Paranjape	-	-	-	-	-	-	0.13	0.05	0.13	0.05
	Mr. Abhay Pathak	-	-	-	-	-	-	0.25	0.02	0.25	0.02
	Mr. Amitabh Murarka	-	-	-	-	-	-	0.06	-	0.06	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(₹ in Millions)											
I. Related Party Balances	Sr. No.	Particulars	Sponsor and Project Manager		Investment Manager		Fellow subsidiaries of Project SPV Group		Key Management Personnel of Project SPV Group		
			March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
	1	Short-term borrowings									
		IRB Infrastructure Developers Limited	477.81	477.81	-	-	-	-	-	-	
	2	Trade payable									
		IRB Infrastructure Developers Limited	4,931.60	1,189.05	78.54	80.31	12,475.69	11,888.28	-	-	
		Modern Road Makers Private Limited	4,931.60	1,189.05	-	-	12,475.69	11,888.28	-	-	
		MMK Toll Road Private Limited	-	-	78.54	80.31	-	-	-	-	
	3	Mobilisation advances									
		IRB Infrastructure Developers Limited	33.68	435.80	-	-	-	-	-	-	
		IRB Infrastructure Developers Limited	33.68	435.80	-	-	-	-	-	-	
	4	Advance given									
		IRB Infrastructure Developers Limited	451.18	502.86	-	-	0.03	0.03	-	-	
		Modern Road Makers Private Limited	451.18	502.86	-	-	-	-	-	-	
	5	Retention payable									
		Modern Road Makers Private Limited	-	-	-	-	0.03	0.03	-	-	
		Modern Road Makers Private Limited	-	-	-	-	281.35	256.49	-	-	
	6	Other payable including BG margin payable									
		IRB Infrastructure Developers Limited	32,246.65	31,711.77	-	-	3,697.39	3,648.68	-	-	
		Modern Road Makers Private Limited	32,246.65	31,711.77	-	-	-	-	-	-	
		IRB Goa Tollway Private Limited	-	-	-	-	1,800.84	1,800.83	-	-	
		Mhaikar Infrastructure Private Limited	-	-	-	-	1,544.86	1,544.86	-	-	
	7	Other payable (Exp incurred on our behalf)									
		IRB Infrastructure Developers Limited	1.77	1.77	-	-	-	-	-	-	
	8	Unsecured Loan / other payable									
		IRB Infrastructure Developers Limited	4,872.91	3,607.93	-	-	-	-	-	-	
	9	Trade Receivable									
		Modern Road Makers Private Limited	-	-	-	-	0.61	0.51	-	-	
	10	Expense payable									
		IRB Infrastructure Developers Limited	491.53	938.23	-	-	0.61	0.51	0.51	-	
		Modern Road Makers Private Limited	491.53	938.23	-	-	-	-	-	-	
		IDBI Trusteeship Services Limited	-	-	-	-	-	-	-	-	
	11	Other receivable									
		MMK Toll Road Private Limited	-	-	0.08	-	-	-	-	-	
	12	Director sitting fees Payable									
		Mr. Mukeshlal Gupta	-	-	-	-	-	-	0.44	0.43	
		Mr. Dhananjay K. Joshi	-	-	-	-	-	-	-	-	
		Mr. Ajay P. Deshmukh	-	-	-	-	-	-	-	-	
		Mr. Rajendra kumar Agarwal	-	-	-	-	-	-	-	-	0.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Sr. No.	Particulars	Sponsor and Project Manager		Investment Manager		Fellow subsidiaries of Project SPV Group		Key Management Personnel of Project SPV Group	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Mrs. Aarti Taskar	-	-	-	-	-	-	0.01	-
	Mr. Darshan Sangurdekar	-	-	-	-	-	-	0.05	0.05
	Mr. Omprakash Singh	-	-	-	-	-	-	0.04	0.05
	Mr. Sudhir Hoshing	-	-	-	-	-	-	0.01	-
	Mr. Jitendra Sharma	-	-	-	-	-	-	0.02	0.09
	Mr. Rajpaul S. Sharma	-	-	-	-	-	-	-	-
	Mrs. Heena Raja	-	-	-	-	-	-	-	-
	Mr. C S Kaptan	-	-	-	-	-	-	0.08	0.11
	Mrs. Kshama Vengsarkar	-	-	-	-	-	-	-	-
	Miss Shilpa Todankar	-	-	-	-	-	-	0.13	0.09
	Mr. Abhay Pathak	-	-	-	-	-	-	0.07	-
	Mr. Amitabh Murarka	-	-	-	-	-	-	0.01	-
	Mrs. Ranjana Paranjape	-	-	-	-	-	-	0.03	0.03

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 35 : Capital management

Capital includes equity attributable to the unitholders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise unitholder 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 Project SPV Group may adjust the dividend payment to unitholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

(₹ in Millions)		
Particulars	March 31, 2023	March 31, 2022
Borrowings	1,05,079.60	97,279.00
Less: cash and cash equivalents (Note 10)	(731.31)	(287.23)
Net debt	1,04,348.29	96,991.77
Equity (Note 14 and 15)	77,533.53	77,396.04
Total equity	77,533.53	77,396.04
Capital and net debt	1,81,881.82	1,74,387.81
Gearing ratio (%)	57.37%	55.62%

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 36: 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/DFII27i2016, 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 terms of the Investment Management Agreement, the fees will be paid to the Investment Manager for the services provided by it ("Management Fees"). The Management Fees have been revised for the Financial Year with the approval of the Unitholders, where the votes cast by Unitholders so entitled and voting in favor of a resolution are not less than one-and-a-half times the votes cast against such resolution. Pursuant to a resolution of the Unitholders, the Management Fees for the Financial Year 2023 has been revised to ₹47.70 millions

Note 37: Revenue share / premium payment to NHAI

- During the year ended March 31, 2023, the Group has paid/accrued ₹ 5,671.70 millions (March 31, 2022, ₹ 1,779.36 millions) 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.
- During the year ended March 31, 2017, AE Tollway Limited (AETL) has entered into a Concession agreement (CA) with NHAI for a period of 24 years. As per the terms of the CA, AETL has agreed to pay a premium in the form of "Additional Concession Fee" equal to ₹ 810.00 millions for the first year and each subsequent year such premium shall be determined by increasing the amount of premium in the respective year by an additional 5% as compared to the immediately preceding year. Management based on the legal opinion obtained and their evaluations of the terms of the CA, believes that such premium payable is restricted to the toll collection during the year and is in the form of revenue sharing arrangement.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Accordingly, the premium payable for the year is accounted for as revenue share. The said treatment has been followed in case of KGTL and IRBHM where premium payment has commenced during the current year.

Note 38: Grant from Government Authorities

As per Article 25 of the respective Concession Agreement with the National Highways Authority of India ('NHAI' or 'the Grantor'), the Concessionaires are entitled to receive Grant for meeting the part of the project cost subject to the conditions laid down in the concession agreement. The details are as under:

(₹ in Millions)

Name of the Company	Eligible for Grant	Grant received in FY 2016-17	Grant received in FY 2017-18	Grant received in FY 2018-19	Grant yet to be received
SYTL	1,890.00	1,391.70	403.80	94.50	-
KTL	2,340.00	1,533.79	806.21	-	-
YATL	5,580.00	-	4,230.24	1,349.76	-
IRBWT	5,362.20	4,512.30	-	849.90	-
Total	15,172.20	7,437.79	5,440.25	2,294.16	-

Note 39 : Events after reporting period

The Trust has been listed on NSE from April 3, 2023.

Note 40: Information on segment reporting pursuant to Ind AS 108 - Operating Segments

The Project SPV Group has identified business segment in accordance with Indian Accounting Standard 108 "Operating Segment" notified under section 133 of the Companies Act 2013, read together with relevant rules issued thereunder. The Group has identified Built, Operate and Transfer ('BOT') as its single reportable segment. Moreover the Group's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

Note 41 : Debt payment history

(₹ in Millions)

Particulars	Opening Balance as on April 1, 2022	Loan availed during the period	Loan repaid during the period	Closing Balance as at March 31, 2023
Secured loan from Bank and Financial Institution	88,627.04	5,109.36	25,799.39	67,937.01
Debenture	5,497.18	28,060.00	124.36	33,432.82
Loan from related party	4,085.74	1532.48	267.5	5,350.72
Total	98,209.96	34,701.84	26,191.25	1,06,720.55

(₹ in Millions)

Particulars	Opening Balance as on April 1, 2021	Loan availed during the period	Loan repaid during the period	Closing Balance as at March 31, 2022
Secured loan from Bank and Financial Institution	85,269.71	4,066.31	708.98	88,627.04
Debenture	5,563.63	-	66.45	5,497.18
Loan from related party	4,155.57	3746.5	3816.326547	4,085.74
Total	94,988.91	7,812.81	4,591.75	98,209.96

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 42: Capitalisation Statement

		(₹ in Millions)
Particulars		March 31, 2023
Shareholders' Funds:		
Unit Capital		87,929.33
Subordinate Debt		
Other Equity		(10,395.80)
Minority interest		0.81
Total Shareholders' Funds		77,534.34
Borrowings		
Borrowings from related parties		5,350.72
Long term borrowings		98,943.95
Current maturities of long term borrowings		784.93
Total Debt		1,05,079.60
Total Capitalisation		1,82,613.94

Note 43: Earnings Per Unit (EPU)

EPU amounts are calculated by dividing the profit for the period attributable to unit holders by the weighted average number of Units outstanding during the year.

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

		(₹ in Millions)
Particulars	March 31, 2023	March 31, 2022
Profit attributable to unit holders for earnings	(2,271.59)	(4,435.98)
Weighted average number of Units for EPU	87,79,64,498	84,29,14,666
Face value per unit (in Rs)	100	100
Earning per unit (in ₹)	(2.59)	(5.26)

Note 44 : Corporate Social Responsibility (CSR) Activities :

		(₹ in Millions)	
Particulars		March 31, 2023	March 31, 2022
Gross amount required to be spent by the company during the period		-	5.69
a) Amount spent during the year ending on March 31, 2023	In cash	Yet to be paid in cash for ongoing project	Total
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above (including previous year unspent amount)	-	-	-
	-	-	-
	In cash	Yet to be paid in cash for ongoing project	Total
a) Amount spent during the year ending on March 31, 2022			
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	8.00	-	8.00
b) Yet to be paid in cash for ongoing project	-	-	-
	8.00	-	8.00

Amount spent in the current is inclusive of unspent amount of precious year

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

Note 45 : Contributed Equity

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

Note 46 : Other Statutory information

- i) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- ii) The Group does not hold benami property and no proceedings under Benami transaction (Prohibition) Act 1988 have been initiated against the Group.
- iii) The Group do not have any transactions with companies struck off.
- iv) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- v) The Group did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
- vi) The Group has not declared a wilful defaulter by any bank/ financial institution or any other lender during the year.

Note 47 : Previous year comparatives

Previous period's figures have been regrouped/reclassified, wherever necessary, to confirm current period's classification.

Note 48 : Disclosure pursuant to Appendix - A to Ind AS 11 - "Service Concession Arrangements" ('SCA')

(A) Disclosures with regard to Toll Collection Rights (Intangible Assets)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or expected construction completion date, as applicable
1	IRB Westcoast Tollway Limited	March 3, 2014	March 2, 2042	28 years	June 30, 2022
2	Solapur Yedeshi Tollway Limited	January 21, 2015	January 20, 2044	29 years	October 15, 2019
3	Yedeshi Aurangabad Tollway Limited	July 1, 2015	June 30, 2041	26 years	September 24, 2020
4	Kaithal Tollway Limited	July 15, 2015	July 14, 2042	27 years	March 29, 2019
5	AE Tollway Limited	August 1, 2016	July 31, 2040	24 years	November 24, 2020
6	Udaipur Tollway Limited	September 3, 2017	September 2, 2038	21 years from Appointed Date	June 01, 2021
7	CG Tollway Limited	November 4, 2017	November 3, 2037	20 years from Appointed Date	August 14, 2021
8	Kishangarh Gulabpura Tollway Limited	February 21, 2018	February 20, 2038	20 years from Appointed Date	June 30, 2022
9	IRB Hapur Moradabad Tollway Limited	May 28, 2019	May 26, 2041	22 years from Appointed Date	June 30, 2022
10	Palsit Dankuni Tollway Private Limited	April 2, 2022	April 1, 2039	17 years from Appointed Date	Under construction

Note:

The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the Respective Government Authorities:-

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

- a. Rights to use the Specified assets
- b. Obligations to provide or rights to expect provision of services
- c. Obligations to deliver or rights to receive at the end of the Concession.

Note 49 : 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.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

Sd/-
CA. Kaustubh Deshpande
Partner
Membership No.: 121011

Place: Mumbai
Date : 12.05.2023

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : U45200MH2002PTC135512

Sd/-
Virendra D. Mhaikar
Chairman
DIN : 00183554

Sd/-
Shilpa Todankar
Chief Financial officer

Place : Mumbai
Date : 12.05.2023

Sd/-
Dhananjay K. Joshi
Chief Executive officer

Sd/-
Kaustubh Shevade
Company secretary
Membership No. A27833



INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of IRB Infrastructure Trust

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Consolidated Ind AS Financial Statements of IRB Infrastructure Trust ("the InvIT" or "the Trust") and its subsidiaries (the Trust and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Unit Holder's Equity and the Consolidated Statement of Total Returns at Fair Value for the year ended 31 March 2022, the Consolidated Statement of Net Assets at Fair value as at 31 March 2022 and notes to the Consolidated Financial Statements including 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 (together referred to as the "SEBI InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended and other accounting principles generally accepted in India, of the consolidated State of Affairs of the Group as at 31 March 2022, its consolidated Loss including other comprehensive income, its consolidated Cash Flows, consolidated changes in Unit Holders' Equity, the consolidated total Returns at fair value for the year ended 31 March 2022 and the consolidated Net Assets at fair value as at 31 March 2022.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India. 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 the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the SEBI InvIT Regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS



Key audit matters are those matters that, in our professional judgment, 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.

PARTICULARS	HOW THEY WERE ADDRESSED IN OUR AUDIT
1. <u>Loss on fair value measurement of other payable / deferred consideration payable to IRB Group.</u> Pursuant to settlement of IRB Infrastructure Trust by IRB Infrastructure Developers Limited (Sponsor), as a Private INVIT, the Trust has entered into Debt Novation Agreements (DNA). As per the terms of DNA, in consideration of assets taken over in 9 SPVs, Trust has issued units and agreed to transfer to the Sponsor, the claim amounts when and to the extent the same are eventually received by Project SPVs, on account of Sponsor Claims. Such Sponsor Claims shall be lodged after obtaining COD by respective SPVs. The amount realizable against claims has been estimated by the valuers appointed by the Management based on the weighted average of probabilities of realization of such claims. Based on the fair value of liability as estimated by the valuers, a resultant impact in the value of liability has been recognized under the head 'Loss on fair value measurement of other payable'.	• We reviewed the Placement Memorandum filed with SEBI and the consequential legal documentation entered into by the Trust, including inter alia the Debt Novation Agreements and their reflection in the underlying SPVs. • We have reviewed the methodology adopted by the valuer in deriving the value including the assumptions made. • We assessed the estimates of Fair Value provided in the Valuation Report and realizability of claims as indicated therein. • We also reviewed the reasonableness of the variables applied in the said computation. • Based on the above, the fair value of liability to the Sponsor, as estimated by the valuer, taking into consideration the weighted average of probabilities of realization has been validated.
2. <u>Impairment Testing</u> The Group has toll collection rights as intangible assets pursuant to the concession agreement. The carrying value of these rights acquired under BOT basis is being compared to the recoverable value (which is value in use in the instant case) thereof to ascertain if there is any impairment. The process involves estimating the value in use of the asset which is determined by forecasting and discounting future cash flows. The same is sensitive to changes in discount rate, traffic growth rates, toll growth rates etc. The determination of the recoverable amount of the toll collection right involves significant judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these rights.	• We evaluated management's assessment on impairment for intangible assets under development and intangible assets – toll collection rights by testing the assumptions and methodologies used by the Management. • Referred to valuation reports and Traffic Growth Study Reports and determined reasonableness of future toll revenue. • Evaluated the potential changes in major components as compared to previous year vis-à-vis actual performance in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable. • Assessed the appropriateness of the weighted average cost of capital used in determining



PARTICULARS	HOW THEY WERE ADDRESSED IN OUR AUDIT
Accordingly, the evaluation of impairment of toll collection rights has been determined as a Key Audit Matter.	recoverable amount. - Performed sensitivity analysis of key assumptions used in valuation. - Tested the arithmetical accuracy of the model.
3. Cost Overrun We have been informed that, since April 2020, Due to pandemic situation, construction of certain projects have been affected and delayed, which has resulted into additional costs to projects in relation to machinery idling, labor expenses, material prices, restoration of damaged works etc. Considering above, SPVs have been charged with such additional costs. We were further informed that SPVs will raise claim with NHAI in this regard which shall, repay the costs immediately upon receipt of claims. Based on nature of transactions, the same are considered to be Key Audit Matter.	- We perused the legal opinion obtained in an earlier matter in case of one of the project SPVs, IRB WC, over similar issue to understand the tenability of the claims to be filed with the Authority. - We reviewed addendum to the Project Implementation Agreement. - We also referred to the invoices raised on the SPVs. - Tested the arithmetical accuracy of fair valuation of trade payables towards Cost Overrun.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Board of Directors of the Investment Manager is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Report of Investment Manager including annexures to Investment Manager's Report and other information as required to be given by SEBI InvIT Regulations but, does not include the Consolidated Financial Statements and our 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.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF INVESTMENT MANAGER FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of 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 31 March 2022, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in unit holder's equity and the consolidated total returns at fair value for the year ended 31



March 2022, the consolidated net assets at fair value as at 31 March 2022 in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended and relevant rules issued thereunder read with the SEBI InvIT Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the SEBI InvIT Regulations for safeguarding of the assets of the Group 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; and design, implementation and maintenance of adequate internal financial controls for ensuring the accuracy and completeness of 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 and error.

In preparing the Consolidated Financial Statements, the Board of Directors of Investment Manager and respective Board of Directors of the subsidiary 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 the Board of Directors of Investment Manager and respective Board of Directors of the subsidiary companies included in the Group either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Investment Manager and the respective Board of Directors of the subsidiary companies included in the Group are also responsible for overseeing the financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Investment Manager.
- Conclude on the appropriateness of use of the going concern basis of accounting by the Board of Directors of Investment Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements.

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 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 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 of 4 subsidiaries, whose Financial Statements reflect Total Assets of Rs. 1,01,778.62 million and Net Assets of Rs. 34261.74 million as at 31 March 2022, Total Revenues of Rs. 4,936.64 million, Losses after taxes of Rs. 3944.85 million and Net Cash Outflows amounting to Rs. 25.66 million for the year ended on 31 March 2022, as considered in the Consolidated Financial Statements. These Financial Statements have been audited by other auditor whose reports have been furnished to us by the Investment Manager 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, is based solely on the reports of the other auditor.

Our opinion above, on the Consolidated Financial Statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Trust so far as it appears from our examination of those books and the reports of the other auditors.
- c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Statement of Cash Flows, the consolidated Statement of Changes in Unit Holders' Equity, the consolidated Statement of Net Assets at fair value and the consolidated Statement of Total Returns at fair value are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended.

For Gokhale & Sathe,
Chartered Accountants
Firm Registration No.: 103264W

SD/-
CA Kaustubh Deshpande,
Partner
Membership No. 121011
UDIN: 22121011AJBCRQ6176
Date: 06th May 2022
Place: Mumbai

IRB Infrastructure Trust
Consolidated Balance sheet as at March 31, 2022

(Amount in Millions.)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	8.85	10.59
Goodwill		604.54	604.54
Other Intangible assets	4	2,21,859.48	2,11,717.65
Intangible assets under development	4	1,290.89	4,684.26
Financial assets			
i) Others	7	2.74	3.28
Other non-current assets	9	656.55	0.14
Deferred tax assets (net)	8	287.67	-
		2,24,710.72	2,17,020.47
Current assets			
Financial assets			
i) Investments	5	659.54	572.50
ii) Trade receivables	6	51.55	100.24
iii) Cash and cash equivalents	10	287.23	413.49
iv) Bank balance other than (iii) above	11	2,469.97	1,744.35
v) Others	7	1,604.18	635.99
Current tax assets (net)	12	114.22	147.11
Other current assets	13	1,677.46	2,166.40
		6,864.15	5,780.08
Total assets		2,31,574.87	2,22,800.55
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	85,504.33	81,688.00
Other equity	15		
Other reserves		(8,108.29)	(3,669.05)
Total Equity		77,396.04	78,018.95
Non-controlling interests			
		77,396.04	78,018.95
Non-current liabilities			
Financial liabilities			
i) Borrowings	16	92,559.82	89,161.31
ii) Other financial liabilities	18	35,168.79	24,720.81
iii) Trade payables	19	5,998.85	2,463.41
Provisions	20	1,350.57	357.84
Deferred tax liabilities (net)	8	-	424.33
		1,35,078.03	1,17,127.70
Current liabilities			
Financial liabilities			
i) Borrowings	16	4,719.18	4,784.87
ii) Trade payables	17		
a) total outstanding dues of micro enterprises and small enterprises		3.69	13.18
b) total outstanding dues of creditors other than micro enterprises and small enterprises		11,214.65	2,547.07
iii) Other financial liabilities	18	3,023.13	20,198.86
Other current liabilities	21	140.15	109.78
Current tax liabilities (net)		-	0.14
		19,100.80	27,653.90
Total liabilities		1,54,178.83	1,44,781.60
Total equity and liabilities		2,31,574.87	2,22,800.55

Summary of significant accounting policies

3

The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of Consolidated Financial Statements.

As per our report of even date

For Gokhale & Sathe

Chartered Accountants

ICAI registration number: 103264W

SD/-

Kaustubh Deshpande

Partner

Membership No. 121011

For and on behalf of the Board of Directors of

MMK Toll Road Private Limited

(As Investment Manager to IRB Infrastructure Trust)

CIN : U45200MH2002PTC135512

SD/-

Virendra D. Mhaikar

Chairman

DIN :00183554

SD/-

Dhananjay K. Joshi

Chief Executive officer

SD/-

Shilpa Todankar

Chief Financial Officer

SD/-

Kaustubh Shevade

Company Secretary

Membership No.:A27833

Place: Mumbai

Date: 06/05/2022

Place: Mumbai

Date: 06/05/2022

IRB Infrastructure Trust
Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(Amount in Millions.)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	22	12,404.84	10,361.51
Other income	23	100.13	112.71
Total income		12,504.97	10,474.22
Expenses			
Road work and site expenses	24	3,989.80	3,983.41
Depreciation and amortisation expenses	25	1,674.90	1,255.69
Finance costs	26	9,538.70	8,228.17
Investment Manager Fees		42.48	46.25
Other expenses	27	2,406.43	138.32
Total expenses		17,652.31	13,651.84
Profit/(loss) before tax		(5,147.34)	(3,177.62)
Tax expenses			
Current tax		8.87	46.20
Deferred tax		(720.23)	369.63
MAT Credit utilisation / (Entitlement)		-	(340.97)
Total tax expenses		(711.36)	74.86
Profit/(loss) after tax		(4,435.98)	(3,252.48)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
(a) Re-measurement (loss)/gain on defined benefit plans (net of taxes)		-	-
Other comprehensive income/ (loss) for the year, net of tax		-	-
Total comprehensive income /(loss) for the year		(4,435.98)	(3,252.48)
Profit/(loss) after tax		(4,435.98)	(3,252.48)
Attributable to:			
Owners of the Project SPV Group		(4,435.98)	(3,252.48)
Non-controlling interests		-	-
Total comprehensive income for the year			
Attributable to:			
Equity holders of the Project SPV Group		(4,435.98)	(3,252.48)
Non-controlling interests		-	-
Earnings per unit (of Rs 100 each)			
Basic		(5.26)	(4.14)
Diluted		(5.26)	(4.14)

Summary of significant accounting policies

3

The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of Consolidated Financial Statements.

As per our report of even date

For Gokhale & Sathé

Chartered Accountants

ICAI registration number: 103264W

For and on behalf of the Board of Directors of

MMK Toll Road Private Limited

(As Investment Manager to IRB Infrastructure Trust)

CIN : U45200MH2002PTC135512

SD/-

Kaustubh Deshpande

Partner

Membership No. 121011

SD/-

Virendra D. Mhaikar

Chairman

DIN :00183554

SD/-

Dhananjay K. Joshi

Chief Executive officer

SD/-

Shilpa Todankar

Chief Financial Officer

SD/-

Kaustubh Shevade

Company Secretary

Membership No.:A27833

Place: Mumbai

Date: 06/05/2022

Place: Mumbai

Date: 06/05/2022

IRB Infrastructure Trust
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. Consolidated statement of net assets at fair value

(Rs. in Millions)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Book value	Fair value	Book value	Fair value
A. Assets	2,31,574.87	2,52,287.18	2,22,800.55	2,45,589.09
B. Liabilities (at book value)	1,54,178.83	1,52,169.83	1,42,318.19	1,31,113.67
C. Net Assets (A-B)	77,396.04	1,00,117.36	80,482.36	1,14,475.43
D. Number of units (in millions)	855.04	855.04	816.88	816.88
E. NAV (C/D) (Amount in Rs.)	90.52	117.09	98.52	140.14

Project wise break up of fair value of total assets:

Name of the project	As at March 31, 2022
IRB Westcoast Tollway Limited (IRBWTL)	29,419.81
Solapur Yedeshi Tollway Limited (SYTL)	19,669.34
Yedeshi Aurangabad Tollway Limited (YATL)	35,731.21
Kaithal Tollway Limited (KTL)	28,036.76
AE Tollway Limited (AETL)	29,936.78
Udaipur Tollway Limited (UTL)	27,731.21
CG Tollway Limited (CGTL)	25,806.63
Kishangarh Gulabpura Tollway Limited (KGTL)	19,940.03
IRB Hapur Moradabad Tollway Limited (IRBHMTL)	35,707.46
Subtotal	2,51,979.23
Add : IRB Infrastructure Trust Assets	307.96
Total assets	2,52,287.18

B. Consolidated statement of total returns at fair value :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Comprehensive Income (As per the Statement of Profit and Loss)	(4,435.98)	(3,252.48)
Add/Less: other changes in fair value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in total comprehensive income	22,721.31	33,993.07
Total Return	18,285.33	30,740.59

Notes :

Fair value of assets as at March 31, 2022 and March 31, 2021 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 Gokhale & Sathe

Chartered Accountants

ICAI Firm Registration Number: 103264W

For and on behalf of MMK Toll Road Private Limited

(Investment Manager of IRB Infrastructure Trust)

SD/-

Kaustubh Deshpande

Partner

Membership No. 121011

SD/-

Virendra D.Mhaikar

Chairman

DIN : 00183554

SD/-

Dhananjay K. Joshi

Chief Executive officer

SD/-

Shilpa Todankar

Chief Financial Officer

SD/-

Kaustubh Shevade

Company Secretary

Membership No.:A27833

Place: Mumbai

Date: 06/05/2022

Place: Mumbai

Date: 06/05/2022

IRB Infrastructure Trust
Consolidated Statement of Cash Flows for the year ended March 31, 2022

(Amount in Millions.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit/(loss) before tax	(5,147.34)	(3,177.62)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	1,674.90	1,255.69
Resurfacing expenses	992.73	292.88
Fair value gain on mutual funds	(0.78)	(1.43)
Net (gain) on sale of current Investment	(13.93)	(13.08)
Finance costs	9,538.70	8,228.17
Interest income	(81.69)	(82.04)
Other non operative income	(3.73)	(13.28)
Gain/(loss) on fair value measurement of other payable	2,161.31	(2.86)
Operating profit before working capital changes	9,120.17	6,486.41
Movement in working capital:		
Increase/ (decrease) in trade payables	12,193.54	2,277.55
Increase/ (decrease) in other financial liabilities	306.46	(2,516.37)
(Decrease)/ increase in other liabilities	30.37	(52.75)
Decrease / (increase) in trade receivables	48.69	251.88
(Decrease) in loans	-	(4.53)
(Increase) / decrease in other financial assets	(989.59)	(213.15)
(Increase) / decrease in other assets	(167.46)	1,232.51
Cash generated from operations	20,542.18	7,461.55
Taxes paid (net)	32.09	14.70
Net cash flows generated from operating activities (A)	20,574.27	7,476.25
Cash flows from investing activities		
Purchase of property, plant and equipment including CWIP, intangible assets including intangible assets under development and capital advances	(17,617.12)	(18,933.90)
Proceeds from sale/ (purchase) of current investments (net)	(72.33)	(557.99)
Investments in bank deposits (having original maturity of more than three months) (net)	(725.62)	(167.95)
Interest received	107.36	75.08
Net cash flows (used in) investing activities (B)	(18,307.71)	(19,584.76)
Cash flows from financing activities		
Proceeds from non-current borrowings	4,066.31	9,204.86
Repayment of non-current borrowings	(775.43)	(39.62)
Proceed of current borrowings	4759.00	4,155.57
Repayment of current borrowings	(4828.83)	-
Issue of equity share capital	3,816.33	5,105.50
Unit issue expenses	(3.26)	(103.82)
Finance cost paid	(9,426.95)	(5,990.16)
Net cash flows (used in)/generated from financing activities (C)	(2,392.82)	12,332.32
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(126.26)	223.81
Cash and cash equivalents at the beginning of the year	413.49	189.70
Cash and cash equivalents at the end of the year (refer note 10)	287.23	413.49
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Trust, retention and other escrow accounts	161.56	113.94
- Others	118.03	288.60
- In deposit accounts with original maturity less than 3 months	-	-
Cash on hand	7.64	10.96
Total cash and cash equivalents	287.23	413.49

IRB Infrastructure Trust
Consolidated Statement of Cash Flows for the year ended March 31, 2022

(Amount in Millions.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Debt reconciliation statement in accordance with Ind AS 7		
Opening balances		
Long term borrowing	90,833.34	78,815.63
Short term borrowing	4,155.57	-
Movements		
Cash Flows		
Long term borrowing	3,290.88	9,165.24
Short term borrowing	(69.83)	4,155.57
Non-cash changes		
Long term borrowing	-	2,852.47
Short term borrowing	-	-
Closing balances		
Long term borrowing	94,124.22	90,833.34
Short term borrowing	4,085.74	4,155.57

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. The Consolidated cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".

Summary of significant accounting policies

3

The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of Consolidated Financial Statements.

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : U45200MH2002PTC135512

SD/-
Kaustubh Deshpande
Partner
Membership No. 121011

SD/-
Virendra D. Mhaikar
Chairman
DIN : 00183554

SD/-
Dhananjay K. Joshi
Chief Executive officer

SD/-
Shilpa Todankar
Chief Financial Officer

SD/-
Kaustubh Shevade
Company Secretary
Membership No.: A27833

Place: Mumbai
Date: 06/05/2022

Place: Mumbai
Date: 06/05/2022

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022

Statement of changes in equity

A. Unit capital:

	(Amount in Millions.)			
	March 31, 2022		March 31, 2021	
	No.	Rs.	No.	Rs.
i) Units issued, subscribed and fully paid				
Units having face value of Rs. 100/-				
Balance at the beginning of the year	81,68,80,000	81,688.00	76,58,25,000	76,582.50
Issue of Unit capital (Note 14)	3,81,63,265	3,816.33	5,10,55,000	5,105.50
Balance at the end of the year	85,50,43,265	85,504.33	81,68,80,000	81,688.00

B. Other equity

	(Amount in Millions.)	
	March 31, 2022	March 31, 2021
Retained earnings		
Balance at the beginning of the year	(3,669.05)	(312.75)
Profit/(loss) for the year	(4,435.98)	(3,252.48)
Pre-incorporation profit		
Unit Issue expenses	(3.26)	(103.82)
Balance at the end of the year	(8,108.29)	(3,669.05)

Summary of significant accounting policies

3

The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of Consolidated Financial Statements.

As per our report of even date attached

For Gokhale & Sathe

Chartered Accountants

ICAI registration number: 103264W

For and on behalf of the Board of Directors of

MMK Toll Road Private Limited

(As Investment Manager to IRB Infrastructure Trust)

CIN : U45200MH2002PTC135512

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Place: Mumbai

Date: 06/05/2022

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1 Corporate Information

The IRB Infrastructure Trust (the "Fund" / "Trust") is a trust settled pursuant to the indenture of trust dated August 27, 2019 which is registered under the Registration Act, 1908 and under the Securities Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time. 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"). Investment manager for the Fund is MMK Toll Road Private Limited (the "Investment Manager"). The Trust has received registraion certificate from SEBI on November 25, 2019.

The Fund has been formed to invest in infrastructure assets primarily being in the road sector in India. The Fund's road projects are eligible infrastructure projects under the InvIT Regulations and held through special purpose vehicles ("Project SPVs" together as "Project SPV Group"). The Fund's portfolio comprises of nine road projects as listed below:-

Project SPV Name**	Residual Concession life*	Proposed shareholding	Nature of Investment	Status	Principal Activities	Country of incorporation
IRB Westcoast Tollway Limited (IRBWTL)	19 years 11 Months 2 days	100%	Subsidiary	Tolling and Construction	Construction and operation of road including toll collection.	India
Solapur Yedeshi Tollway Limited (SYTL)	21 years 9 Months 21 days	100%	Subsidiary	Operating		India
Yedeshi Aurangabad Tollway Limited (YATL)	19 years 3 Months 1 days	100%	Subsidiary	Operating		India
Kaithal Tollway Limited (KTL)	20 years 3 Months 14 days	100%	Subsidiary	Operating		India
AE Tollway Limited (AETL)	18 years 4 Months 2 days	100%	Subsidiary	Operating		India
Udaipur Tollway Limited (UTL)	16 years 5 Months 3 days	100%	Subsidiary	Operating		India
CG Tollway Limited (CGTL)	15 years 7 Months 5 days	100%	Subsidiary	Operating		India
Kishangarh Gulabpura Tollway Limited (KGTL)	15 years 10 Months 22 days	100%	Subsidiary	Tolling and Construction		India
IRB Hapur Moradabad Tollway Limited (IRBHMTL)	19 years 1 Months 25 days	100%	Subsidiary			India

* Represents residual concession life as at March 31, 2022 as per original concession period (without considering extension of concession period, if any).

** Of the above Project SPVs, IRBWTL, SYTL, YATL, AETL, CGTL, UTL and IRBHMTL have been converted to public companies on November 13, 2019 and KTLand KGTL on November 14, 2019 .

2 Basis of preparation

A. Statement of compliance

The Consolidated Financial Statements of Project SPV Group comprises of Consolidated Balance Sheet as at March 31 2022 and 31 March 2021 , the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) of the Project SPV group, the Consolidated Statement of Cash Flow Statement, the Consolidated Statement of Changes in Equity of the movement of the unit holders for the year ended March 31 2022 and March 31, 2021 , the consolidated statement of net assets at fair value as at March 31 2022 and March 31, 2021 and the consolidated statement of total returns at fair value for the year ended March 31, 2022 and March 31, 2021, a summary of significant accounting policies, notes and other explanatory Information.

The Consolidated Financial Statements of the Project SPV Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, read with other relevant provisions of the Act. The Consolidated Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value.

The Consolidated Financial Statements are presented in Rs. in millions, except when otherwise indicated. Wherever the amount represented '0' (zero) construes value less than Rupees five thousand.

B Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements comprise the financial statements of the Project SPV Group.

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

The financial statements of all Project SPVs used for the purpose of consolidation are drawn up to the same reporting date i.e. year ended on March 31.

Consolidation procedure:

(a) Consolidate like items of assets, liabilities, equity, income, expenses and cash flows of Project SPVs.

(b) Eliminate in full intra Project SPVs assets and liabilities, income, expenses and cash flows relating to transactions between Project SPVs of the Project SPV Group (profits or losses resulting from intra Project SPV Group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Project SPV Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

3 Summary of significant accounting policies

3.01 Current versus non-current classification

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

The Project SPV 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

The Project SPV Group classifies all other liabilities as non-current.

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

3.02 Use of estimates and judgements

The preparation of the Project SPV 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 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. The Project SPV 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.

Fair value measurement of financial instruments (refer note 31)

Provision for major maintenance (refer note 20)

Impairment of non financial assets (refer note 3.17)

3.03 Fair value measurement

The Project SPV Group measures financial instruments, (refer note 31) 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 Project SPV 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 Project SPV 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 Project SPV 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 Project SPV 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 Project SPV 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 presents the valuation results to the Investment Manager and the Project SPV Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Project SPV 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 3.02)

Financial instruments (including those carried at amortised cost) (note 5,6,7,8,11,17,18,19,31)

Quantitative disclosure of fair value measurement hierarchy (note 32)

3.04 Revenue recognition

The Project SPV Group has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Project SPV Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Project SPV Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Project SPV Group's performance as the Project SPV Group performs; or
2. The Project SPV Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Project SPV Group's performance does not create an asset with an alternative use to the Project SPV Group and the entity has an enforceable right to payment for performance completed to date.

Contract revenue

Contract revenue associated with the utility shifting incidental to construction of road are recognized as revenue by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs. Project SPVs operations involve levying of GST on the construction work. Goods and Service tax is not received by the project SPVs 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.

Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Project SPV Group, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised in line with the actual usage of the specific public utility facility, with a maximum of the duration of the concession.

Income from toll contracts

The income from Toll Contracts on BOT basis are recognised on actual collection of toll revenue (net of Premium and revenue share payable to NHAI) as per Concession Agreement. Revenue from electronic toll collection is recognised on accrual basis.

Interest income

For all financial assets 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 Project SPV 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 Project SPV Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Trade receivables

A receivable represents the Project SPV Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

3.05 Government Grants

Grants and subsidies from the government are recognised if the following conditions are satisfied.

There is reasonable assurance that the Project SPV Group will comply with the conditions attached to it.

Such benefits are earned and reasonable certainty exists of the collection.

Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant 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.

3.06 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 in accordance the Income Tax Act, 1961. 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 country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or 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 taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in the consolidated statement of profit and loss. Deferred tax is recognised in consolidated statement of profit and loss on the consolidated adjustments.

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 Project SPV Group will pay normal income tax during the specified period. Being DTA 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.

3.07 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.

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 Project SPV Group based on technical evaluation. The Project SPV Group has estimated the following useful lives for its tangible fixed assets:

Asset class	Useful life
Building	30 years*
Office equipment	5 years
Computers	3 years
Furniture & fixtures	10 years

* The useful life of building has been calculated by management as per their technical estimate.

3.08 Intangible assets

The Project SPV Group exercised first time adoption under Ind AS 101 and has elected to continue with the carrying value of its "Toll Collection Rights" (Intangible Assets) including corresponding obligation, as recognised in the financial statements as at the date of transition April 1, 2016 measured as per the Previous GAAP and uses that as its deemed cost as at date of transition.

Toll collection rights are stated at cost, less accumulated amortisation, impairment losses and grant from government. Cost includes:

- For acquired Toll Collection Rights - Upfront payments towards acquisition and incidental expenses related thereto.
- Toll Collection Rights awarded by the grantor against construction service rendered by the Project SPV Group on BOT / DBFOT basis - Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.
- Toll Collection Rights in lieu of premium - Undiscounted premium obligation over the concession period.

Amortisation

Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as prescribed in Ind AS-36. 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.

Intangible assets under development

Expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development". The same will be transferred to the respective intangible assets on completion of project.

3.09 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 between the foreign currency borrowing and the functional currency borrowing to the extent regarded as an adjustment to the borrowing costs.

3.10 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 fulfilment 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.

Project SPV Group as a lessee

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Project SPV 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.

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 Project SPV Group is classified as a finance lease.

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

Ind AS 116 - Leases

Ind AS 116, Leases, it sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting largely unchanged from the existing standard – i.e. lessors continue to classify leases as finance or operating leases.

Based on the preliminary assessment, the Company does not expect any significant impacts on transition to Ind AS 116. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted.

Project SPV Group as a lessor

Leases in which the Project SPV Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Project SPV Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Project SPV Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.11 Provisions

Provisions are recognised when the Project SPV 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 Project SPV 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.12 Resurfacing expenses

As per the Concession Agreements, the Project SPV Group is obligated to carry out resurfacing of the roads under concession. Provision for the planned expenditure is made for the period upto end of the period for which periodic maintenance is required, out of the total entitled period. The same is stated in the consolidated statement of profit and loss in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets."

3.13 Contingent liability 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 Project SPV 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 Project SPV 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.

3.14 Financial instruments

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, transaction costs that are attributable to the acquisition of the financial asset.

On initial recognition, a financial asset is classified as measured of

- amortised cost
- FVOCI - Debt instruments
- FVOCI - equity instruments
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the year, the Project SPV Group changes its business model for managing financial assets.

Debt instruments at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

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

- The rights to receive cash flows from the asset has expired, or
- The Project SPV 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 Project SPV Group has transferred substantially all the risks and rewards of the asset, or (b) the Project SPV Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Project SPV 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 Project SPV Group continues to recognise the transferred asset to the extent of the Project SPV Group's continuing involvement. In that case, the Project SPV 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 Project SPV 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 Project SPV Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Project SPV Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
 - Financial assets that are debt instruments and are measured as at FVTOCI
 - Lease receivables under Ind AS 17
 - Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as contractual revenue receivables' in these financial statements)
 - Loan commitments which are not measured as at FVTPL
 - Financial guarantee contracts which are not measured as at FVTPL
- The Project SPV Group follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables; and
 - Other receivables

The application of simplified approach does not require the Project SPV Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Project SPV Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Project SPV Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument. -
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Project SPV Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of profit and 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 Project SPV Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through Statement of profit and 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 statement of profit and 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 Project SPV 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 consolidated statement of profit and loss.

Loans and borrowings

This is the category most relevant to the Project SPV 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 statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings. For more information refer note 16.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated 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.

3.15 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises of 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, as they are considered an integral part of the Project SPV Group's cash management.

3.16 Cash dividend to equity holders of the Project SPV Group

The Project SPV Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Project SPV Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.17 Impairment of non-financial assets

The Project SPV 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 Project SPV 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 Project SPV Group's of 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Project SPV Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Project SPV Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Project SPV Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Project SPV Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Project SPV Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.18 Segment information

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Management ("the Board of Directors") evaluates the Project SPV Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment policies:

Based on "Management Approach" as defined in Ind AS 108 -Operating Segments, the Management evaluates the Project SPV Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

The Project SPV Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Project SPV Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

3.19 Earnings per unit

Basic earnings per unit are calculated by dividing the net profit or loss for the period attributable to unitholders by the weighted average number of units outstanding during the period. For the purpose of calculating diluted earnings per unit, the net profit or loss for the period attributable to unitholders and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022
Note 4 : Property, Plant and Equipment and Capital work in progress

(Amount in Millions.)

	Premises	Computer	Office Equipments	Furniture and Fixture	Total
Cost or deemed cost					
At 31 March 2021	16.09	0.30	1.40	0.39	18.18
Additions					-
Disposals/ Adjustments					-
At 31 March 2022	16.09	0.30	1.40	0.39	18.18
Depreciation					
At 31 March 2021	5.79	0.28	1.18	0.34	7.59
Additions	1.61	0.00	0.09	0.04	1.74
Disposals/ Adjustments	-	-	-	-	-
At 31 March 2022	7.40	0.29	1.28	0.38	9.33
Net Book value					
At 31 March 2022	8.69	0.02	0.12	0.02	8.85
At 31 March 2021	10.30	0.01	0.22	0.05	10.59
Net Book value					
	March 31, 2022	March 31, 2021			
Property, Plant and Equipment	8.85	10.59			

Note 4 : Intangible Assets and Intangible Assets under development**Intangible Assets** (Amount in Millions.)

Particulars	Toll Collection Rights	Total
Cost or deemed cost		
At 31 March 2021	2,16,344.42	2,16,344.42
Additions	11,814.99	11,814.99
Deletions	-	-
Adjustments	-	-
At 31 March 2022	2,28,159.42	2,28,159.42

Amortisation

At 31 March 2021	4,626.78	4,626.78
Additions	1,673.16	1,673.16
Deletions	-	-
Adjustments	-	-
At 31 March 2022	6,299.93	6,299.93

Net Book value

At 31 March 2022	2,21,859.48
At 31 March 2021	2,11,717.65

Particulars	March 31, 2022	March 31, 2021
Toll Collection Rights	2,21,859.48	2,11,717.65
Total	2,21,859.48	2,11,717.65

Intangible assets under development

Particulars	March 31, 2022	March 31, 2021
Toll Collection Rights		
At the beginning of the year	4,684.26	13,853.63
Add : development during the year	835.34	1,274.74
	5,519.60	15,128.37
Less : Transfer to Intangible Asset (Toll Collection Rights)	4,228.70	10,444.11
Closing balance	1,290.89	4,684.26
Total	1,290.89	4,684.26

Tangible and Intangible assets given as security

Tangible and Intangible assets are subject to first charge to secured long-term borrowings from the lenders.

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022

(Amount in Millions.)

Particulars	March 31, 2022				March 31, 2021			
	Face Value Rs.	No of Units	Current	Non-current	Face Value Rs.	No of Units	Current	Non-current
Financial Assets								
Note 5 : Investment								
i) Investments in Mutual Funds (quoted)								
Fair Value Through Profit or Loss (FVTPL)								
IDBI Liquid Fund - Direct Plan - Growth	1,000	48,116.73	110.24	-	1,000	1,57,836.12	349.34	-
ABSL Liquid Fund - Direct Plan - Growth	100	53,926.78	18.50	-	100	20,666.89	23.00	-
SBI Liquid Fund - Direct Growth	1,000	1,53,238.96	510.75	-	1,000	13,342.03	43.00	-
SBI Overnight Fund - Direct Growth	1,000	5,790.54	20.04	-	1,000	47,796.46	157.16	-
			659.54	-			572.50	-
Total			659.54	-			572.50	-
Aggregate book value of quoted investments			658.76				571.07	
Market value of quoted investments			659.54				572.50	
Aggregate amount of unquoted investments			-				-	
Aggregate amount of impairment in value of investments			-				-	
Refer note 31 for determination of fair value of investments			-				-	

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022

(Amount in Millions.)

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Note 6 : Trade receivable				
(Unsecured, considered good)				
Related parties	0.51	-	-	-
Others	51.03	-	100.24	-
Total	51.55	-	100.24	-
Less: Allowances for expected credit loss/ bad and doubtful debt	-	-	-	-
Total	51.55	-	100.24	-

The Group has not identified any credit impairment loss as at March 31, 2022 and March 31, 2021.

Note 7 : Other financial assets

(Unsecured, considered good)

Interest accrued on fixed deposits	25.64	-	47.57	-
Interest receivable from banks	23.99	-	117.00	-
Retention money receivable	526.28	-	446.62	-
BG Margin receivable	-	-	-	0.54
Receivable from Government Authorities (NHAI)	965.24	-	1.44	-
Other receivable	56.15	-	16.47	-
Security and other deposits	6.89	2.74	6.89	2.74
Total	1,604.18	2.74	635.99	3.28

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022

(Amount in Millions.)

	March 31, 2022	March 31, 2021
Note 8 : Deferred tax assets		
Deferred tax liabilities (net):		
Deferred tax liabilities:		
Difference in Depreciation and other differences in block of Property, Plant and equipment and Intangible assets as per tax books & financial books	1,350.50	2,636.80
Deferred tax assets:		
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years		
Deferred tax liabilities (net)	1,350.50	2,636.80
Deferred tax assets:		
Deferred tax assets:		
Depreciation	428.55	1,629.65
MAT credit entitlement	582.83	582.82
Expenses allowed for tax purposes on payment basis		
- Gratuity		
Deferred Tax assets on Fair valuation	626.79	
Deferred Tax Assets	1,638.17	2,212.47
Deferred Tax liabilities:		
Difference in Depreciation/ amortisation and other differences		
Tax losses	-	-
Deferred tax (assets) / liabilities	(287.67)	424.33
Note 9 : Other non - current assets		
(Unsecured, considered good)		
Capital advances	-	0.14
Duties and taxes receivable	656.55	-
Total	656.55	0.14

(Amount in Millions.)

	March 31, 2022	March 31, 2021
IRB Infrastructure Trust		
Notes to Consolidated Financial Statements for the year ended March 31, 2022		
Note 10 : Cash and cash equivalents		
Cash and Bank balances		
Balances with banks:		
-on current accounts	118.03	288.60
-on trust, retention and other escrow accounts*	161.56	113.94
Deposits with banks		
-Original maturity less than 3 months	-	-
Cash on hand	7.64	10.96
Total	287.23	413.49

Note 11 : Bank balance other than cash and cash equivalent**Maturity more than 3 months less than 12 months**

Other deposits	102.53	76.09
Debt service reserve account with banks /earmarked balance**	2,365.43	-

Maturity more than 12 months

Debt service reserve account with banks /earmarked balance**	-	1,668.23
Other deposits	2.00	0.03
Total	2,469.97	1,744.35

Debt service reserve account/ major maintenance reserve account and trust, retention and other escrow accounts

Bank deposits are marked lien / pledged against the non current secured loan as per term loan agreement with the lender, further the lenders have first charge on trust, retention and other escrow accounts.

* First charge on above to the extent of amount payable as per the waterfall mechanism as defined in the Concession Agreement / Common Loan Agreement.

** The deposits to the extent of Rs. 2,365.43 millions (March 31, 2021 : Rs. 1,668.23 millions) maintained by the Project SPV Group with bank includes time deposits, which are held against Debt Service Reserve (DSR), are considered as current portion under the head "Other bank balances" since the same are encashable by the lenders in the event of default by the Project SPV Group, if any.

Current deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group and earn interest at the respective current deposit rates. Other time deposits earn interest at the rate of 3 % to 5.10% p.a.

Refer note 16 for details of security against term loans.

For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

	March 31, 2022	March 31, 2021
Balance with banks:		
-on current accounts	118.03	288.60
-on trust, retention and other escrow accounts	161.56	113.94
Fixed deposits less than 3 months	-	-
Cash on hand	7.64	10.96
Total	287.23	413.49
Note 12 : Current tax assets (net)		
Advance income-tax (net of provision for tax)	114.22	147.11
Total	114.22	147.11

Note 13 : Other current assets

(Unsecured, considered good unless otherwise stated)

Advance with suppliers		
- Related parties (refer note 39)	502.89	1,014.28
- Others	32.22	22.05
Mobilisation advances (refer note 39)	435.80	610.61
Prepaid expenses	0.51	47.68
Duties and taxes receivable	706.04	471.78
Total	1,677.46	2,166.40

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022

Note : 14 : Unit capital

(Amount in Millions.)

	March 31, 2022		March 31, 2021	
Unit capital				
Authorised Unit capital				
Units having face value of Rs.100 each	85,50,43,265	85,504.33	81,68,80,000	81,688.00
	85,50,43,265	85,504.33	81,68,80,000	81,688.00
Issued Unit capital				
Units having face value of Rs.100 each	85,50,43,265	85,504.33	81,68,80,000	81,688
Total	85,50,43,265	85,504.33	81,68,80,000	81,688

Terms / rights attached to equity shares

The Project SPVs have only one class of equity shares having par value of Rs. 100/- per share. Each holder of equity shares is entitled to one vote per share. The Project SPVs declare and pay dividend in Indian rupees.

In the event of liquidation of the Project SPV, the holders of equity shares will be entitled to receive remaining assets of the Project SPV, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of unit outstanding and the amount of Unit capital:

	March 31, 2022		March 31, 2021	
Units issued, subscribed and fully paid	No. of units	Rs.	No. of units	Rs.
Units having face value of Rs. 100/-				
At the beginning of the year	81,68,80,000	81,688.00	76,58,25,000	76,582.50
Issued during the year	3,81,63,265	3,816.33	5,10,55,000	5,105.50
At the end of the year	85,50,43,265	85,504.33	81,68,80,000	81,688.00

Details of unit holders holding more than 5% units:

	March 31, 2022		March 31, 2021	
	No. of units	% of total unit capital	No. of units	% of total unit capital
IRB Infrastructure Developers Limited	43,60,72,332	51%	41,66,09,067	51%
Anahera Investments Pte Ltd	21,37,60,685	25%	20,42,19,865	25%
Bricklayers Investments Pte Ltd	5,13,02,562	6%	4,90,12,767	6%
Chiswick Investments Pte Ltd	5,13,02,562	6%	4,90,12,767	6%
Stretford End Investments Pte Ltd	5,13,02,562	6%	4,90,12,767	6%
Dangenham Investments Pte Ltd	5,13,02,562	6%	4,90,12,767	6%

Details of Sponsor units	March 31, 2022		March 31, 2021	
IRB Infrastructure Developers Limited	43,60,72,332	51%	41,66,09,067	51%

Note : 15 : Other equity

Attributable to the equity holders

Other reserves

Retained earnings

	March 31, 2022	March 31, 2021
At the beginning of the year	(3,669.05)	(312.75)
Profit for the year	(4,435.98)	(3,252.48)
Less: Appropriations		
Pre-incorporation Profits		
Unit Issue expenses	(3.26)	(103.82)
At the end of the year	(8,108.29)	(3,669.05)
Total	(8,108.29)	(3,669.05)

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022

	(Amount in Millions.)	
	March 31, 2022	March 31, 2021
Financial liabilities		
Note : 16 : Borrowings		
Non-current Borrowings		
Term loans		
Indian rupee loan from banks (secured)		
Project loans for SPVs	78,298.59	74,939.04
Less : current maturities expected to be settled within 12 month from balance sheet date	(429.15)	(467.24)
Total (a)	77,869.44	74,471.80
Indian rupee loan from financial institutions (secured)		
Project loans for SPVs	10,328.45	10,330.67
Less : current maturities expected to be settled within 12 month from balance sheet date	(59.79)	(99.91)
Total (b)	10,268.66	10,230.76
Non-convertible debentures (secured)	5,497.18	5,563.63
Less : current maturities expected to be settled within 12 month from balance sheet date	(110.76)	(62.15)
Total (c)	5,386.42	5,501.48
Less: Unamortised transaction cost (d)	(964.70)	(1,042.72)
Total non current borrowings (e = a + b + c + d)	92,559.82	89,161.31
Current Borrowings		
Short-term borrowings (secured)		
Current maturity of long term loans		
Indian rupee loan from banks (secured)	429.15	467.24
Indian rupee loan from financial institutions (secured)	59.79	99.91
Non convertible debentures (secured)	110.76	62.15
Interest accrued but not due on borrowings	33.73	-
(Unsecured, repayable on demand and interest free)		
Loan from related parties (refer note 39)	4,085.74	4,155.57
Total current borrowings (f)	4,719.18	4,784.87
Total borrowings (e+f)	97,279.00	93,946.18
Aggregate secured loans	93,159.52	89,161.31
Aggregate unsecured loans	4,085.74	4,155.57
(i) Project loans for SPVs		
March 31, 2022: Rs. 94,124.22 millions; March 31, 2021: Rs. 90,833.34 millions; pertains to term loans taken by SPV's (Special Purpose Vehicles) for Project financing.		
Rate of interest		
Rate of interest on the Indian Rupee loan from banks and financial institutions varies from 8.25% to 10.40% p.a. (March 31, 2021: 9.85% to 11.90%) and are secured by pledge of shares of its subsidiaries and subservient charge on the current assets of the company to the extent of 125% of the outstanding loan.		
Nature of security		
i) Secured by first charge on the movable/immovable asset by way of mortgage/hypothecation; first charge on all intangible assets, present and future; assignment of all receivables; book debts and all rights and interest in project, both present and future, excluding the Project Assets of respective companies;		
ii) Secured by first charge on the Escrow Account, Debt Service Reserve Account and any other reserves and other bank accounts of the respective Companies.		
iii) An irrevocable and unconditional corporate guarantee from IRB Infrastructure Developers Limited to meet shortfall (if any) between debt due and termination payments received from Concessioning Authority in case of termination of Concession Agreement for any reason in case of Project SPV's.		
Repayment terms		
The Indian rupee loans are repayable in structured monthly installments commencing after commercial operation date such that the total tenor does not exceed 17 years and repayable as per the repayment schedule specified in common loan agreement with the Lenders.		
Note : 17 : Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 29)	3.69	13.18
Total outstanding dues of creditors other than micro and small enterprises		
- Related parties (refer note 39)	10,022.93	1,655.04
- Others	1,191.71	892.03
Total	11,218.34	2,560.24

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022

(Amount in Millions.)

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Note 18 : Other financial liabilities				
Obligation for construction	2,009.01	-	11,204.52	-
Directors sitting fees payable	0.36	-	0.25	-
Deposit	1.13	-	1.07	-
Retention money payable				
- Related parties (refer note 39)	256.48	-	190.34	-
- Others	336.92	-	318.04	3.05
Revenue share payable	225.81	-	51.97	-
Other payable				
- Related parties (refer note 39)	193.42	35,168.79	8,432.67	24,717.75
Total	3,023.13	35,168.79	20,198.86	24,720.81

Note : 19 : Trade payables

 a) Total outstanding dues of micro enterprises and small enterprises
micro and small enterprises

	March 31, 2022	March 31, 2021
'- Related parties	5,998.85	2,463.41
'- Others	-	-
	5,998.85	2,463.41

Note 20 : Provisions

	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Others				
Major maintenance expenses	-	1,350.57	-	357.84
Total	-	1,350.57	-	357.84

The movement in provision for resurfacing expenses is as follows:

	March 31, 2022	March 31, 2021
Opening balance	357.84	64.96
Obligation on new toll projects	992.73	292.88
Utilised / reversed during the year	-	-
Closing balance	1,350.57	357.84

The above provisions are based on current best estimation of expenses that may be required to fulfill 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.

	March 31, 2022	March 31, 2021
Note 21 : Other current liabilities		
Advance from customers		
Duties and taxes payable	129.65	59.05
Advance from customer- Others	10.50	50.73
Total	140.15	109.78

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022

(Amount in Millions.)

	March 31, 2022	March 31, 2021
Note 22 : Revenue from operations		
Contract revenue (road construction)	1,054.48	1,863.70
Income arising out of toll collection (net)	10,598.07	8,549.77
Revenue share to NHAI- Fastag	(212.87)	(51.97)
Other operating revenue	965.16	-
Total	12,404.84	10,361.51
Note 23 : Other income		
Interest income on		
- Bank deposits	73.64	74.46
- Others	8.05	7.59
Profit on sale of investments	13.93	13.08
Fair value gain on mutual funds	0.78	1.43
Other non operating income	3.73	13.28
Gain/(loss) on fair value measurement of other payable	-	2.86
Total	100.13	112.71
Note 24 : Road work and site expenses		
Contract expenses	1,036.47	1,807.12
Operation and maintenance expenses	2,899.41	2,113.67
Site and other direct expenses	-	41.03
Sub-contracting / Security expenses	0.72	5.31
Technical consultancy and supervision charges	53.20	16.28
Total	3,989.80	3,983.41
Note 25 : Depreciation and amortisation expenses		
Depreciation on property, plant and equipment (refer note 4)	1.74	2.59
Amortisation on intangible assets (refer note 4)	1,673.16	1,253.09
Total	1,674.90	1,255.69
Note 26 : Finance cost		
Interest expense		
- Banks and financial institutions	8,670.13	8,046.33
- Unwinding of retention money	48.71	48.70
Other borrowing costs	-	
- Amortisation of Transaction cost	78.02	78.43
- Unwinding of discount on provision of MMR	39.64	5.47
- Interest unwinding of Trade Payable- Associates	655.78	-
- Others	46.44	49.24
Total	9,538.70	8,228.17

IRB Infrastructure Trust**Notes to Consolidated Financial Statements for the year ended March 31, 2022**

(Amount in Millions.)

	March 31, 2022	March 31, 2021
Note 27 : Other expenses		
Rent	0.24	0.29
Rates and taxes	31.64	15.40
Insurance	1.12	11.43
Director sitting fees	1.61	1.24
Legal and professional expenses	192.64	69.25
Payment to auditor (including GST)	3.13	3.88
Corporate social responsibilities expenditure	8.00	31.40
Bank charges	5.54	3.01
Miscellaneous expenses	1.19	2.43
Fair value loss on measurement of other payable	2,161.31	-
Total	2,406.43	138.32
Payment to auditor (including GST)		
As auditors:		
- Statutory audit fees	1.23	2.19
- Limited review fees	1.70	1.12
In other capacity	-	-
- Other services (certification fees)	0.17	0.56
Reimbursement of expenses	0.04	0.02
Total	3.13	3.88

Note 28 : Commitment and Contingencies

a. Leases

Rent / lease payments under operating lease are recognised as an expense in the Consolidated Statement of profit and loss on a straight line basis over the lease term.

Operating lease

	(Rs in millions)	
	March 31, 2022	March 31, 2021
a) Future lease rental payments under non-cancellable operating lease are as follows:-		
i) Not later than one year	-	-
ii) Later than one year and not more than five year	-	-
iii) Later than five year	-	-
b) Lease payment recognised in the consolidated statement of profit and loss	0.24	0.29
c) General description of the leasing agreement		
i) Leased assets – accommodation for employees	-	-
ii) Future lease rentals are determined on agreed terms	-	-

b. Capital commitments

	March 31, 2022	March 31, 2021
Estimated value of contracts in capital account remaining to be executed	625.98	10,679.14

c. Contingent liabilities

Contingent liabilities not provided for

	March 31, 2022	March 31, 2021
Guarantees given by the Group to suppliers, government bodies and performance guarantee		
For Service Tax, ESIC, Custom Duty, Other Finance expenses and Stamp duty matters	-	-
Total	-	-

UTL, CGTL and KGTL have filed Writ petition with Hon'ble Rajasthan High Court with prayer to commence payment of Premium to National Highways Authority of India (NHAI) six months post actual completion of the project construction work. The Hon'ble High Court prima facie agreed with the contention of these companies and had provided interim relief from payment of premium. Vide judgement order dated 25th August, 2021, the Hon'ble High Court found merit in the contention of the companies and has directed the parties to resolve the dispute under Arbitration. The said matter is currently pending under Arbitration.

Note 29 : Trade payable

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no overdue amount to the Micro and Small enterprises as defined in the Micro, Small Medium Enterprises Development Act, 2006 as set out in the following disclosures:

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the consolidated financial statement as at March 31, 2022 based on the information received and available with the Group.

Particulars	March 31, 2022	March 31, 2021
Principal amount remaining unpaid to any supplier as at the period end	3.69	13.18
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	-	-

MSME ageing schedule as at

Particulars	March 31, 2022	March 31, 2021
MSME Undisputed Dues	-	-
Less than 1 year	3.69	13.18
1-2 Years	-	-
2-3 Years	-	-
More than 3 years	-	-
Total dues to micro and small enterprises as per MSMED Act, 2006	3.69	13.18

There are no disputed dues to micro and small enterprises as per MSMED Act, 2006. The amounts payable to MSME are not due for payments.

b) Ageing of creditors other than micro enterprises and small enterprises as at

Particulars	March 31, 2022	March 31, 2021
Undisputed Dues		
Less than 1 year	13,369.16	3,347.92
1-2 Years	3,808.21	1,639.89
2-3 Years	12.82	22.11
More than 3 years	23.32	0.56
Total dues to creditors other than micro enterprises and small enterprises as at	17,213.50	5,010.48

There are no disputed dues to creditors other than micro enterprises and small enterprises.

Note 30 : Intangible Asset under development ageing schedule

a) Intangible asset under development

(Rs in millions)

Particulars	March 31, 2022	March 31, 2021
Less than 1 year	1,055.74	1,289.86
1-2 Years	59.90	1,376.22
2-3 Years	175.24	1,699.63
More than 3 years	-	318.55
Total	1,290.89	4,684.26

b) Intangible asset under development

Particulars	March 31, 2022	March 31, 2021
To be completed in		
Less than 1 year	1,290.89	4,684.26
1-2 Years	-	-
2-3 Years	-	-
More than 3 years	-	-
Total	1,290.89	4,684.26

Note 31 : Fair values

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

	Carrying amount		Fair Value	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Financial assets				
<u>Financial assets measured at amortised cost</u>				
Loans	-	-	-	-
Other Financial assets	1,606.92	639.27	1,606.92	639.27
<u>Financial assets measured at fair value through statement of Profit & Loss</u>				
Investments (Quoted)	659.54	572.50	659.54	572.50
<u>Financial assets measured at amortised cost</u>				
Investments (Unquoted)	-	-	-	-
<u>Trade receivable</u>	51.55	100.24	51.55	100.24
<u>Cash and cash equivalents</u>	287.23	413.49	287.23	413.49
<u>Other Bank balances</u>	2,469.97	1,744.35	2,469.97	1,744.35
Financial liabilities				
<u>Financial liabilities measured at amortised cost</u>				
Trade payables	17,217.19	5,023.65	17,217.19	5,023.65
Borrowings	97,279.00	93,946.18	97,279.00	93,946.18
Other financial liabilities	38,191.92	44,919.67	38,191.92	44,919.67

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.

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.

Note 32 : 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 in 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.

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2022:

	As on Mar 31, 2022	Fair value measurement at end of the reporting year using (Rs in millions)		
		Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	659.54	659.54	-	-
Trade Receivable	51.55	-	-	51.55
Cash and cash equivalents	287.23	-	-	287.23
Bank balance other than above	2,469.97	-	-	2,469.97
Loans	-	-	-	-
Other Financial assets	1,606.92	-	-	1,606.92
Liabilities				
Borrowings	97,279.00	-	-	97,279.00
Trade Payable	17,217.19	-	-	17,217.19
Other financial liabilities	38,191.92	-	-	38,191.92

Quantitative disclosures fair value measurement hierarchy for financial instruments as at March 31, 2021:

	As on March 31, 2021	Fair value measurement at end of the reporting year using (Rs in millions)		
		Level 1	Level 2	Level 3
Assets				
Investments (Quoted)	572.50	572.50	-	-
Trade Receivable	100.24	-	-	100.24
Cash and cash equivalents	413.49	-	-	413.49
Bank balance other than above	1,744.35	-	-	1,744.35
Loans	-	-	-	-
Other Financial assets	639.27	-	-	639.27
Liabilities				
Borrowings	93,946.18	-	-	93,946.18
Trade Payable	5,023.65	-	-	5,023.65
Other financial liabilities	44,919.67	-	-	44,919.67

Note 33 : 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 have 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, deposits, FVTOCI investments and derivative financial instruments.

Credit risk on financial assets

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments

Credit risk from balances with banks, trade receivables, loans and advances and financial institutions is managed by the Group's management in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade receivables and Loans and Advances

Customer credit risk and Loans and advances is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major trade receivables and loan and advances. The Group has not identified any impairment loss as at March 31, 2022

The following table provides information about the ageing of gross carrying amount of trade receivables as at :

Gross Carrying Amount	(Rs in millions)	
	March 31, 2022	March 31, 2021
Undisputed Trade receivables -	-	-
Less than 6 months	-	78.58
6 months - 1 year	29.37	-
1-2 Years	0.51	21.66
2-3 Years	21.66	-
Total	51.55	100.24

Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only in highly marketable debt instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

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.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

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 on fixed rate borrowing. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Borrowings		Fixed Deposits	
	March 31, 2022		March 31, 2021	
Balance of Fixed Deposit and Borrowings				
- INR Millions	94,124.22	2,469.97	90,833.34	1,744.35
Increase in basis points				
- INR	50 bps	50 bps	50 bps	50 bps
Effect on profit before tax				
- INR Millions	(470.62)	12.35	(454.17)	8.72
Decrease in basis points				
- INR	50 bps	50 bps	50 bps	50 bps
Effect on profit before tax				
- INR Millions	470.62	(12.35)	454.17	(8.72)

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 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, 2022	Carrying amt	Total	On Demand	Less than 1 year	1 to 5 years	> 5 years
Long term Borrowings (Gross of unamortised transaction cost)#	98,243.70	98,243.70	4,085.74	633.43	14,152.24	79,372.29
Other financial liabilities	38,191.92	38,191.92	-	3,023.13	35,168.79	-
Trade payables	17,217.19	17,217.19	-	11,218.34	5,998.85	-
Total	1,53,652.81	1,53,652.81	219.09	14,874.90	38,387.32	78,216.92
As at March 31, 2021	Carrying amt	Total	On Demand	Less than 1 year	1 to 5 years	> 5 years
Borrowings	93,946.19	93,946.19	219.09	4,307.07	11,203.11	78,216.92
Other financial liabilities	44,919.67	44,919.67	-	20,198.87	24,720.80	-
Trade payables	5,023.65	5,023.64	-	2,560.23	2,463.41	-
Total	1,43,889.52	1,43,889.51	219.09	27,066.17	38,387.32	78,216.92

Note 34 : 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 Project SPV 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, 2022.

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.

	March 31, 2022	March 31, 2021
Borrowings	97,279.00	93,946.18
Less: cash and cash equivalents (Note 10)	(287.23)	(413.49)
Net debt	96,991.77	93,532.69
Equity (Note 14 and 15)	77,396.04	78,018.95
Total equity	77,396.04	78,018.95
Capital and net debt	1,74,387.81	1,71,551.64
Gearing ratio (%)	55.62%	54.52%

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 35

(a) During the year ended March 31, 2022, the Group has paid/accrued Rs. 1,779.36 millions (March 31, 2021, Rs. 875.53 millions) 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) During the year ended March 31, 2017, AE Tollway Limited (AETL) has entered into a Concession agreement (CA) with NHAI for a period of 24 years. As per the terms of the CA, AETL has agreed to pay a premium in the form of "Additional Concession Fee" equal to Rs. 810.00 millions for the first year and each subsequent year such premium shall be determined by increasing the amount of premium in the respective year by an additional 5% as compared to the immediately preceding year. Management based on the legal opinion obtained and their evaluations of the terms of the CA, believes that such premium payable is restricted to the toll collection during the year and is in the form of revenue sharing arrangement. Accordingly, the premium payable for the year is accounted for as revenue share. The said treatment has been followed in case of CGTL and UTL where premium payment has commenced during the current year.

Note 36: Grant from Government Authorities

As per Article 25 of the respective Concession Agreement with the National Highways Authority of India ('NHAI' or 'the Grantor'), the Concessionaires are entitled to receive Grant for meeting the part of the project cost subject to the conditions laid down in the concession agreement. The details are as under:

(Rs in millions)

Name of the Company	Eligible for Grant	Grant received in FY 2016-17	Grant received in FY 2017-18	Grant received in FY 2018-19	Grant yet to be received
SYTL	1,890.00	1,391.70	403.80	94.50	-
KTL	2,340.00	1,533.79	806.21	-	-
YATL	5,580.00	-	4,230.24	1,349.76	-
IRBWL	5,362.20	4,512.30	-	849.90	-
Total	15,172.20	7,437.79	5,440.25	2,294.16	-

Note 37 : Events after reporting period

No subsequent event has been observed which may require an adjustment to the balance sheet.

Note 38: Information on segment reporting pursuant to Ind AS 108 - Operating Segments

The Project SPV Group has identified business segment in accordance with Indian Accounting Standard 108 "Operating Segment" notified under section 133 of the Companies Act 2013, read together with relevant rules issued thereunder. The Group has identified Built, Operate and Transfer ('BOT') as its single reportable segment. Moreover the Group's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022
Note 39 : Related party disclosures
List of Related parties of the Fund

(i)	Parties to the InvIT	IRB Infrastructure Developers Limited (Sponsor and Project Manager) MMK Toll Road Private Limited (Investment Manager) IDBI Trusteeship Services Limited (Trustee of the IRB Infrastructure Trust)
(ii)	Associates, Promoters, Directors and Partners of the persons mentioned in clause (i) and (ii)	As per table below

List of associates, promoters, directors and partners of the persons mentioned in clause (i) and (ii)

Particulars	IRB Infrastructure Developers Limited (Sponsor and Project Manager)	MMK Toll Road Private Limited (Investment Manager)	IDBI Trusteeship Services Limited (Trustee of IRB Infrastructure Trust)
Promoters	Mr. Virendra D. Mhaikar Mrs. Deepali V. Mhaikar Mr. Virendra D. Mhaikar (HUF)	IRB Infrastructure Developers Limited (IRBIDL)	IDBI Bank Limited LIC Corporation Limited General Insurance Corporation
Directors	Mr. Virendra D. Mhaikar, Chairman and Managing Director Mrs. Deepali V. Mhaikar, Whole Time Director Mr. Mukeshlal Gupta, Joint Managing Director (upto 29 December 2021) Mr. Sudhir Rao Hoshing, Joint Managing Director (upto 29 December 2021) and Chief Executive Officer Mr. Jose Angel Tamariz Martel Goncer, Additional Non-Executive Director (wef 29 Deember 2021) Mr. Carlos Ricardo Ugarte Cruz Coke, Additional Non-Executive Director (wef 29 Deember 2021) Independent Directors Mr. Chandrashekar S. Kaptan Mr. Sunil H. Talati Mr. Sandeep J. Shah Ms. Priti Savla, Independent Director (wef February 10, 2022) Mrs. Heena Raja, Independent Director (upto February 10, 2022)	Mr. Virendra D. Mhaikar Mr. Boon Chin Hau Independent Directors Mr. K.G. Krishnamurty Ms. Ranjana Paranjape	Mr. J. Samuel Joseph Mr. Ravishankar G. Shinde Ms. Madhuri J. Kulkarni Mr. Swapan Kumar Bagchi Ms. Jayashree Ranade Ms. Padma Betai Ms. Sashikala Muralidharan (upto Jan 16, 2020)
Associates	A) Holding Company of Sponsor / Project Manager IRB Holding Private Limited (Formerly known as Mhaikar Ventures Private Limited) B) Subsidiary Companies of Sponsor / Project Manager Project SPVs 1. IRB Westcoast Tollway Limited (IRBWTL) (upto 26 February 2020) 2. Solapur Yedeshi Tollway Limited (SYTL) (upto 26 February 2020) 3. Yedeshi Aurangabad Tollway Limited (YATL) (upto 26 February 2020) 4. Kaithal Tollway Limited (KTL) (upto 26 February 2020) 5. AE Tollway Limited (AETL) (upto 26 February 2020) 6. Udaipur Tollway Limited (UTL) (upto 26 February 2020) 7. CG Tollway Limited (CGTL) (upto 26 February 2020) 8. Kishangarh Gulabpura Tollway Limited (KGTL) (upto 26 February 2020) 9. IRB Hapur Muradabad Tollway Limited (IRBHMTL) (upto 26 February 2020)		

Others

1. Ideal Road Builders Private Limited (IRBPL)
2. Mhaikar Infrastructure Private Limited (MIPL)
3. Modern Road Makers Private Limited (MRMPL)
4. Aryan Toll Road Private Limited (ATRPL)
5. ATR Infrastructure Private Limited (ATRFL)
6. IRB Infrastructure Private Limited (IRBFL)
7. Thane Ghodbunder Toll Road Private Limited (TGTRPL)
8. Aryan Infrastructure Investments Private Limited (AIPL)
9. IRB MP Expressway Private Limited (formerly known as NKT Road and Toll Private Limited)
10. MMK Toll Road Private Limited (MMK) (upto 26 February 2020)
11. IRB Kolhapur Integrated Road Development Company Private Limited (IRBK)
12. Aryan Hospitality Private Limited (AHPL)
13. IRB Sindhudurg Airport Private Limited (IRBSA)
14. IRB Goa Tollway Private Limited (IRB Goa)
15. IRB PS Highway Private Limited (formerly known as MRM Highways Private Limited) (IRBPS)
16. IRB Ahmedabad Vadodara Super Express Tollway Private Limited (IRBAV)
17. MRM Mining Private Limited (Formerly "J J Patel Infrastructural and Engineering Private Limited") (Subsidiary of MRMPL)
18. GE1 Expressway Private Limited (formerly known as IRB PP Project Private Limited)
19. VK1 Expressway Private Limited (VK1)
20. Modern Estate (Partnership Firm) (upto 23 November 2020)
21. Pathankot Mandi Highway Private Limited (w.e.f. 23 April 2021)
22. Chittoor Thachur Highway Private Limited (w.e.f. 13 October 2021)
23. VM7 Expressway Private Limited (w.e.f. 14 August 2020)
24. Palshit Dhankuni Tollway Private Limited (w.e.f. 15 April 2021)
25. Meerut Budaun Expressway Private Limited (w.e.f. 5 January 2022)

C) Other Associate Companies of Sponsor / Project Manager

1. VCR Toll Services Private Limited
2. VDM Ventures Private Limited
3. DEUX Farming Films Private Limited
4. IRB Charitable Foundation

Key Managerial personnel of Project SPV Group (Only with whom Project SPV Group had transactions during the year/ there was balance outstanding at the year end)

1. Mr. Rajendra Kumar Agarwal (upto March 30, 2018)
2. Mr. Darshan Sangurdekar
3. Mr. Omprakash Singh
4. Jitendra Sharma (upto February 28, 2022)
5. Mrs. Heena Raja (upto October 01, 2021)
6. Mr. C. S. Kaptan
7. Ms. Shilpa Todankar
8. Mrs. Ranjana Paranjape (w.e.f October 06, 2021)
9. Mr. Abhay Phatak (w.e.f. March 09, 2022)

I. Related Party Transactions

(Rs. in millions)

Sr. No.	Particulars	Sponsor and Project Manager		Fellow subsidiaries of Project SPV Group		Key Management Personnel of Project SPV Group	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Contract expenses	-	-	629.52	921.31	-	-
	Modern Road Makers Private Limited	-	-	629.52	921.31	-	-
2	Operation & Main. Expenses	1,906.45	1,826.29	-	-	-	-
	IRB Infrastructure Developers Limited	1,906.45	1,826.29	-	-	-	-
3	Finance Cost -Interest unwinding on Trade payable	-	-	655.79	-	-	-
	Modern Road Makers Private Limited	-	-	655.79	-	-	-
4	Share application money received	-	2,603.81	-	-	-	-
	IRB Infrastructure Developers Limited	-	2,603.81	-	-	-	-
	IRB Goa Tollway Private Limited	-	-	-	-	-	-
5	Allotment of Equity Share	-	2,603.81	-	-	-	-
	IRB Infrastructure Developers Limited	-	2,603.81	-	-	-	-
	IRB Goa Tollway Private Limited	-	-	-	-	-	-
6	Expenses incurred on our behalf	-	5.71	-	6.05	-	-
	IRB Infrastructure Developers Limited	-	5.71	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	6.05	-	-
7	Mobilisation advances recovered	743.02	1,672.70	-	-	-	-
	IRB Infrastructure Developers Limited	743.02	1,672.70	-	-	-	-
8	Material Aggregate Purchase	-	-	1,555.19	2,062.51	-	-
	Modern Road Makers Private Limited	-	-	1,555.19	2,062.51	-	-
9	Advance given including BG margin given	451.03	208.50	62.57	75.42	-	-
	IRB Infrastructure Developers Limited	451.03	208.50	-	-	-	-
	Modern Road Makers Private Limited	-	-	62.57	75.42	-	-
10	General advance recovered - EPC	394.25	183.71	62.48	75.42	-	-
	IRB Infrastructure Developers Limited	394.25	183.71	-	-	-	-
	Modern Road Makers Private Limited	-	-	62.48	75.42	-	-
11	Construction cost	8,484.71	13,535.60	-	2,194.10	-	-
	IRB Infrastructure Developers Limited	8,484.71	13,535.60	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	2,194.10	-	-
12	Amount held up	-	-	2.76	7.51	-	-
	Modern Road Makers Private Limited	-	-	2.76	7.51	-	-
13	Other payable	-	3.88	-	5.85	-	-
	IRB Infrastructure Developers Limited	-	3.88	-	-	-	-
	Modern Road Makers Private Limited	-	-	-	5.85	-	-
	IRB Goa Tollway Private Limited	-	-	-	-	-	-
	Mhaiskar Infrastrcture Private Limited	-	-	-	-	-	-

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022

I. Related Party Transactions

(Rs. in millions)

Sr. No.	Particulars	Sponsor and Project Manager		Fellow subsidiaries of Project SPV Group		Key Management Personnel of Project SPV Group	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
14	Other payable	-	-	48.71	48.71	-	-
	IRB Infrastructure Developers Limited	-	-	-	-	-	-
	Mhaiskar Infrastructure Private Limited	-	-	48.71	48.71	-	-
15	Fair value loss on measurement of other payable	2,161.31	-				
	IRB Infrastructure Developers Limited	2,161.31	-				
16	Expenses incurred on our behalf	1.77					
	IRB Infrastructure Developers Limited	1.77					
17	Unsecured Loan received	4,759.00	3,677.76				
	IRB Infrastructure Developers Limited	4,759.00	3,677.76				
18	Other payable repayment	-	5,105.50	-	1.17	-	-
	IRB Infrastructure Developers Limited	-	5,105.50	-	-	-	-
	Mhaiskar Infrastructure Private Limited	-	-		1.17	-	-
19	Unsecured Loan repaid	4,828.83	-				
	IRB Infrastructure Developers Limited	4,828.83	-				
20	Units Issued	1,946.33	-	-	-	-	-
	IRB Infrastructure Developers Limited	1,946.33	-	-	-	-	-
21	Trade payable	-	-	12.88	-	-	-
	MMK Toll Road Private Limited	-	-	12.88	-	-	-
22	Additional Intangible Asset	-	-	7,148.39	-	-	-
	Modern Road Makers Private Limited	-	-	7,148.39	-	-	-
23	Short - term borrowings taken (unsecured)	-	477.81	-	-	-	-
	IRB Infrastructure Developers Limited	-	477.81	-	-	-	-
24	Director sitting fees paid	-	-	-	-	1.65	1.23
	Mr. Darshan Sangurdekar	-	-	-	-	0.23	0.17
	Mr. Omprakash Singh	-	-	-	-	0.23	0.18
	Mr. Jitendra Sharma	-	-	-	-	0.41	0.37
	Mrs. Heena Raja	-	-	-	-	0.06	0.08
	Mr. C S Kaptan	-	-	-	-	0.39	0.24
	Ms. Shilpa Todankar	-	-	-	-	0.26	0.19
	Mrs. Ranjana Paranjape	-	-	-	-	0.05	-
	Mr. Abhay Pathak	-	-	-	-	0.02	-

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022
II. Related party balances

(Rs. in millions)

Sr. No.	Particulars	Sponsor and Project Manager		Fellow subsidiaries of Project SPV Group		Key Management Personnel of Project SPV	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
1	Short-term borrowings	477.81	-	-	-	-	-
	IRB Infrastructure Developers Limited	477.81	-	-	-	-	-
2	Trade payable	1,189.05	1,119.15	11,968.59	2,925.97	-	-
	IRB Infrastructure Developers Limited	1,189.05	1,119.15	-	-	-	-
	Modern Road Makers Private Limited	-	-	11,888.28	2,925.97	-	-
	MMK Toll Road Private Limited	-	-	80.31	-	-	-
3	Mobilisation advances	435.80	1,522.77	-	-	-	-
	IRB Infrastructure Developers Limited	435.80	1,522.77	-	-	-	-
4	Advance given	502.86	102.14	0.03	1.17	-	-
	IRB Infrastructure Developers Limited	502.86	102.14	-	-	-	-
	Modern Road Makers Private Limited	-	-	0.03	1.17	-	-
5	Retention payable	-	-	256.49	190.35	-	-
	Modern Road Makers Private Limited	-	-	256.49	190.35	-	-
6	Other payable including BG margin payable	31,711.77	29,550.45	3,648.68	3,599.97	-	-
	IRB Infrastructure Developers Limited	31,711.77	29,550.45	-	-	-	-
	Modern Road Makers Private Limited	-	-	1,800.83	1,800.83	-	-
	IRB Goa Tollway Private Limited	-	-	1,544.86	1,544.86	-	-
	Mhaiskar Infrastructure Private Limited	-	-	302.98	254.28	-	-
7	Other payable (Exp incurred on our behalf)	1.77	-	-	-	-	-
	IRB Infrastructure Developers Limited	1.77	-	-	-	-	-
8	Unsecured Loan / other payable	3,607.93	4155.57	-	-	-	-
	IRB Infrastructure Developers Limited	3,607.93	4155.57	-	-	-	-
9	Trade Receivable	-	-	0.51	0.51	-	-
	Modern Road Makers Private Limited	-	-	0.51	0.51	-	-
10	BG margin money receivable	-	0.54	-	-	-	-
	IRB Infrastructure Developers Limited	-	0.54	-	-	-	-
11	Expense payable	938.23	-	-	-	-	-
	IRB Infrastructure Developers Limited	938.23	-	-	-	-	-
12	Director sitting fees Payable	-	-	-	-	0.43	0.28
	Mr. Rajendra kumar Agarwal	-	-	-	-	0.01	-
	Mr. Darshan Sangurdekar	-	-	-	-	0.05	0.04
	Mr. Omprakash Singh	-	-	-	-	0.05	0.04
	Mr. Jitendra Sharma	-	-	-	-	0.09	0.09
	Mrs. Heena Raja	-	-	-	-	-	0.02
	Mr. C S Kaptan	-	-	-	-	0.11	0.08
	Miss Shilpa Todankar	-	-	-	-	0.09	0.01
	Mrs. Ranjana Paranjape	-	-	-	-	0.03	-

IRB Infrastructure Trust**Notes to Consolidated Financial Statements for the year ended March 31, 2022****Note 40 : Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA')****(A) Disclosures with regard to Toll Collection Rights (Intangible Assets)**

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or expected construction completion date, as applicable
1	IRB Westcoast Tollway Limited	March 3, 2014	March 2, 2042	28 years	June 30, 2022
2	Solapur Yedeshi Tollway Limited	January 21, 2015	January 20, 2044	29 years	October 15, 2019
3	Yedeshi Aurangabad Tollway Limited	July 1, 2015	June 30, 2041	26 years	September 24, 2020
4	Kaithal Tollway Limited	July 15, 2015	July 14, 2042	27 years	March 29, 2019
5	AE Tollway Limited	August 1, 2016	July 31, 2040	24 years	November 24, 2020
6	Udaipur Tollway Limited	September 3, 2017	September 2, 2038	21 years from Appointed Date	June 01, 2021
7	CG Tollway Limited	November 4, 2017	November 3, 2037	20 years from Appointed Date	August 14, 2021
8	Kishangarh Gulabpura Tollway Limited	February 21, 2018	February 20, 2038	20 years from Appointed Date	June 30, 2022
9	IRB Hapur Moradabad Tollway Limited	May 28, 2019	May 26, 2041	22 years from Appointed Date	June 30, 2022

Note:

The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the Respective Government Authorities:-

- Rights to use the Specified assets
- Obligations to provide or rights to expect provision of services
- Obligations to deliver or rights to receive at the end of the Concession.

Note 41: Earnings Per Unit (EPU)

EPU amounts are calculated by dividing the profit for the period attributable to unit holders by the weighted average number of Units outstanding during the year.

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

	(Rs in millions)	
	March 31, 2022	March 31, 2021
Profit attributable to unit holders for earnings	(4,435.98)	(3,252.48)
Weighted average number of Units for EPU	84,29,14,666	78,47,08,356
Face value per unit (in Rs)	100	100
Earning per unit (in Rs.)	(5.26)	(4.14)

Note 42 : COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. As per the directions of the Ministry of Road Transport & Highways (MoRTH)/ National Highway Authority of India (NHAI), in order to follow MHA guidelines about commercial and private establishment in the wake of COVID-19 epidemic in the country, operations at the toll plaza of the Group were closed down w.e.f. 26th March, 2020. The toll operations were resumed from 20th April, 2020 by ensuring compliance with preventive measures in terms of guidelines/ instructions issue by Govt. of India to contain spread of Covid -19. Due to this, traffic for the toll road has been impacted. Management believes this is temporary and expects traffic will be normalised looking at the recent toll collection. In accordance with the Concession Agreement and NHAI policy no. 8.3.33/2020 and 8.4.20/2020 dated 26th May, 2020, the Group is eligible for extension of concession period with NHAI towards loss of revenue due to COVID-19 pandemic and NHAI is also extending COVID-19 loan to the Concessionaire for shortfall in cashflow.

The management has assessed and determined that considering the nature of its operations and overall revenue model, COVID-19 does not have material impact on the Group's financial position as at March 31, 2022 and its financial performance for the year then ended.

Note 43 : Other Statutory information

- i) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- ii) The Group does not hold benami property and no proceedings under Benami transaction (Prohibition) Act 1988 have been initiated against the Group.
- iii) The Group do not have any transactions with companies struck off.
- iv) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- v) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi) The Group have not advance or loaned or invested (either from borrowed fund or share premium or any other source or kind of fund) by the company to or in any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The Group did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
- viii) The Group has not declared a wilful defaulter by any bank/ financial institution or any other lender during the year.

IRB Infrastructure Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2022

Note 44 : Subsequent events

IRB Infrastructure Trust ("the Trust") has successfully completed fund raising by way of Rights Issue of Units amounting to Rs. 242.50 Crores from existing unitholders. The IRB Infrastructure Developers Limited (IRBIDL) being the Sponsor and 51% unitholder of the Private InvIT, invested Rs. 123.68 Crores and GIC Affiliates holding 49% units have invested Rs. 118.82 Crores. Post the rights issue, IRBIDL will continue to hold 51% units and GIC affiliates will continue to hold 49% units in the Trust.

Further, IRBIDL being the Sponsor of the Trust, has executed necessary Agreement/ documents for implementation of Palsit Dankuni Tollway Private Limited (PDTPL) by the Trust and accordingly, the Project will be executed by the IRBIDL and the Trust.

Note 45 : 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 Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : U45200MH2002PTC135512

SD/-
Kaustubh Deshpande
Partner
Membership No. 121011

SD/-
Virendra D. Mhaikar
Chairman
DIN :00183554

SD/-
Dhananjay K. Joshi
Chief Executive officer

SD/-
Shilpa Todankar
Chief Financial Officer

SD/-
Kaustubh Shevade
Company Secretary
Membership No.:A27833

Place: Mumbai
Date: 06/05/2022

Place : Mumbai
Date: 06/05/2022



INDEPENDENT AUDITOR'S REPORT
To the Unit Holders of IRB Infrastructure Trust
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of IRB Infrastructure Trust ("the InvIT" or "the Trust") and its subsidiaries (the Trust and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31 March 2021, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Unit Holder's Equity for the year ended 31 March 2021, the consolidated Statement of Net Assets at fair value and the consolidated Statement of Total Returns at fair value as at 31 March 2021 and notes to the consolidated financial statements including 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 (together referred to as the "SEBI InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, its consolidated Loss including other comprehensive income, its consolidated cash flows, consolidated changes in Unit holders' equity for the year ended 31 March 2021, the consolidated net assets at fair value and the consolidated total returns at fair value as at 31 March 2021.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") issued by the Institute of Chartered Accountants of India. 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 the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the SEBI InvIT Regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters



Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current financial year. 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.

Particulars	How they were addressed in our audit
<u>Gain/Loss on fair value measurement of other payable / deferred consideration payable to IRB Group.</u> Pursuant to settlement of IRB Infrastructure Trust by IRB Infrastructure Developers Limited (Sponsor), as a Private INVIT, the Trust has entered into Debt Novation Agreements (DNA). As per the terms of DNA, in consideration of assets taken over in 9 SPVs, Trust has issued units and agreed to transfer to the Sponsor, the claim amounts when and to the extent the same are eventually received by Project SPVs, on account of Sponsor Claims. Such Sponsor Claims shall be lodged after obtaining COD by respective SPVs. The amount realizable against claims has been estimated by the valuers appointed by the Management based on the weighted average of probabilities of realization of such claims. Based on the fair value of liability as estimated by the valuers, a resultant impact in the value of liability has been recognized under the head 'Gain/Loss on fair value measurement of other payable'.	• We reviewed Placement Memorandum filed with SEBI and the consequential legal documentation entered into by the Trust, including inter alia the Debt Novation Agreements and their reflection in the underlying SPVs. • We have reviewed the methodology adopted by the valuer in deriving the value including the assumptions made. • We assessed the estimates of Fair Value provided in the Valuation Report and realizability of claims as indicated therein. • We also reviewed the reasonableness of the variables applied in the said computation. • Based on the above, the fair value of liability to Sponsor estimated by the valuer taking into consideration the weighted average of probabilities of realization has been validated.
<u>Impairment Testing</u> The Group has toll collection rights as intangible assets pursuant to the concession agreement. The carrying value of these rights acquired under BOT basis is being compared to the recoverable value (which is value in use in the instant case) thereof to ascertain if there is any impairment. The process involves estimating the value in use of the asset which is determined by forecasting and discounting future cash flows. The same is sensitive to changes in discount rate, traffic growth rates, toll growth rates etc. The determination of the	• We evaluated management's assessment on impairment for intangible assets under development and intangible assets – toll collection rights by testing the assumptions and methodologies used by the Management. • Referred to valuation reports and Traffic Growth Study Reports and determined reasonableness of future toll revenue. • Evaluated the potential changes in major



recoverable amount of the toll collection right involves significant judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these rights. Accordingly, the evaluation of impairment of toll collection rights has been determined a key audit matter.	components as compared to previous year vis-à-vis actual performance in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were appropriate to the circumstances. - Assessed the appropriateness of the weighted average cost of capital used in determining recoverable amount. - Performed sensitivity analysis of key assumptions used in valuation. - Tested the arithmetical accuracy of the model.
<u>Cost Overrun</u> We have been informed that, since April 2020, due to pandemic situation, construction of certain projects have been affected and delayed, which has resulted into additional costs to projects in relation to machinery idling, labor expenses, material prices, restoration of damaged works etc. Considering above, SPVs have been charged with such additional costs. We were further informed that SPVs intend to raise claim to NHAI in this regard and shall repay the costs as per the contract immediately upon receipt of claims. Based on nature of transactions, the same are considered to be Key Audit Matter.	- We perused the legal opinion obtained in an earlier matter in case of IRB WC over similar issue to understand the tenability of the claims to be filed with Authority. - We reviewed addendum to the Project Implementation Agreement. - We also referred to the invoices raised on the SPVs. - Tested the arithmetical accuracy of fair valuation of accounting entries and presentation in financial statements. - Obtained clarity from the management regarding repayment plans in future years.

Information Other than the consolidated Financial Statements and Auditor's Report thereon

The Board of Directors of the Investment Manager is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Report of Investment Manager including annexures to Investment Manager's Report and other information as required to be given by SEBI InvIT Regulations, but does not include the consolidated financial statements and our 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.

Responsibilities of the Board of Directors of Investment Manager for the Consolidated Financial Statements

The Board of Directors of 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 31 March 2021, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in unit holder's equity for the year ended 31 March 2021, the consolidated net assets at fair value and the consolidated total returns at fair value as at 31 March 2021 in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended and relevant rules issued thereunder read with the SEBI InvIT Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the SEBI InvIT Regulations for safeguarding of the assets of the Group 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; and design, implementation and maintenance of adequate internal financial controls for ensuring the accuracy and completeness of 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 and error.

In preparing the consolidated financial statements, the Board of Directors of Investment Manager and respective Board of Directors of the subsidiary 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 the Board of Directors of Investment Manager and respective Board of Directors of the subsidiary companies included in the Group either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Investment Manager and the respective Board of Directors of the subsidiary companies included in the Group are also responsible for overseeing the financial reporting process.

Auditor's Responsibility for the Audit of the consolidated Ind AS Financial Statements



Our objectives are to obtain reasonable assurance 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Investment Manager.
- Conclude on the appropriateness of use of the going concern basis of accounting by the Board of Directors of Investment Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.



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 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 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 of 4 subsidiaries, whose financial statements reflect total assets of Rs. 1,01,599.26 million and net assets of Rs. 38,206.58 million as at 31 March 2021, total revenues of Rs. 3,426.73 million, Loss after taxes of Rs. 4,157.14 million and net cash inflows amounting to Rs. 27.79 million for the year ended on 31 March 2021, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Investment Manager 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 is based solely on the reports of the other auditors.

Our opinion above, on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.



- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Trust so far as it appears from our examination of those books and the reports of the other auditors.
- c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Statement of Cash Flows, the consolidated Statement of Changes in Unit Holders' Equity, the consolidated Statement of Net Assets at fair value and the consolidated Statement of Total Returns at fair value are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended.

For
Gokhale & Sathe
Chartered Accountants
FRN: 103264W

SD/-
CA. Chinmaya Deval
Partner
Membership No. 148652
UDIN: 21148652AAAAHV8814
Date: 24 May 2021.
Place: Mumbai

IRB Infrastructure Trust
Consolidated Balance Sheet as at March 31, 2021

(Amount in Millions.)

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	10.60	13.18
Goodwill		604.54	604.54
Other Intangible assets	4	2,11,717.65	1,99,478.98
Intangible assets under development	4	4,684.26	13,853.63
Financial assets			
i) Loans	7	2.74	0.46
ii) Others	8	0.54	0.60
Other non-current assets	10	0.14	-
		2,17,020.47	2,13,951.39
Current Assets			
Financial assets			
i) Investments	5	572.50	-
ii) Trade receivables	6	100.24	352.12
iii) Cash and cash equivalents	11	413.49	189.70
iv) Bank balance other than (ii) above	12	1,744.35	1,576.40
v) Loans	7	6.89	4.63
vi) Others	8	629.10	395.63
Current tax assets (net)	13	147.11	207.90
Other current assets	14	2,166.40	3,399.05
		5,780.08	6,125.43
Total assets		2,22,800.55	2,20,076.82
EQUITY AND LIABILITIES			
Equity			
Unit Capital	15	81,688.00	76,582.50
Other equity	16	(3,669.05)	(312.75)
Total unit holder's equity		78,018.95	76,269.75
Non-current liabilities			
Financial liabilities			
i) Borrowings	17	89,161.31	77,374.13
ii) Other financial liabilities	19	24,720.81	35,070.78
iii) Trade payables	20	2,463.41	-
Provisions	21	357.84	64.96
Deferred tax liabilities (net)	9	424.33	395.71
		1,17,127.70	1,12,905.58
Current liabilities			
Financial liabilities			
i) Borrowings	17	4,155.57	0.00
ii) Trade payables	18		
a) total outstanding dues of micro enterprises and small enterprises		13.18	14.36
b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,547.07	2,731.74
ii) Other financial liabilities	19	20,828.17	27,992.85
Other current liabilities	22	109.78	162.54
Current tax liabilities (net)		0.14	-
		27,653.91	30,901.49
Total liabilities		1,44,781.60	1,43,807.07
Total equity and liabilities		2,22,800.55	2,20,076.82

As per our report of even date
For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)

SD/-
Chinmaya Deval
Partner
Membership No. 148652

SD/-
Virendra D. Mhaikar
Chairman
DIN : 00183554

SD/-
Dhananjay K. Joshi
Chief Executive officer

SD/-
Jitendra Sharma
Chief Financial Officer

SD/-
Kaustubh Shevade
Company secretary

Place: Mumbai
Date: 24.05.2021

Place: Mumbai
Date: 24.05.2021

IRB Infrastructure Trust
Consolidated statement of Profit & Loss for the year ended March 31, 2021

(Amount in Millions.)

Particulars	Note No.	For the year ended March 31, 2021	For the month ended March 31, 2020
Income			
Revenue from operations	23	10,361.51	2,547.14
Other income	24	112.71	19.72
Total income		10,474.22	2,566.86
Expenses			
Cost of material consumed			-
Road work and site expenses	25	3,983.41	2,048.44
Depreciation and amortisation expenses	26	1,255.69	123.48
Finance costs	27	8,228.17	659.36
Investment Manager Fees		46.25	26.92
Other expenses	28	138.32	26.75
Total expenses		13,651.84	2,884.95
Profit before tax		(3,177.62)	(318.09)
Tax expenses			
Current tax		46.20	(6.54)
Deferred tax		369.63	1.20
MAT Credit utilisation / (Entitlement)		(340.97)	-
Total tax expenses		74.86	(5.34)
Profit/(Loss) after tax		(3,252.48)	(312.75)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
(a) Re-measurement (loss)/gain on defined benefit plans (net of taxes)			-
Other comprehensive (loss) for the year, net of tax		-	-
Total comprehensive (loss) for the year		(3,252.48)	(312.75)
Profit/(Loss) after tax		(3,252.48)	(312.75)
Attributable to:			
Owners of the Project SPV Group		(3,252.48)	(312.75)
Non-controlling interests		-	-
Attributable to:			
Unit holders of the Project SPV Group		(3,252.48)	(312.75)
The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of Combined Financial Statements.			
Earnings per unit (of Rs 10 each)			
Basic		(4.14)	(4.14)
Diluted		(4.14)	(4.14)

Summary of significant accounting policies 3

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For Gokhale & Sathe

Chartered Accountants

ICAI registration number: 103264W

For and on behalf of the Board of Directors of

MMK Toll Road Private Limited

(As Investment Manager to IRB Infrastructure Trust)

SD/-

Chinmaya Deval

Partner

Membership No. 148652

SD/-

Virendra D. Mhaikar

Chairman

DIN : 00183554

SD/-

Dhananjay K. Joshi

Chief Executive officer

SD/-

Jitendra Sharma

Chief Financial Officer

SD/-

Kaustubh Shevade

Company secretary

Place: Mumbai

Date: 24.05.2021

Place: Mumbai

Date: 24.05.2021

IRB Infrastructure Trust
Statement of Changes in unit holders equity for the year ended March 31, 2021

(Rs . In Millions)

	As at March 31, 2021	As at March 31, 2020
a. Unit Capital:		
At the beginning of the year	76,582.50	-
Issued during the year	5,105.50	76,582.50
At the end of the year	81,688.00	76,582.50
B. Other equity		
i) Retained earnings		
At the beginning of the year	(312.75)	-
(loss) for the year	(3,252.48)	(312.75)
Unit issue expenses	(103.82)	
At the end of the year	(3,669.05)	(312.75)

As per our report of even date attached

For Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)

SD/-
Chinmaya Deval
Partner
Membership No. 148652

SD/-
Virendra D. Mhaikar
Chairman
DIN : 00183554

SD/-
Dhananjay K. Joshi
Chief Executive officer

SD/-
Jitendra Sharma
Chief Financial Officer

SD/-
Kaustubh Shevade
Company Secretary

Place: Mumbai
Date: 24.05.2021

Place: Mumbai
Date: 24.05.2021

IRB Infrastructure Trust
Consolidated Cash Flow Statement for the year ended March 31, 2021

(Amount in Millions.)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
Profit/(Loss) before tax	(3,177.62)	(318.09)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	1,255.69	123.48
Resurfacing expenses	292.88	64.96
Fair value gain on mutual funds	(1.43)	0.38
Net (gain) on sale of current Investment	(13.08)	(0.09)
Finance costs	8,228.17	659.36
Interest income	(82.04)	(9.42)
Gain/(loss) on fair value measurement of other payable	(2.86)	-
Other non operative income	(13.28)	(10.59)
Operating profit before working capital changes	6,486.41	509.99
Movement in working capital:		
Increase/ (decrease) in trade payables	2,277.55	(315.42)
Increase/ (decrease) in provisions	-	(66.10)
Increase/ (decrease) in other financial liabilities	(2,516.37)	605.03
(Decrease)/ increase in other liabilities	(52.75)	(1,027.58)
Decrease / (increase) in trade receivables	251.88	(351.79)
Decrease / (increase) in inventories	-	0.50
Increase in loans	(4.53)	(0.37)
(Increase) / decrease in other financial assets	(213.15)	78.73
(Increase) / decrease in other assets	1,232.51	171.19
Cash generated from operations	7,461.55	(395.82)
Taxes paid (net)	14.70	(67.99)
Net cash flows generated from operating activities	7,476.25	(463.81)
Cash flows from investing activities		
Purchase of property, plant and equipment including CWIP, intangible assets including intangible assets under development and capital advances	(18,933.90)	(1,204.89)
Repayment of bank loan	-	(30,000.00)
Payment to Sponsor	-	(7,525.40)
Proceeds from sale/ (purchase) of current investments (net)	(557.99)	217.44
Investments/ Redemption in bank deposits (having original maturity of more than three months) (net)	(167.95)	(33.38)
Interest received	75.08	(60.74)
Net cash flows (used in) investing activities	(19,584.76)	(38,606.97)
Cash flows from financing activities		
Proceeds from non-current borrowings	9,204.86	1,440.96
Repayment of non-current borrowings	(39.62)	-
Proceeds/ (Repayment) of current borrowings (net)	4,155.57	-
Issue of Unit capital #	5,105.50	37,525.40
Unit issue expenses	(103.82)	-
Finance cost paid	(5,990.16)	27.10
Net cash flows generated from financing activities	12,332.32	38,993.46
Net increase / (decrease) in cash and cash equivalents (A+B+C)	223.81	(77.32)
Cash and cash equivalents at the beginning of the year	189.69	-
Cash and cash equivalents at the end of the year	413.50	(77.32)
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Trust, retention and other escrow accounts	113.94	74.14
- Others	288.60	105.39
Cash on hand	10.96	10.17
	413.50	189.69
Less: On acquisition of assets	-	(267.02)
Total cash and cash equivalents	413.50	(77.32)

IRB Infrastructure Trust
Consolidated Cash Flow Statement for the year ended March 31, 2021

(Amount in Millions.)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Debt reconciliation statement in accordance with Ind AS 7		
Opening balances		
Long term borrowing	78,815.63	-
Short term borrowing	-	-
Movements		
Cash Flows		
Long term borrowing	9,165.24	1,440.96
Short term borrowing	4,155.57	-
Non-cash changes		
Long term borrowing	2,852.47	77,374.67
Short term borrowing	-	-
Closing balances		
Long term borrowing	90,833.34	78,815.63
Short term borrowing	4,155.57	-

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. The Consolidated cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".

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 Gokhale & Sathé
Chartered Accountants
ICAI registration number: 103264W

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : L65910MH1998PLC115967

SD/-
Chinmaya Deval
Partner
Membership No. 148652

SD/-
Virendra D. Mhaikar
Chairman
DIN : 00183554

SD/-
Dhananjay K. Joshi
Chief Executive officer

SD/-
Jitendra Sharma
Chief Financial Officer

SD/-
Kaustubh Shevade
Company secretary

Place: Mumbai
Date: 24.05.2021

Place: Mumbai
Date: 24.05.2021

A. Consolidated statement of net assets at fair value

Particulars	(Rs. in Millions)			
	As at March 31, 2021		As at March 31, 2020	
	Book value	Fair value	Book value	Fair value
A. Assets	2,22,800.55	2,45,589.10	2,20,076.81	2,15,070.07
B. Liabilities (at book value)	1,42,318.19	1,31,113.67	1,43,807.08	1,17,991.06
C. Net Assets (A-B)	80,482.36	1,14,475.43	76,269.73	97,079.01
D. Number of units (in millions)	816.88	816.88	765.83	765.83
E. NAV (C/D) (Amount in Rs.)	98.52	140.14	99.59	126.76

Project wise break up of fair value of total assets:

Name of the project	As at March 31, 2021
IRB Westcoast Tollway Limited (IRBWTL)	25,099.88
Solapur Yedeshi Tollway Limited (SYTL)	20,334.01
Yedeshi Aurangabad Tollway Limited (YATL)	37,779.33
Kaithal Tollway Limited (KTL)	31,593.43
AE Tollway Limited (AETL)	28,459.34
Udaipur Tollway Limited (UTL)	23,777.90
CG Tollway Limited (CGTL)	25,131.76
Kishangarh Gulabpura Tollway Limited (KGTL)	16,827.30
IRB Hapur Moradabad Tollway Limited (IRBHMTL)	36,478.11
Subtotal	2,45,481.07
Add : IRB Infrastructure Trust Current Assets	108.03
Total assets	2,45,589.10

B. Consolidated statement of total returns at fair value :

Particulars	(Rs. in Millions)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Comprehensive Income (As per the Statement of Profit and Loss)	(3252.48)	(312.75)
Add/Less: other changes in fair value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in total comprehensive income	33,993.07	20,809.28
Total Return	30,740.59	20,496.53

Notes :

Fair value of assets as at March 31, 2020 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 Gokhale & Sathe
Chartered Accountants
ICAI Firm Registration Number: 103264W

For and on behalf of MMK Toll Road Private Limited
(Investment Manager of IRB Infrastructure Trust)

SD/-

CA. Chinmaya Deval
Partner
Membership No.: 148652

SD/-
Virendra D.Mhaikar
Chairman
DIN : 00183554

SD/-
Dhananjay K. Joshi
Chief Executive officer

SD/-
Jitendra Sharma
Chief Finance officer

SD/-
Kaustubh Shevade
Company secretary

Place: Mumbai
Date: 24.05.2021

Place: Mumbai
Date: 24.05.2021

1 Corporate Information

The IRB Infrastructure Trust (the "Fund" / "Trust") is a trust settled pursuant to the indenture of trust dated August 27, 2019 which is registered under the Registration Act, 1908 and under the Securities Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time. 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"). Investment manager for the Fund is MMK Toll Road Private Limited (the "Investment Manager"). The Trust has received registration certificate from SEBI on November 25, 2019.

The Fund has been formed to invest in infrastructure assets primarily being in the road sector in India. The Fund's road projects are eligible infrastructure projects under the InvIT Regulations and held through special purpose vehicles ("Project SPVs" together as "Project SPV Group"). The Fund's portfolio comprise of nine road projects as listed below:-

Project SPV Name**	Residual Concession life*	shareholding	Nature of Investment	Status	Principal Activities	Country of incorporation
IRB Westcoast Tollway Limited (IRBWTL)	20 years 11 Months 1 days	100%	Subsidiary	Tolling and Construction	Construction and operation of road including toll collection.	India
Solapur Yedeshi Tollway Limited (SYTL)	22 years 9 Months 21 days	100%	Subsidiary	Operating		India
Yedeshi Aurangabad Tollway Limited (YATL)	20 years 2 Months 31 days	100%	Subsidiary	Operating		India
Kaithal Tollway Limited (KTL)	21 years 3 Months 14 days	100%	Subsidiary	Operating		India
AE Tollway Limited (AETL)	19 years 4 Months 2 days	100%	Subsidiary	Operating		India
Udaipur Tollway Limited (UTL)	17 years 5 Months 3 days	100%	Subsidiary	Tolling and Construction		India
CG Tollway Limited (CGTL)	16 years 7 Months 4 days	100%	Subsidiary			India
Kishangarh Gulabpura Tollway Limited (KGTL)	16 years 10 Months 21 days	100%	Subsidiary			India
IRB Hapur Moradabad Tollway Limited (IRBHMTL)	20 years 1 Months 25 days	100%	Subsidiary			India

* Represents residual concession life as at March 31, 2021 as per original concession period (without considering extension of concession period, if any).

** Of the above Project SPVs, IRBWTL, SYTL, YATL, AETL, CGTL, UTL and IRBHMTL have been converted to public companies on November 13, 2019 and KTL, KGTL and November 14, 2019 respectively.

2 Basis of preparation
Statement of compliance

The Consolidated Financial Statements of Project SPV Group comprises of Consolidated Balance Sheets as at March 31, 2021, Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity for year ended March 31, 2021, and Consolidated Statement of Net Assets at Fair Value as at March 31, 2021 and the Consolidated Statement of Total Return at Fair Value for the year ended March 31, 2021, a summary of significant accounting policies, notes and other explanatory Information.

The Consolidated Financial Statements of the Project SPV Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Act, read with other relevant provisions of the Act. The Consolidated Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value.

The Consolidated Financial Statements are presented in Rs. in millions, except when otherwise indicated.

Basis of preparation of Consolidated Financial Statements

The Consolidated Financial Statements comprise the financial statements of the Project SPV Group.

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

The financial statements of all Project SPVs used for the purpose of consolidation are drawn up to the same reporting date year ended on March 31.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of Project SPVs.
- Eliminate in full intra Project SPVs assets and liabilities, income, expenses and cash flows relating to transactions between Project SPVs of the Project SPV Group (profits or losses resulting from intra Project SPV Group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Project SPV Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

3 Summary of significant accounting policies
3.01 Current versus non-current classification

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

The Project SPV 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

The Project SPV Group classifies all other liabilities as non-current.

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

3.02 Use of estimates and judgements

The preparation of the Project SPV 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 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. The Project SPV 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.

Fair value measurement of financial instruments

Employee benefits

Measurement of employee defined benefit obligations; key actuarial assumptions

Provision for major maintenance

Impairment of non financial assets

3.03 Fair value measurement

The Project SPV Group measures financial instruments, (refer note 33) 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 Project SPV 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 Project SPV 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 Project SPV 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 Project SPV 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 Project SPV 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 presents the valuation results to the Audit Committee and the Project SPV Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Project SPV 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 33)

Financial instruments (including those carried at amortised cost) (note 5,6,7,8,11,12,17,18,19,33)

Quantative disclosure of fair value measurement hierarchy (note 33)

3.04 Revenue recognition

The Project SPV Group has applied the following accounting policy for revenue recognition:

Revenue from contracts with customers:

The Project SPV Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Project SPV Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Project SPV Group's performance as the Project SPV Group performs; or
2. The Project SPV Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Project SPV Group's performance does not create an asset with an alternative use to the Project SPV Group and the entity has an enforceable right to payment for performance completed to date.

Contract revenue

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

Project SPVs operations involve levying of GST on the construction work. Goods and Service tax is not received by the project SPVs 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.

Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Project SPV Group, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortised in line with the actual usage of the specific public utility facility, with a maximum of the duration of the concession.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost. In the financial assets model, the amount due from the grantor meet the identification of the receivable which is measured at fair value. Based on business model assessment, the Project SPV Group measures such financial assets at fair value and subsequently also classifies the same as fair value through profit and loss ("FVTPL"). Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Income from toll contracts

The income from Toll Contracts on BOT basis are recognised on actual collection of toll revenue (net of revenue share payable to NHAI) as per Concession Agreement. Revenue from electronic toll collection is recognised on accrual basis.

Interest income

For all financial assets 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 Project SPV 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 Project SPV Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.05 Government Grants

Grants and subsidies from the government are recognised if the following conditions are satisfied.

There is reasonable assurance that the Project SPV Group will comply with the conditions attached to it.

Such benefits are earned and reasonable certainty exists of the collection.

Government grants are recognised in accordance with the terms of the respective grant on accrual basis considering the status of compliance of prescribed conditions and ascertainment that the grant 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.

3.06 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 in accordance the Income Tax Act, 1961. 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 country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or 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 taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in the consolidated statement of profit and loss. Deferred tax is recognised in consolidated statement of profit and loss on the consolidated adjustments.

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 Project SPV 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.

3.07 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.

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 Project SPV Group based on technical evaluation. The Project SPV Group has estimated the following useful lives for its tangible fixed assets:

Asset class	Useful life	As per Companies Act 2013
Building	30 years	30 years
Plant & Machinery	9 years - 15 years	9 years - 15 years
Office equipment	5 years	5 years
Computers	3 years	3 years
Servers	6 years	6 years
Vehicles	8 years	8 years
Furniture & fixtures	10 years	10 years

3.08 Intangible assets

The Project SPV Group exercised first time adoption under Ind AS 101 and has elected to continue with the carrying value of its "Toll Collection Rights" (Intangible Assets) including corresponding obligation, as recognised in the financial statements as at the date of transition April 1, 2016 measured as per the Previous GAAP and uses that as its deemed cost as at date of transition.

Toll collection rights are stated at cost, less accumulated amortisation, impairment losses and grant from government. Cost includes:

- a) For acquired Toll Collection Rights - Upfront payments towards acquisition and incidental expenses related thereto.
- b) Toll Collection Rights awarded by the grantor against construction service rendered by the Project SPV Group on BOT / DBFOT basis - Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.
- c) Toll Collection Rights in lieu of premium - Undiscounted premium obligation over the concession period.

Amortisation

Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as prescribed in Ind As-36. 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.

Intangible assets under development

Expenditure related to and incurred during implementation of project are included under "Intangible Assets under Development". The same will be transferred to the respective intangible assets on completion of project.

3.09 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 between the foreign currency borrowing and the functional currency borrowing to the extent regarded as an adjustment to the borrowing costs.

3.10 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 fulfilment 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.

Project SPV Group as a lessee

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Project SPV 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.

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 Project SPV Group is classified as a finance lease.

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

Ind AS 116 - Leases

Ind AS 116, Leases replaces existing lease accounting guidance i.e. Ind AS 17, Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting largely unchanged from the existing standard – i.e. lessors continue to classify leases as finance or operating leases.

Based on the preliminary assessment, the Company does not expect any significant impacts on transition to Ind AS 116. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information when the standard will be adopted.

Project SPV Group as a lessor

Leases in which the Project SPV Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Project SPV Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Project SPV Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.11 Inventories

Inventories are valued as follows:

Construction materials, components, stores, spares and tools

Lower of cost and net realisable value. Cost is determined on weighted average basis and includes all applicable costs in bringing goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.12 Provisions

Provisions are recognised when the Project SPV 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 Project SPV 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3.13 Resurfacing expenses

As per the Concession Agreements, the Project SPV Group is obligated to carry out resurfacing of the roads under concession. The Project SPV 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 consolidated statement of profit and loss in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets."

3.14 Contingent Liability 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 Project SPV 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 Project SPV 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.

3.15 Retirement and other employee benefits

i. 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 for the period when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

ii. 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 Project SPV Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Project SPV 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

iii. Compensated absences

As per the leave encashment policy of the Project SPV 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.

3.16 Financial instruments

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, transaction costs that are attributable to the acquisition of the financial asset.

On initial recognition, a financial asset is classified as measured of

- amortised cost
- FVOCI - Debt instruments
- FVOCI - equity instruments
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the year, the Project SPV Group changes its business model for managing financial assets.

Debt instruments at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

Derecognition

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

- The rights to receive cash flows from the asset has expired, or
- The Project SPV 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 Project SPV Group has transferred substantially all the risks and rewards of the asset, or (b) the Project SPV Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Project SPV 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 Project SPV Group continues to recognise the transferred asset to the extent of the Project SPV Group's continuing involvement. In that case, the Project SPV 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 Project SPV 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 Project SPV Group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Project SPV Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 (referred to as contractual revenue receivables' in these financial statements)
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Project SPV Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables; and
- Other receivables

The application of simplified approach does not require the Project SPV Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Project SPV Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Project SPV Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument. -
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms
- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Project SPV Group does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of profit and 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 Project SPV Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through Statement of profit and 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 statement of profit and 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 Project SPV 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 consolidated statement of profit and loss.

Loans and borrowings

This is the category most relevant to the Project SPV 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 statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings. For more information refer note 17.

Derecognition

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated 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.

3.17 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises of 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, as they are considered an integral part of the Project SPV Group's cash management.

3.18 Cash dividend to unit holders of the Project SPV Group

The Project SPV Group recognises a liability to make cash or non-cash distributions to unit holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Project SPV Group. As per the corporate laws in India, a distribution is authorised when it is approved by the unitholders. A corresponding amount is recognised directly in equity.

3.19 Impairment of non-financial assets

The Project SPV 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 Project SPV 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 Project SPV Group's of 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Project SPV Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Project SPV Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Project SPV Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Project SPV Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Project SPV Group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.20 Segment information

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Management ("the Board of Directors") evaluates the Project SPV Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices.

Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies:

The Project SPV Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Project SPV Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

3.21 Earnings per Unit

Basic earnings per unit are calculated by dividing the net profit or loss for the period attributable to equity by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.
Note 4 : Property, Plant and Equipment and Intangible assets

(Amount in Millions.)

	Premises	Computer	Office Equipments	Furniture and Fixture	Total
At 31 March 2020	16.09	0.30	1.40	0.39	18.18
Additions on acquisition	-	-	-	-	-
Disposals/ Adjustments	-	-	-	-	-
At 31 March 2021	16.09	0.30	1.40	0.39	18.18
Depreciation					
At 31 March 2020	3.55	0.26	0.98	0.21	5.00
Additions	0.55	0.00	0.05	0.03	0.64
Disposals/ Adjustments	-	-	-	-	-
At 31 March 2021	5.79	0.28	1.18	0.34	7.59
Net Book value					
At 31 March 2021	10.30	0.02	0.22	0.05	10.60
At 31 March 2020	12.54	0.04	0.42	0.18	13.18

Net Book value	March 31, 2021	March 31, 2020
Property, Plant and Equipment	10.60	13.18

Note 4 : Intangible Assets and Intangible Assets under development

Intangible Assets	(Amount in Millions.)
Toll Collection Rights	
At 31 March 2020	2,02,852.66
Additions	13,491.76
Deletions	-
Adjustments	-
At 31 March 2021	2,16,344.42
Amortisation	
At 31 March 2020	3,373.68
Additions	1,253.09
Deletions	-
Adjustments	-
At 31 March 2021	4,626.78
Net Book value	
At 31 March 2021	2,11,717.65
At 31 March 2020	1,99,478.98

Intangible assets under development

Particulars	At 31 March 2021
Toll Collection Rights	
At the beginning of the period	13,853.63
Add : development during the year	1,274.74
	15,128.37
Less : Transfer to Intangible Asset (Toll Collection Rights)	10,444.11
Closing balance	4,684.26
Total	4,684.26

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.

(Amount in Millions.)

Particulars	March 31, 2021				March 31, 2020			
	Face Value Rs.	No of Shares / Units	Current	Non- current	Face Value Rs.	No of Shares / Units	Current	Non- current
Financial Assets								
Note 5 : Investment								
i) Investments in Mutual Funds (quoted)								
Fair Value Through Profit or Loss (FVTPL)								
IDBI Liquid Fund - Direct Plan - Growth	10		349.34	-	10		-	-
IDBI Ultra Short term Fund- Direct Growth	10		-	-	10		-	-
ABSL - Liquid Fund -Direct Plan - Growth	10		23.00					
SBI Overnight Fund - Direct Growth	10		157.16					
SBI Liquid Fund - Direct Growth	10		43.00					
			572.50	-			-	-
Total			572.50	-			-	-

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.

(Amount in Millions.)

Note 6 : Trade receivable

(Unsecured, considered good)

Others

Total

March 31, 2021		March 31, 2020	
Current	Non-current	Current	Non-current
100.24	-	352.12	-
100.24	-	352.12	-

Note 7 : Loans

(Unsecured, considered good)

Security and other deposits

Total

March 31, 2021		March 31, 2020	
Current	Non-current	Current	Non-current
6.89	2.74	4.63	0.46
6.89	2.74	4.63	0.46

Note 8 : Other financial assets

(Unsecured, considered good)

Interest accrued on fixed deposits

Interest receivable from banks

Retention money receivable

BG Margin receivable

Receivable from Government Authorities (NHAI)

Other receivable

Total

March 31, 2021		March 31, 2020	
Current	Non-current	Current	Non-current
47.57	-	27.32	-
117.00	-	-	-
446.62	-	363.97	-
-	0.54	-	0.54
1.44	-	1.35	0.06
16.47	-	2.99	-
629.10	0.54	395.63	0.60

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.

(Amount in Millions.)

Note 9 : Deferred tax assets/ liabilities (net)

Deferred tax liabilities :

Deferred tax liabilities:

Difference in Depreciation and other differences in block of Property, Plant and equipment and Intangible assets as per tax books & financial books	2,636.80	1,356.50
Total	2,636.80	1,356.50

Deferred tax assets:

Depreciation

MAT credit entitlement

Total

1,629.65	8.33
582.82	952.46
2,212.47	960.79

Deferred tax Assets / liabilities (net)

424.33	395.71

Note 10 : Other non - current assets

(Unsecured, considered good)

Capital advances

Total

0.14	-
0.14	-

Note 11 : Cash and cash equivalents

Cash and Bank balances

Balances with banks:

-on current accounts

-on trust, retention and other escrow accounts*

Cash on hand

Total

288.60	105.39
113.94	74.14
10.96	10.17
413.49	189.70

Note 12 : Bank balance other than cash and cash equivalent

March 31, 2021	March 31, 2020

Maturity more than 3 months less than 12 months

Other deposits

76.09	126.37

Maturity more than 12 months

Debt service reserve account with banks /earmarked balance

Other deposits

1,668.23	1,450.00
0.03	0.03

Total

1,744.35	1,576.40

Note 13 : Current tax assets (net)

Advance income-tax (net of provision for tax)

Total

147.11	207.90
147.11	207.90

Note 14 : Other current assets

(Unsecured, considered good unless otherwise stated)

Advance with suppliers

- Related parties

- Others

Mobilisation advances

Prepaid expenses

Duties and taxes receivable

Total

1,014.28	2,025.22
22.05	70.69
610.61	1,170.47
47.68	20.70
471.78	111.97
2,166.40	3,399.05

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.

Note : 15 : Unit capital

(Amount in Millions.)

	March 31, 2021	March 31, 2020
Unit capital		
a. Issued, subscribed and fully paid up Unit Capital		
81,68,80,000 units of Rs. 100 each (previous year 76,58,25,000 units)		
At the beginning of the year	76,582.50	-
Issued during the year	5,105.50	76,582.50
At the end of the year	81,688.00	76,582.50

Note : 16 : Other equity

	March 31, 2021	March 31, 2020
Retained earnings		
At the beginning of the year	(312.75)	-
Profit for the year	(3,252.48)	(312.75)
Unit Issue expenses	(103.82)	-
At the end of the year	(3,669.05)	(312.75)
Total	(3,669.05)	(312.75)

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.

(Amount in Millions.)

	March 31, 2021	March 31, 2020
Financial liabilities		
Note : 17 : Borrowings		
Non-current Borrowings		
Term loans		
Indian rupee loan from banks (secured)		
Project loans for SPVs	74,939.04	64,014.66
Less : current maturities expected to be settled within 12 month from balance sheet date	(467.24)	(250.05)
Total (a)	74,471.80	63,764.61
Indian rupee loan from financial institutions (secured)		
Project loans for SPVs	10,330.67	9,310.82
Less : current maturities expected to be settled within 12 month from balance sheet date	(99.91)	(55.26)
Total (b)	10,230.76	9,255.56
Non-convertible debentures (secured)	5,563.63	5,490.14
Less : current maturities expected to be settled within 12 month from balance sheet date	(62.15)	(21.47)
Total (c)	5,501.48	5,468.67
Less: Unamortised transaction cost (d)	(1,042.72)	(1,114.71)
Total non current borrowings (e = a + b + c + d)	89,161.31	77,374.13
Current Borrowings		
Short-term borrowings (secured)		
Current maturity of long term loans		
Indian rupee loan from banks (secured)	467.24	250.05
Indian rupee loan from financial institutions (secured)	99.91	55.26
Non convertible debentures (secured)	62.15	21.47
Unamortised transaction cost		
(Unsecured, repayable on demand and interest free)		
Loan from related parties	4,155.57	-
Total current borrowings (f)	4,784.87	326.78
less: Amount clubbed under "other current financial liabilities"	629.30	326.78
Net current borrowings	4,155.57	0.00
Total borrowings (e+f)	93,946.18	77,700.91
Note : 18 : Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	13.18	14.36
b) Total outstanding dues of creditors other than micro and small enterprises	-	
'- Related parties	1,655.04	2,546.50
'- Others	892.03	185.24
Total	2,560.24	2,746.10

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.

(Amount in Millions.)

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Note 19 : Other financial liabilities				
Current maturities of non-current borrowings				
Indian rupee loan from banks	467.24	-	250.05	-
Indian rupee loan from financial institutions	99.91	-	55.26	-
Non-convertible debentures	62.15	-	21.47	-
Interest accrued but not due on borrowings	-	-	686.46	-
Premium obligation/ Negative grant to NHAI	-	-	78.53	-
Obligation for construction	11,204.52	-	19,392.33	6,423.69
Directors sitting fees payable	0.25	-	0.66	-
Book overdraft	-	-	-	-
Deposit	1.07	-	1.18	-
Retention money payable	-	-	-	-
- Related parties	190.34	-	182.84	-
- Others	318.04	3.05	209.32	6.48
Revenue share payable to NHAI	51.97	-	-	-
Employee benefits payable	-	-	-	-
Other payable	-	-	-	-
- Related parties	8,432.67	24,717.75	7,114.74	28,640.61
- Others	-	-	0.01	-
Total	20,828.17	24,720.81	27,992.85	35,070.78

Note : 20 : Trade payables

a) Total outstanding dues of micro enterprises and small enterprises

small enterprises

'- Related parties

'- Others

	March 31, 2021	March 31, 2020
	2463.41	-
	2,463.41	-

Note 21 : Provisions

	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Major maintenance expenses		357.84	-	64.96
Total	-	357.84	-	64.96

Note 22 : Other current liabilities

Duties and taxes payable

Advance from customer- Others

Total

March 31, 2021	March 31, 2020
59.05	51.53
50.73	111.01
109.78	162.54

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.

(Amount in Millions.)

	For the year ended March 31, 2021	For the month ended March 31, 2020
Note 23 : Revenue from operations		
Contract revenue (road construction)	1,863.70	1,980.20
Income arising out of toll collection (net)	8,549.77	566.94
Revenue share to NHAI- Fastag	(51.97)	-
Total	10,361.51	2,547.14
Note 24 : Other income		
Interest income on		
- Bank deposits	74.46	9.42
- Others	7.59	-
Profit on sale of investments	13.08	0.09
Fair value gain on mutual funds	1.43	(0.38)
Other non operating income	13.28	10.59
Gain/(loss) on fair value measurement of other payable	2.86	-
Total	112.71	19.72
Note 25 : Road work and site expenses		
Contract expenses	1,807.12	1,968.98
Operation and maintenance expenses	2,113.67	77.25
Site and other direct expenses	41.03	0.50
Sub-contracting / Security expenses	5.31	0.33
Technical consultancy and supervision charges	16.28	1.38
Total	3,983.41	2,048.44
Note 26 : Depreciation and amortisation expenses		
Depreciation on property, plant and equipment	2.59	0.31
Amortisation on intangible assets	1,253.09	123.17
Total	1,255.69	123.48
Note 27 : Finance cost		
Interest expense		
- Banks and financial institutions	8,046.33	642.93
- Unwinding of interest on loan	48.70	4.14
Other borrowing costs	-	
- Amortisation of Transaction cost	78.43	5.61
- Unwinding of discount on provision of MMR	5.47	
- Others	49.24	6.68
Total	8,228.17	659.36

IRB Infrastructure Trust**Notes to Consolidated Financial statement for the year ended March 31, 2021.**

(Amount in Millions.)

	For the year ended March 31, 2021	For the month ended March 31, 2020
Note 28 : Other expenses		
Power and fuel	-	(0.37)
Rent	0.29	0.01
Rates and taxes	15.40	0.54
Travelling and conveyance	-	0.01
Director sitting fees	1.24	0.86
Legal and professional expenses	69.25	0.19
Payment to auditor (including service tax/ GST)	3.88	0.49
Corporate social responsibilities expenditure	31.40	19.00
Miscellaneous expenses	2.43	4.12
Bank charges	3.01	0.25
Repairs and maintenance		
- Plant and machinery	-	0.09
Insurance	11.43	1.56
Total	138.32	26.75

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.
Note 29 : Commitment and Contingencies
a. Leases

Rent / lease payments under operating lease are recognised as an expense in the Consolidated Statement of profit and loss on a straight line basis over the lease term.

Operating lease

	(Amount in millions)	
	March 31, 2021	March 31, 2020
a) Future lease rental payments under non-cancellable operating lease are as follows:-		
i) Not later than one year	-	-
ii) Later than one year and not more than five year	-	-
iii) Later than five year	-	-
b) Lease payment recognised in the consolidated statement of profit and loss	0.29	0.01
c) General description of the leasing agreement		
i) Leased assets – accommodation for employees	-	-
ii) Future lease rentals are determined on agreed terms	-	-

b. Capital commitments

	March 31, 2021	March 31, 2020
Estimated value of contracts in capital account remaining to be executed	10,679.14	2,493.29

c. Contingent liabilities

Contingent liabilities not provided for

	March 31, 2021	March 31, 2020
Guarantees given by the Group to suppliers, government bodies and performance guarantee	-	-
For Service Tax, ESIC, Custom Duty, Other Finance expenses and Stamp duty matters	-	-
Total	-	-

The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts.

Note 30 : Details of dues to micro and small enterprises as per MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no overdue amount to the Micro and Small enterprises as defined in the Micro, Small Medium Enterprises Development Act, 2006 as set out in the following disclosures:

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the consolidated financial statement as at March 31, 2020 based on the information received and available with the Group.

Particulars	March 31, 2021	March 31, 2020
Principal amount remaining unpaid to any supplier as at the period end	13.18	14.36
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	-	-

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.
Note 31 : Related party disclosures
List of Related parties of the Fund

(i)	Parties to the InvIT	IRB Infrastructure Developers Limited (Sponsor and Project Manager) MMK Toll Road Private Limited (Investment Manager) IDBI Trusteeship Services Limited (Trustee of the IRB Infrastructure Trust)
(ii)	Associates, Promoters, Directors and Partners of the persons mentioned in clause (i) and (ii)	As per table below

List of associates, promoters, directors and partners of the persons mentioned in clause (i) and (ii)

Particulars	IRB Infrastructure Developers Limited (Sponsor and Project Manager)	MMK Toll Road Private Limited (Investment Manager)	IDBI Trusteeship Services Limited (Trustee of IRB Infrastructure Trust)
Promoters	Mr. Virendra D. Mhaikar Mrs. Deepali V. Mhaikar Mr. Virendra D. Mhaikar (HUF)	IRB Infrastructure Developers Limited (IRBIDL)	IDBI Bank Limited LIC Corporation Limited General Insurance Corporation
Directors	Mr. Virendra D. Mhaikar Mrs. Deepali V. Mhaikar Mr. Mukeshlal Gupta Mr. Sudhir Rao Hoshing Independent Directors Mr. Chandrashekhar S. Kaptan Mr. Sunil H. Talati Mr. Sandeep J. Shah Mr. Sunil Tandon Mrs. Heena H. Raja	Mr. Naresh Taneja Mrs. Arati Taskar Independent Directors Mr. Darshan Sangurdekar Mr. Omprakash Singh	Mr. Ravishankar G. Shinde Ms. Madhuri J. Kulkarni Ms. Sashikala Muralidharan Mr. Swapan Kumar Bagchi
Associates	A) Holding Company of Sponsor / Project Manager Mhaikar Ventures Private Limited B) Subsidiary Companies of Sponsor / Project Manager Project SPVs 1. IRB Westcoast Tollway Private Limited (IRB Westcoast) 2. Solapur Yedeshi Tollway Private Limited (SYTPL) 3. Yedeshi Aurangabad Tollway Private Limited (YATPL) 4. Kaithal Tollway Private Limited (KTPL) 5. AE Tollway Private Limited (AETPL) 6. Udaipur Tollway Private Limited (UTPL) 7. CG Tollway Private Limited (CGTPL) 8. Kishangarh Gulabpura Tollway Private Limited (KGTPL) 9. IRB Hapur Muradabad Tollway Private Limited (IRBH) Others 1. Ideal Road Builders Private Limited (IRBPL) 2. Mhaikar Infrastructure Private Limited (MIPL) 3. Modern Road Makers Private Limited (MRMPL) 4. Aryan Toll Road Private Limited (ATRPL) 5. ATR Infrastructure Private Limited (ATRFL) 6. IRB Infrastructure Private Limited (IRBFL) 7. Thane Ghodbunder Toll Road Private Limited (TGTRPL) 8. Aryan Infrastructure Investments Private Limited (AIPL) 9. NKT Road and Toll Private Limited (NKT) 10. MMK Toll Road Private Limited (MMK) 11. IRB Kolhapur Integrated Road Development Company Private Limited (IRBK) 12. Aryan Hospitality Private Limited (AHPL) 13. IRB Sindhudurg Airport Private Limited (IRBSA) 14. IRB Goa Tollway Private Limited (IRB Goa) 15. IRB PS Highway Private Limited (formerly known as MRM Highways Private Limited) (IRBPS) 16. IRB Ahmedabad Vadodara Super Express Tollway Private Limited (IRBAV) 17. MRM Mining Private Limited (Formerly "J J Patel Infrastructural and Engineering Private Limited") (Subsidiary of MRMPL) 18. IRB PP Project Private Limited (formerly known as Zozila Tunnel Project Private Limited) (IRBPP) 19. VK1 Expressway Private Limited (VK1) 20. Modern Estate (Partnership Firm)		

	C) Other Associate Companies of Sponsor / Project Manager 1. Virendra D. Mhaiskar (HUF) 2. VCR Toll Services Private Limited 3. VDM Ventures Private Limited 4. DEUX Farming Films Private Limited 5. IRB Charitable Foundation Key Managerial personnel of Project SPV Group (Only with whom Project SPV Group had transactions during the year/ there was balance outstanding at the year end) 1. Mr. Mukeshlal Gupta 2. Mr. Ajay P. Deshmukh 3. Mr. Rajpaul S. Sharma 4. Mr. Dhananjay K. Joshi 5. Mr. Anil D. Yadav 6. Mrs. Kshama Vengsarkar 7. Mr. Rajendra Kumar Agarwal (upto March 30, 2018) 8. Mrs. Arati Taskar 9. Mr. Sudhir Rao Hoshing 10. Mr. Naresh Taneja 11. Mr. Darshan Sangurdekar 12. Mr. Omprakash Singh 13. Jitendra Sharma 14 Mrs. Heena Raja 15 Miss Shilpa Todankar

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.

I. Related Party Transactions

(Amount in millions)

I. Related Party Transactions								(Amount in millions)
Sr. No.	Particulars	Sponsor and Project Manager	Fellow subsidiaries of Project SPV Group	Key Management Personnel of Project SPV Group	Sponsor and Project Manager	Fellow subsidiaries of Project SPV Group	Key Management Personnel of Project SPV Group	
		March 31, 2021			March 31, 2020			
1	Contract Expenses	-	921.31	-	1,695.27	1,452.39	-	
	IRB Infrastructure Developers Limited	-	-	-	1,695.27	-	-	
	Modern Road Makers Private Limited	-	921.31	-	-	1,452.39	-	
2	Material Aggregate Purchase	-	2,062.51	-	-	-	-	
	Modern Road Makers Private Limited	-	2,062.51	-	-	-	-	
3	Operation & Main. Expenses	1,826.29	-	-	119.47	-	-	
	IRB Infrastructure Developers Limited	1,826.29	-	-	119.47	-	-	
4	Finance Cost -Interest unwinding on loan	-	-	-	44.70	-	-	
	Mhaiskar Infrastructure Private Limited	-	-	-	44.70	-	-	
5	Share application money received	2,603.81	-	-	1,182.32	-	-	
	IRB Infrastructure Developers Limited	2,603.81	-	-	1,182.32	-	-	
6	Allotment of Equity Share	2,603.81	-	-	1,648.82	-	-	
	IRB Infrastructure Developers Limited	2,603.81	-	-	1,648.82	-	-	
7	Amount Held up	-	7.51	-	-	-	-	
	Modern Road Makers Private Limited	-	7.51	-	-	-	-	
8	Expenses incurred on behalf of us	5.71	6.05	-	-	-	-	
	IRB Infrastructure Developers Limited	5.71	-	-	-	-	-	
	Modern Road Makers Private Limited	-	6.05	-	-	-	-	
9	Sub-ordinate debts (Unsecured & interest free)	-	-	-	2,924.28	-	-	
	IRB Infrastructure Developers Limited	-	-	-	2,924.28	-	-	
10	Short-term borrowings taken (unsecured)	477.81	-	-	13,418.70	-	-	
	IRB Infrastructure Developers Limited	477.81	-	-	13,418.70	-	-	
11	Short-term borrowings repayment	-	-	-	562.49	-	-	
	IRB Infrastructure Developers Limited	-	-	-	562.49	-	-	
12	Mobilisation advances recovered	1,672.70	-	-	2,348.12	-	-	
	IRB Infrastructure Developers Limited	1,672.70	-	-	2,348.12	-	-	
13	Additional advances recovered	-	-	-	55.21	-	-	
	IRB Infrastructure Developers Limited	-	-	-	55.21	-	-	
14	Advance given including BG margin given	208.50	75.42	-	41.37	-	-	
	IRB Infrastructure Developers Limited	208.50	-	-	41.37	-	-	
	Modern Road Makers Private Limited		75.42					
15	General advance recovered - EPC	183.71	75.42	-	900.56	-	-	
	IRB Infrastructure Developers Limited	183.71	-	-	900.56	-	-	
	Modern Road Makers Private Limited	-	75.42	-	-	-	-	
16	Construction Cost	13,535.60	2,194.10	-	24,920.09	2,080.00	-	
	IRB Infrastructure Developers Limited	13,535.60	-	-	24,920.09	-	-	
	Modern Road Makers Private Limited	-	2,194.10	-	-	2,080.00	-	

IRB Infrastructure Trust
Notes to Consolidated Financial statement for the year ended March 31, 2021.

I. Related Party Transactions

(Amount in millions)

I. Related Party Transactions							(Amount in millions)
Sr. No.	Particulars	Sponsor and Project Manager	Fellow subsidiaries of Project SPV Group	Key Management Personnel of Project SPV Group	Sponsor and Project Manager	Fellow subsidiaries of Project SPV Group	Key Management Personnel of Project SPV Group
		March 31, 2021			March 31, 2020		
17	BG Margin Receivable	-	-	-	36.21	-	-
	IRB Infrastructure Developers Limited	-	-	-	36.21	-	-
18	Other Payable	2,444.14	-	-	-	-	-
	IRB Infrastructure Developers Limited	2,444.14	-	-	-	-	-
	Mhaiskar Infrastructure Private Limited	-	-	-	-	-	-
19	Unsecured Loan payable	3,677.76	48.71	-	-	-	-
	IRB Infrastructure Developers Limited	3,677.76	-	-	-	-	-
	Mhaiskar Infrastructure Private Limited	-	48.71	-	-	-	-
20	Unsecured Loan / other payable repaid	5,105.50	1.17	-	-	-	-
	IRB Infrastructure Developers Limited	5,105.50	-	-	-	-	-
	Mhaiskar Infrastructure Private Limited	-	1.17	-	-	-	-
21	Other Payable	9.73	-	-	35,573.69	-	-
	IRB Infrastructure Developers Limited	3.88	-	-	32,037.96	-	-
	Modern Road Makers Private Limited	5.85	-	-	1,785.30	-	-
	IRB Goa Tollway Private Limited	-	-	-	1,544.86	-	-
	Mhaiskar Infrastrcture Private Limited	-	-	-	205.57	-	-
22	Director sitting fees paid	-	-	1.23	-	-	1.83
	Mr. Mukeshlal Gupta	-	-	-	-	-	0.16
	Mr. Dhananjay K. Joshi	-	-	-	-	-	0.11
	Mr. Ajay P. Deshmukh	-	-	-	-	-	0.22
	Mr. Naresh Taneja	-	-	-	-	-	0.11
	Mrs. Arati Taskar	-	-	-	-	-	0.16
	D.S. Sangurdekar	-	-	0.17	-	-	0.19
	O. P. Singh	-	-	0.18	-	-	0.20
	Sudhir Hoshing	-	-	-	-	-	0.23
	Jitendra Sharma	-	-	0.37	-	-	0.05
	Mr Anil Yadav	-	-	-	-	-	0.12
	Kshama Vengsarkar	-	-	-	-	-	0.17
	Heena Raja	-	-	0.08	-	-	-
	C S Kaptan	-	-	0.24	-	-	-
	Mr.R.S. Sharma	-	-	-	-	-	0.11
	Shilpa Todankar	-	-	0.19	-	-	-

II. Related party balances

(Amount in millions)

Sr. No.	Particulars	Sponsor and Project Manager	Fellow subsidiaries of Project SPV Group	Key Management Personnel of Project SPV Group	Sponsor and Project Manager	Fellow subsidiaries of Project SPV Group	Key Management Personnel of Project SPV Group
		March 31, 2021			March 31, 2020		
1	Trade payable	1,119.15	468.44	-	2,214.88	331.62	-
	IRB Infrastructure Developers Limited	1,119.15	-	-	2,214.88	-	-
	Modern Road Makers Private Limited	-	468.44	-	-	331.62	-
2	Trade payable (non-current)	-	2,463.41	-	-	-	-
	Modern Road Makers Private Limited	-	2,463.41	-	-	-	-
3	Mobilisation Advances	1,522.77	-	-	1,170.47	-	-
	IRB Infrastructure Developers Limited	1,522.77	-	-	1,170.47	-	-
4	Advance given	102.14	-	-	2,025.00	1.39	-
	IRB Infrastructure Developers Limited	102.14	-	-	2,025.00	-	-
	Modern Road Makers Private Limited	-	-	-	-	1.39	-
5	Retention Payable	-	190.35	-	-	182.85	-
	Modern Road Makers Private Limited	-	190.35	-	-	182.85	-
6	Other payable including BG margin payable	29,550.45	3,599.97	-	32,208.96	3,546.38	-
	IRB Infrastructure Developers Limited	29,550.45	-	-	32,208.96	-	-
	Modern Road Makers Private Limited	-	1,800.83	-	-	1,795.95	-
	IRB Goa Tollway Private Limited	-	1,544.86	-	-	1,544.86	-
	Mhaiskar Infrastructure Private Limited	-	254.28	-	-	205.57	-
7	BG Margin Money Receivable	0.54	-	-	0.54	-	-
	IRB Infrastructure Developers Limited	0.54	-	-	0.54	-	-
8	Unsecured Loan / other payable	4,155.57	-	-	-	-	-
	IRB Infrastructure Developers Limited	4,155.57	-	-	-	-	-
9	Trade Receivable	-	0.51	-	-	-	-
	Modern Road Makers Private Limited	-	0.51	-	-	-	-
10	Director sitting fees Payable	-	-	0.28	-	-	0.65
	Mr. Mukeshlal Gupta	-	-	-	-	-	0.06
	Mr. Dhananjay K. Joshi	-	-	-	-	-	0.04
	Mr. Ajay P. Deshmukh	-	-	-	-	-	0.08
	Mr. Rajendra kumar Agarwal	-	-	-	-	-	0.01
	Mrs. Arati Taskar	-	-	-	-	-	0.06
	D.S. Sangurdekar	-	-	0.04	-	-	0.08
	O.P. singh	-	-	0.04	-	-	0.06
	Sudhir Hoshing	-	-	-	-	-	0.08
	Jitendra Sharma	-	-	0.09	-	-	0.02
	R.S. Sharma	-	-	-	-	-	0.04
	Kshama Vengsarkar	-	-	-	-	-	0.06
	Heena Raja	-	-	0.02	-	-	-
	Shilpa Todankar	-	-	0.01	-	-	-
	C S Kaptan	-	-	0.08	-	-	-
	Naresh Taneja	-	-	-	-	-	0.02
	Anil Yadav	-	-	-	-	-	0.04

IRB Infrastructure Trust

Notes to Consolidated Financial statement for the year ended March 31, 2021.

Note 32 : Disclosure pursuant to Appendix - A to Ind AS 11 - " Service Concession Arrangements" ('SCA')

(A) Disclosures with regard to Toll Collection Rights (Intangible Assets)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable
1	IRB Westcoast Tollway Limited	March 3, 2014	March 2, 2042	28 years	December 1, 2020
2	Solapur Yedeshi Tollway Limited	January 21, 2015	January 20, 2043	29 years	July 1, 2019
3	Yedeshi Aurangabad Tollway Limited	July 1, 2015	June 30, 2041	26 years	August 31, 2020
4	Kaithal Tollway Limited	July 15, 2015	July 14, 2042	27 years	July 9, 2018
5	AE Tollway Limited	August 1, 2016	July 31, 2040	24 years	August 31, 2020
6	Udaipur Tollway Limited	September 3, 2017	September 2, 2038	21 years from Appointed Date	August 31, 2020
7	CG Tollway Limited	November 4, 2017	November 3, 2037	20 years from Appointed Date	July 1, 2020
8	Kishangarh Gulabpura Tollway Limited	February 21, 2018	February 20, 2038	20 years from Appointed Date	October 31, 2020
9	IRB Hapur Moradabad Tollway Limited	May 28, 2019	May 26, 2041	22 years from Appointed Date	November 30, 2021

Note:

The above BOT/ DBFOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the Respective Government Authorities:-

- Rights to use the Specified assets
- Obligations to provide or rights to expect provision of services
- Obligations to deliver or rights to receive at the end of the Concession.

IRB Infrastructure Trust**Notes to Consolidated Financial statement for the year ended March 31, 2021.****Note 33 : Fair Values**

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

	Carrying amount	Fair Value	Carrying amount	Fair Value
	March 31, 2021		March 31, 2020	
Financial assets				
<u>Financial assets measured at amortised cost</u>				
Loans	9.63	4.30	5.09	5.09
Other Financial assets	629.64	629.64	396.23	396.23
<u>Financial assets measured at amortised</u>				
Trade receivable	100.24	100.24	352.12	352.12
Cash and cash equivalents	413.49	413.49	189.70	189.70
Other Bank balances	1,744.35	1,744.35	1,576.40	1,576.40
Financial liabilities				
<u>Financial liabilities measured at amortised cost</u>				
Trade payables	2,560.24	2,560.24	2,746.10	2,746.10
Borrowings	93,946.18	93,946.18	77,700.92	77,700.92
Other financial liabilities	44,919.68	44,919.68	62,736.84	62,736.84
Financial liabilities				
<u>Financial liabilities measured at FVTPL</u>				
Trade payables	2,463.41	2,463.41	-	-

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.

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.

Note 34 : 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 have 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, deposits, FVTOCI investments and derivative financial instruments.

IRB Infrastructure Trust**Notes to Consolidated Financial statement for the year ended March 31, 2021.****Credit Risk on financial assets**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments

Credit risk from balances with banks, trade receivables, loans and advances and financial institutions is managed by the Group's management in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Company's board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Trade receivables and Loans and Advances

Customer credit risk and Loans and advances is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on an individual basis for major trade receivables and loan and advances. The Group has not identified any impairment loss as at , March 31, 2021.

Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only in highly marketable debt instruments with appropriate maturities to optimise the cash return on instruments while ensuring sufficient liquidity to meet its liabilities.

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.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings.

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 on fixed rate borrowing. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Borrowings	Fixed Deposits	Borrowings	Fixed Deposits
	March 31, 2021		March 31, 2020	
Balance of Fixed Deposit and Borrowings				
- INR Millions	90,833.34	1,744.35	78,815.63	1,576.39
- USD Millions	-	-	-	-
Increase in basis points				
- INR	50 bps	50 bps	50 bps	50 bps
- USD	50 bps	50 bps	50 bps	50 bps
Effect on profit before tax				
- INR Millions	(454.17)	(8.72)	(394.08)	(7.88)
- USD Millions	-	-	-	-
Decrease in basis points				
- INR	50 bps	50 bps	50 bps	50 bps
- USD	50 bps	50 bps	50 bps	50 bps
Effect on profit before tax				
- INR Millions	454.17	8.72	394.08	7.88
- USD Millions	-	-	-	-

IRB Infrastructure Trust

Notes to Consolidated Financial statement for the year ended March 31, 2021.

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, 2021	Carrying amt	Total	On Demand	Less than 1 year	1 to 5 years	> 5 years
Borrowings	93,946.18	93,946.19	219.09	4,307.07	11,203.11	78,216.92
Other financial liabilities	44,919.68	44,919.67	-	20,198.87	24,720.80	-
Trade payables	5,023.65	5,023.65	-	2,560.23	2,463.41	-
Total	1,43,889.51	1,43,889.51	219.09	27,066.16	38,387.32	78,216.92
As at March 31, 2020	Carrying amt	Total	On Demand	Less than 1 year	1 to 5 years	> 5 years
Borrowings	77,700.92	77,700.92	-	326.79	19,109.50	58,264.63
Other financial liabilities	62,736.84	62,736.83	-	27,666.05	34,950.62	120.16
Trade payables	2,746.10	2,746.10	-	2,746.10	-	-
Total	1,43,183.86	1,43,183.85	-	30,738.94	54,060.12	58,384.79

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.

Borrowings are considered post transaction cost.

Note 35 : COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. As per the directions of the Ministry of Road Transport & Highways (MoRTH)/ National Highway Authority of India (NHAI), in order to follow MHA guidelines about commercial and private establishment in the wake of COVID-19 epidemic in the country, operations at the toll plaza of the Group were closed down w.e.f. 26th March, 2020. The toll operations were resumed from 20th April, 2020 by ensuring compliance with preventive measures in terms of guidelines/ instructions issue by Govt. of India to contain spread of Covid -19. Due to this, traffic for the toll road has been impacted. Management believes this is temporary and expects traffic will be normalised looking at the recent toll collection. In accordance with the Concession Agreement and NHAI policy no. 8.3.33/2020 and 8.4.20/2020 dated 26th May, 2020, the Group is eligible for extension of concession period with NHAI towards loss of revenue due to COVID-19 pandemic and NHAI is also extending COVID-19 loan to the Concessionaire for shortfall in cashflow.

The management has assessed and determined that considering the nature of its operations and overall revenue model, COVID-19 does not have material impact on the Group's financial position as at March 31, 2021 and its financial performance for the year then ended.

Note 36 : Royalty Claim

The Group has received claim amount raised on National Highways Authority of India (NHAI) under Change in law on account of increase in royalty rates to the tune of Rs. 1139.28 millions during the year ended March 31, 2020. NHAI has released the claim amount subject to final decision of Nine judges bench of Hon'ble Supreme Court of India due to which it was not taken to income earlier. Further, Group has obtained a legal opinion and has recognised the said claim amount in the Statement of profit and loss in the month of March, 2020.

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 Project SPV 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, 2021.

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.

	March 31, 2021	March 31, 2020
Borrowings	93,946.18	77,700.92
Trade payables	5,023.65	2,746.10
Other financial liabilities	44,919.68	62,736.84
Less: cash and cash equivalents	(413.49)	(189.70)
Net debt	1,43,476.02	1,42,994.16
Equity	78,018.95	76,269.75
Total equity	78,018.95	76,269.75
Capital and net debt	2,21,494.97	2,19,263.91
Gearing ratio (%)	64.78%	65.22%

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.

IRB Infrastructure Trust**Notes to Consolidated Financial statement for the year ended March 31, 2021.****Note 38**

(a) During the year ended March 31, 2021, the Group has paid/accrued Rs. 875.53 millions 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) During the year ended March 31, 2017, AE Tollway Limited (AETL) has entered into a Concession agreement (CA) with NHAI for a period of 24 years. As per the terms of the CA, AETPL has agreed to pay a premium in the form of "Additional Concession Fee" equal to Rs. 810.00 millions for the first year and each subsequent year such premium shall be determined by increasing the amount of premium in the respective year by an additional 5% as compared to the immediately preceding year. Management based on the legal opinion obtained and their evaluations of the terms of the CA, believes that such premium payable is restricted to the toll collection during the year and is in the form of revenue sharing arrangement. Accordingly, the premium payable for the year is accounted for as revenue share.

Note 39: Grant from Government Authorities

As per Article 25 of the respective Concession Agreement with the National Highways Authority of India ('NHAI' or 'the Grantor'), the Concessionaires are entitled to receive Grant for meeting the part of the project cost subject to the conditions laid down in the concession agreement. The details are as under:

(Rs in millions)

Name of the Company	Eligible for Grant	Grant received in FY 2016-17	Grant received in FY 2017-18	Grant received in FY 2018-19	Grant yet to be received
SYTL	1,890.00	1,391.70	403.80	94.50	-
KTL	2,340.00	1,533.79	806.21	-	-
YATL	5,580.00	-	4,230.24	1,349.76	-
IRBWT	5,362.20	4,512.30	-	849.90	-
Total	15,172.20	7,437.79	5,440.25	2,294.16	-

Note 40: Information on segment reporting pursuant to Ind AS 108 - Operating Segments

The Project SPV Group has identified business segment in accordance with Indian Accounting Standard 108 "Operating Segment" notified under section 133 of the Companies Act 2013, read together with relevant rules issued thereunder. The Group has identified Built, Operate and Transfer ('BOT') as its single reportable segment. Moreover the Group's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

Note 41: Earnings Per Unit (EPU)

EPU amounts are calculated by dividing the profit for the period attributable to unit holders by the weighted average number of Units outstanding during the year/period.

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

	March 31, 2021	March 31, 2020
Profit attributable to unit holders for earnings	(3,252.48)	(312.75)
Weighted average number of Units for EPU	78,47,08,356	7,55,33,425
Face value per unit (in Rs)	100	100
Earning per unit (in Rs.)	(4.14)	(4.14)

Information on segment reporting pursuant to Ind AS 108 - Operating Segments

Note 42: Information on segment reporting pursuant to Ind AS 108 - Operating Segments

The Project SPV Group has identified business segment in accordance with Indian Accounting Standard 108 "Operating Segment" notified under section 133 of the Companies Act 2013, read together with relevant rules issued thereunder. The Group has identified Built, Operate and Transfer ('BOT') as its single reportable segment. Moreover the Group's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

Note 43: Earnings Per Unit (EPU)

The number of units that IRB Infrastructure Trust will issue to investors in the proposed private placement and to IRB Infrastructure Developers Limited (referred to as 'the Sponsors') in exchange of the shareholdings in the Project SPV Group and against the loan from Sponsors is not presently ascertainable. Hence the disclosures in respect of Earnings per Unit have not been given.

Note 44 : 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 Gokhale & Sathe
Chartered Accountants
ICAI registration number: 103264W

For and on behalf of the Board of Directors of
MMK Toll Road Private Limited
(As Investment Manager to IRB Infrastructure Trust)
CIN : L65910MH1998PLC115967

SD/-
CA Chinmaya Deval
Partner
Membership No. 148652

SD/-
Virendra D. Mhaiskar
Chairman
DIN : 00183554

SD/-
Dhananjay K. Joshi
Chief Executive officer

SD/-
Jitendra Sharma
Chief Financial Officer

SD/-
Kaustubh Shevade
Company secretary

Place: Mumbai
Date: 24.05.2021

Place : Mumbai
Date: 24.05.2021

An assessment of the roads sector in India

For IRB Infrastructure Developers Ltd

Final report

January 2024



Contents

1	MACROECONOMIC OVERVIEW OF INDIA	3
1.1	REVIEW OF INDIA'S GDP GROWTH	3
1.2	OUTLOOK ON GDP GROWTH FOR FISCAL 2024 AND 2025.....	5
1.3	REVIEW OF POPULATION GROWTH AND URBANISATION	8
1.4	REVIEW OF PRIVATE FINAL CONSUMPTION GROWTH	9
1.5	PAST TRENDS IN FOREIGN DIRECT INVESTMENT (FDI) INFLOWS	10
2	REVIEW OF ROADS INFRASTRUCTURE IN INDIA.....	12
2.1	OVERVIEW OF INFRASTRUCTURE SECTOR IN INDIA	12
2.2	CONTRIBUTION OF ROADS SECTOR TO INDIA'S GVA	14
2.3	OVERVIEW OF NATIONAL HIGHWAYS DEVELOPMENT PROJECT (NHDP)	14
2.4	ROAD NETWORK IN INDIA.....	15
2.5	QUALITATIVE OVERVIEW OF MAINTENANCE OF ROADS IN INDIA	16
2.6	INDIAN FREIGHT TRAFFIC SCENARIO	20
2.7	KEY GROWTH DRIVERS AND EMERGING TRENDS FOR ROAD SECTOR	24
2.8	KEY CHALLENGES FACED BY ROADS SECTOR IN INDIA	26
2.9	POLICY FRAMEWORK FOR ROAD SECTOR.....	28
2.10	OVERVIEW OF PPP FRAMEWORK AND MODELS IN OPERATIONS	31
2.11	KEY INITIATIVES AND OVERVIEW ON HAM.....	39
2.12	KEY BUDGETARY PROPOSALS FOR INFRASTRUCTURE SECTOR	43
2.13	IMPACT OF THE 'MAKE IN INDIA' INITIATIVE ON THE ROADS SECTOR.....	47
2.14	REVIEW AND OUTLOOK OF NHAI FUNDING.....	50
2.15	INVESTMENTS IN NATIONAL HIGHWAYS: REVIEW AND OUTLOOK	56
2.16	KEY TRANSACTIONS IN ROAD SECTOR	64
2.17	OVERVIEW OF INVESTMENTS IN ROAD PLATFORMS	66
3	OVERVIEW OF INFRASTRUCTURE INVESTMENT TRUSTS (INVITS) FOR ROADS IN INDIA	69
3.1	OVERVIEW OF INVITS CURRENTLY REGISTERED IN INDIA	69
4	STATE HIGHWAYS.....	72
4.1	REVIEW AND OUTLOOK OF STATE ROAD	72

1 Macroeconomic overview of India

1.1 Review of India's GDP growth

GDP logged 5.7% CAGR between fiscals 2012 and 2023

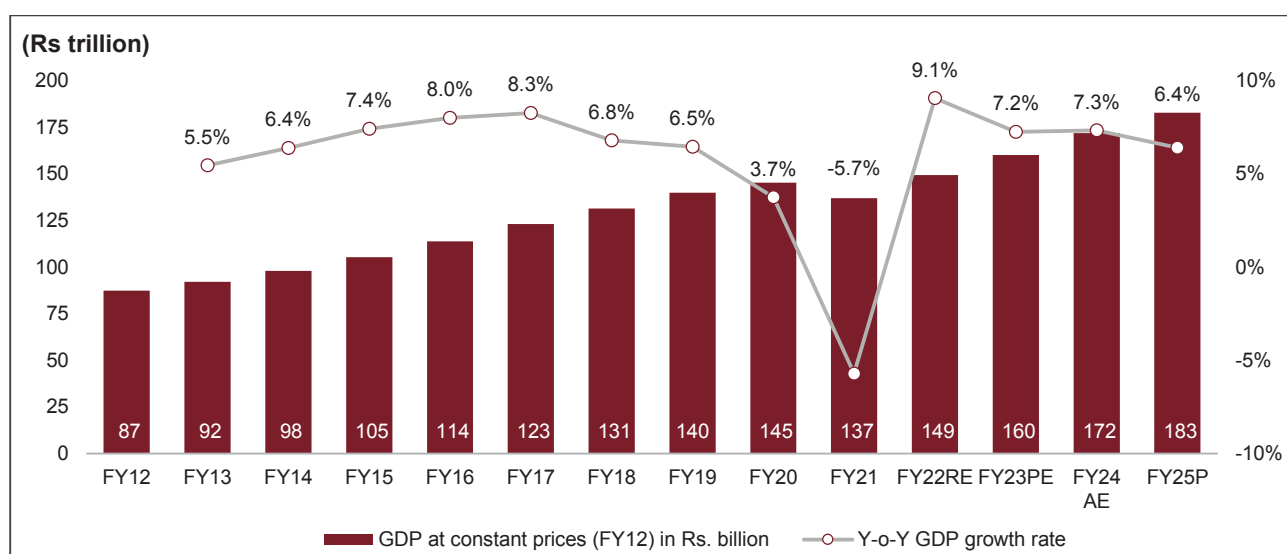
In 2015, the Ministry of Statistics and Programme Implementation (MoSPI) changed the base year for calculating India's gross domestic product (GDP) to fiscal 2012 from fiscal 2005.

Based on the change, India's GDP clocked a compound annual growth rate (CAGR) of 5.7% to Rs 160.0 trillion in fiscal 2023 from Rs 87.4 trillion in fiscal 2012.

This was despite the stress inflicted by the pandemic that saw the GDP — which was already experiencing a slowdown and had grown 3.7% in fiscal 2020 — contract 5.7% in real terms in fiscal 2021 to Rs 137 trillion.

The economy bounced back as the pandemic-related shocks subsided, resulting in growth of 9.1% on-year in real GDP to Rs 149 trillion in fiscal 2022.

Real GDP growth in India (new GDP series)



P: Projected

Source: NSO, Advance estimates of national income 2020-24, Central Statistics Office (CSO), MoSPI, CRISIL MI&A Consulting

GDP grew 7.2% on-year in fiscal 2023

India's real gross domestic product (GDP) growth rose sharply to 6.1% on-year in the fourth quarter of fiscal 2023 compared with 4.5% in the third • The growth surpassed the number factored in the National Statistics Office's (NSO) second advance estimate of February. Annual growth for fiscal 2023 was revised up to 7.2% (provisional estimate) from 7.0% in the second advance estimate • Fourth-quarter growth was primarily driven by investment and net exports, with the latter less of a drag given rising exports and slowing imports. Fixed investment turned in the strongest growth on the demand side while private consumption growth was more subdued on-quarter.

Manufacturing and agriculture growth improved on-quarter on the supply side even as services growth remained strong, albeit slowing a tad relative to the previous quarter • The provisional estimate of 7.2% comes on top of 9.1% expansion in fiscal 2022. This suggests strong growth momentum, which was propelled by domestic demand through the year, both from investment and private consumption. Investment's share rose to an 11-year high of 34% of GDP, while that of private consumption rose to an 18-year high of 58.5% in fiscal 2023 • However, nominal GDP growth tapered to 10.4% on-year in the fourth quarter compared with 11.4% in the third. This was primarily due to the price-effect since the GDP deflator slowed to 4.1% from 6.6%. The deflator is significantly influenced by inflation based on wholesale price index (WPI), which halved to 3.3% from 6.6%. The gap between nominal and real growth is likely to reduce further, with inflation expected falling this fiscal.

Estimates of PFCE and GFCF — the biggest two demand-side drivers — were marginally notched up. The latter suggests the government's continued focus on capital expenditure (capex). PFCE is still just 2.1% above the fiscal 2020 level and was the slowest to recover. Moreover, it faces strong headwinds from rising inflation.

Also, stronger global growth should support India's exports to some extent. Revival will not be uniform across sectors, though. So far, the rural economy has been more resilient than the urban.

From a supply-side perspective, i.e. gross value added (GVA), a much clearer measure of the economy's performance for last fiscal emerges. Based on this metric, the economy shrank 4.1% (compared with 3.8% growth in fiscal 2020). In absolute terms, real GVA was Rs 126.8 trillion in fiscal 2021, down from Rs 127.3 trillion in fiscal 2019. GVA at basic prices has grown to Rs 147.6 trillion in fiscal 2023 from 138.0 in fiscal 2022 and hence marking 7% YOY growth.

GVA at basic prices (constant 2011-12 prices)

Rs trillion	FY20	FY21	FY22	FY23	FY24 AE (Advance Estimate)	Percentage share in GVA	FY 24 AE (Advance Estimate) on year growth
Agriculture, forestry, and fishing	19.9	20.8	21.5	22.3	22.7	14.4%	1.8%
Mining and quarrying	3.2	2.9	3.1	3.2	3.5	2.2%	8.1%
Manufacturing	22.6	23.3	25.8	26.2	27.9	17.7%	6.5%
Electricity, gas, water supply and other utility services	3.0	2.9	3.2	3.4	3.7	2.3%	8.3%
Construction	10.4	9.8	11.3	12.4	13.7	8.7%	10.7%
Trade, hotel, transport, communication, and services related to broadcasting	26.9	21.6	24.6	28.0	29.8	18.9%	6.3%
Financial, real estate and professional services	29.0	29.6	31.0	33.2	36.2	22.9%	8.9%
Public administration, defence, and other services	17.3	16.0	17.6	18.8	20.3	12.9%	7.7%
GVA at basic prices	132.4	126.8	138.0	147.6	157.8		6.9%

Source: NSO; CRISIL MI&A Consulting

1.2 Outlook on GDP growth for fiscal 2024 and 2025

CRISIL expects India's GDP to grow 6.4% this fiscal with downside risk

India, like the US and China, has outperformed growth expectations in July-September 2023. S&P Global revised up its global GDP growth forecast to 3.3% for 2023 (calendar year), driven by India and China. Expectations of a slowdown due to rising interest rates have been pushed further.

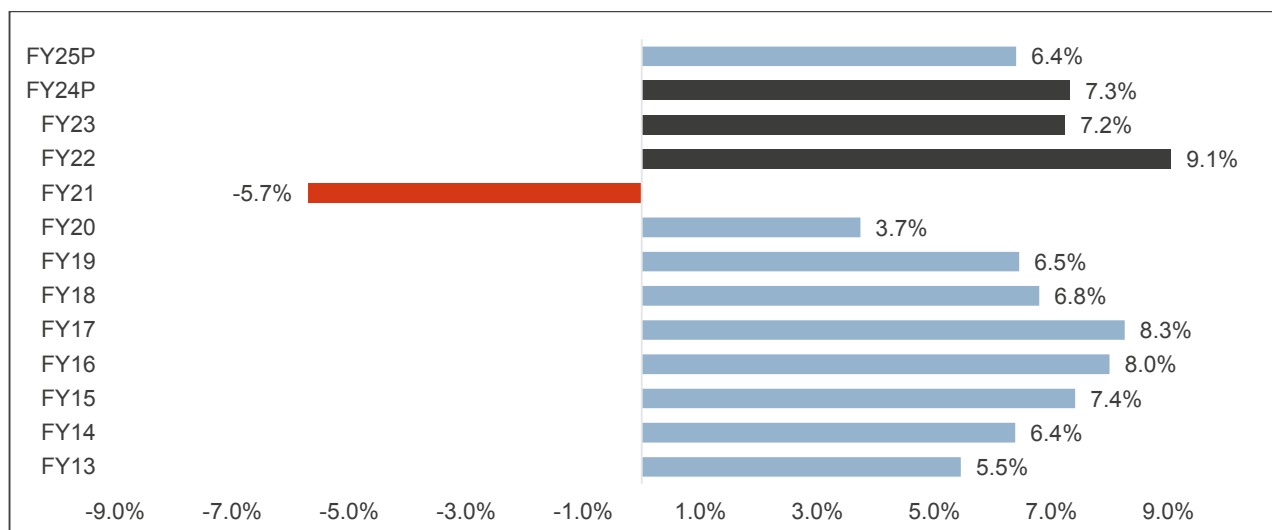
However, downside risks remain on account of the following factors:

- **Signs of global slowdown:** Despite growth being strong in the US so far, S&P has begun to see signs of moderation ahead and a tightening of financial conditions. Growth has already stalled in the eurozone. China continues to face challenges from weak consumer confidence and struggling property sector. Overall, S&P Global expects global growth to slow to 2.8% in 2024. This will weigh on India's export demand in the remainder of this fiscal.
- **Transmission of the RBI's rate hikes:** As the RBI noted in its October 2023 monetary policy, bank lending and deposit rates have not increased to the same extent as the repo rate in the current rate hike cycle. It has taken measures to speed up transmission of rate hikes, such as open market sales to reduce excess liquidity, and regulatory measures to temper credit growth (increasing risk weights for unsecured consumer credit and non-bank financial companies). Bank lending rates are already above average seen in the 5 years preceding the pandemic, and further rise in borrowing costs could moderate domestic demand.
- **Vulnerable rural demand:** Rural demand remains vulnerable to weak agricultural output, erratic weather and El Niño this year. While an uneven monsoon hit kharif output, the upcoming rabi crop faces risks from lower groundwater levels. As on November 30, 2023, the reservoirs were at only 80% of last year's level. The impact of other rural activities (work demand under NREGA, livestock and fishing) will also have a bearing on rural demand.
- **Geopolitical risks:** Escalation in geopolitical tensions can impact India through spike in crude prices. We expect crude prices to range \$80-85 per barrel this fiscal.

Government capex is expected to remain a key support to the investment cycle this year. Private investment is also showing signs of pick-up, with rising capacity utilisation in manufacturing. Downside risks are expected to moderate GDP growth in the second half. Despite this, India will end up outperforming other large economies this fiscal.

Overall, we expect India's real GDP to grow 6.4% this fiscal, compared with 7.2% last year.

Real GDP growth (% on-year)



P: Projected

Source: NSO, CRISIL MI&A Consulting

GDP growth continue to be strong in second quarter of fiscal 2024

- GDP grew 7.6% on-year in the second quarter compared with 7.8% in the previous quarter. Gross value added (GVA) grew 7.4% compared with 7.8% the previous quarter.
- Growth was the strongest for industry (13.2%), followed by services (5.8%) and agriculture and allied (1.2%). Within industry, growth improved across segments, with strongest growth in manufacturing (13.9%) and construction (13.3%).
- In the services sector, growth was highest for public administration, defence and other services (7.6%), followed by financial, real estate and professional services (6.0%), and trade, hotels, transport and communication (THTC; 4.3%).
- Among demand segments, growth was strongest for government consumption expenditure (12.4%), followed by fixed investment (11.0%). Exports took a positive turn (4.3%).
- However, private consumption saw the slowest growth. Nominal GDP grew 9.1% compared with 8% the previous quarter.
- Growth surpassed forecasts in the second quarter, driven by strong government spending and a sharp rise in manufacturing and construction growth. Globally, too, growth beat expectations in major economies such as United States (US) and China, contributing to better export earnings for India. However, private consumption was tepid, possibly reflecting hit to agriculture and rural demand.
- However, we expect growth to slow in the second half of this fiscal, driven by the impact of (1) tightening financial conditions on global growth and exports, (2) weak rains and reservoir levels on domestic agriculture and (3) transmission of the Reserve Bank of India's (RBI) rate hikes to bank lending rates.
- As per first advance estimates of GDP for fiscal 2024 released by MoSPI, it is expected to clock a growth of 7.3% on-year.

Per Capita Income

Per capita income (per capita NNI) is estimated to have grown 2.3% in fiscal 2020, compared with 5.2% in fiscal 2019. In fiscal 2021, per capita income declined 9.7% owing to GDP contraction amid the pandemic's impact. Per capita income rose 7.5% in fiscal 2022 on the lower base of fiscal 2021.

However, per capita income is forecast to have declined in line with GDP projection. According to the International Monetary Fund's estimates, India's per capita income (at current prices) is expected to be at a 7.4% CAGR over 2023 to 2028 as compared to its earlier estimate of 10.5% CAGR over 2022 to 2027.

Key fiscal measures announced by the Centre to deal with pandemic fallout

Under the Atmanirbhar Bharat initiative, the government announced a series of fiscal measures to contain the human and economic damage from the pandemic. Following are the details of key measures announced through three packages in May, October and November of fiscal 2021.

Fiscal stimulus 1.0

Through this fiscal stimulus package, the government announced measures worth Rs 11 trillion in five tranches. This was in addition to the earlier announced measures worth Rs 9.9 trillion, such as liquidity support from the Reserve Bank of India (RBI) and other measures, taking the total financial support amount to Rs 20.9 trillion. The government announced the package with the aim of reviving the economy by infusing liquidity and providing income support. The actual committed fiscal outgo was of Rs 1 trillion, translating to 9% of the Rs 11 trillion of measures outlined over the five tranches. The bulk of this direct support was through the Pradhan Mantri Garib Kisan Yojana. The government also ploughed in some earlier discussed structural reforms, especially in tranches 4 and 5, to help drive India's medium-term growth story. The announcements pertained especially to sectors such as mining, aviation, urban infrastructure, power, and agriculture.

Further, the government increased the borrowing limit for state governments from 3% of their GDP to 5%. However, of this additional 2 percentage points, 1.5 percentage point is conditional upon states achieving certain targets.

For addressing near-term issues, apart from direct benefit transfers and additional spending through MNREGA, the government mobilised credit to micro, small and medium enterprises (MSMEs), agriculture, and the affordable housing sector. This included the 100% guarantee on loans worth Rs 3 trillion and one-year moratorium to help these units, which are typically strapped for working capital. It was also aimed at spurring credit growth for both banks and non-banks in fiscal 2021 and contain delinquencies in the segment, which would have increased otherwise.

Fiscal stimulus 2.0

The government measures targeted increasing demand in the economy. Government has proposed a scheme where central government employees can spend their tax-exempt travel concessions on certain goods and services. It also made provisions for them to receive a part of their wages in advance to spend on their choice of festival before March-end 2021. The stimulus also includes infrastructure spending of Rs 250 billion and interest-free loan to states, which stand at Rs 120 billion. The measures announced under this package amounted to Rs 0.7 trillion.

Fiscal stimulus 3.0

This Rs 2.65 trillion stimulus package is aimed at job creation, access to credit and farm support with. The key highlight of this stimulus is to provide production-linked incentives to 10 sectors, estimated at around 1.45 trillion. This is proposed to be spent over next 4-6 years, i.e. till fiscal 2028, to encourage domestic manufacturing across 10 sectors – namely, textiles, food, pharma, consumer durables, auto, telecom, specialty steel, solar, electronic, and battery. The stimulus package also provides Rs 650 billion additional outlay for subsidy towards the fertilisers sector. The stimulus includes a Rs 180 billion outlay for the housing for all plan, besides having a package of Rs 100 billion to support the rural economy.

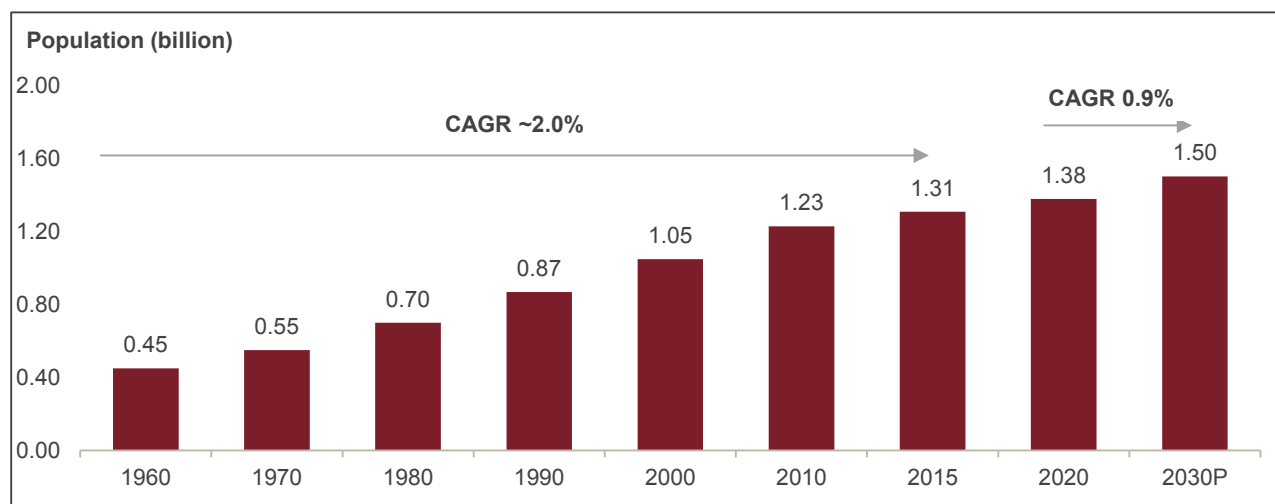
1.3 Review of population growth and urbanisation

India's population is projected to touch 1.5 billion by 2030

India's population clocked ~1.6% CAGR from 2001 to 2011 to reach ~1.2 billion, and comprised nearly 246 million households, as per Census 2011.

According to the World Urbanization Prospects: The 2018 Revision by the United Nations, India and China – the top two countries in terms of population – accounted for nearly 37% of the world's population in 2015. India's population is expected to increase at 0.9% CAGR from 2020 to 1.5 billion by 2030, which has made it the world's most populous country, surpassing China (1.4 billion people by 2030).

India's population growth



P: Projected

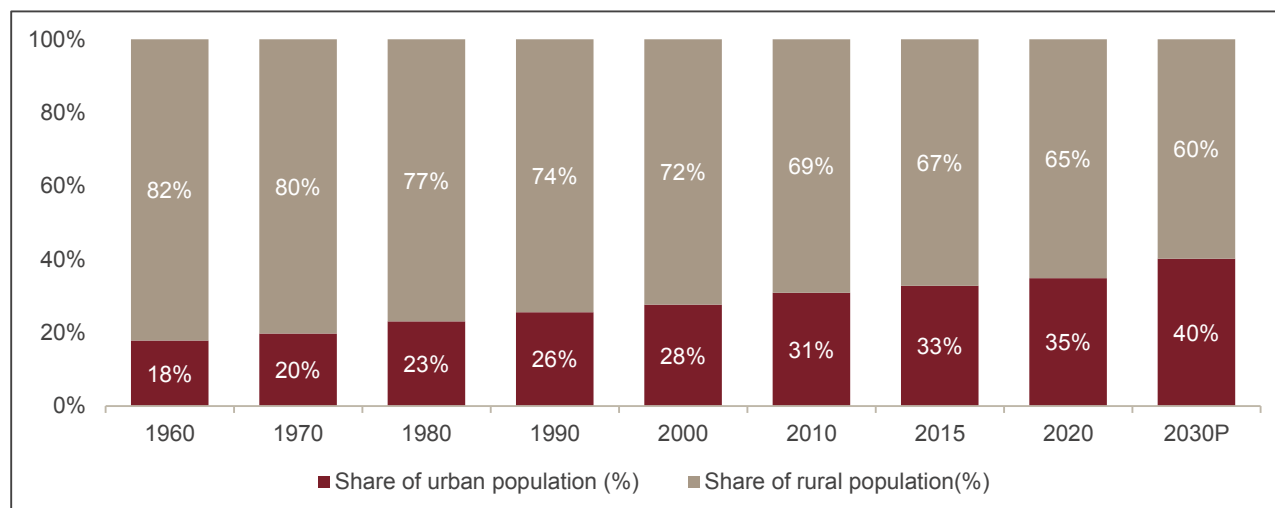
Source: United Nations, Department of Economic and Social Affairs, Population Division (2019); Probabilistic Population Projections Rev. 1 based on the World Population Prospects 2019 Rev. 1; CRISIL MI&A Consulting

Urbanisation likely to reach 40% by 2030

The share of the urban population in India's total population has been rising over the years and stood at ~31% in 2010. People from rural areas move to cities for better job opportunities, education and quality of life. The entire family or only a few individuals (generally an earning member or students) may migrate, while the rest of the family

continues to live in the native, rural house. This trend is expected to continue, with a United Nations report projecting that nearly 40% of the country's population will live in urban areas by 2030.

India's urban versus rural population



P: Projected

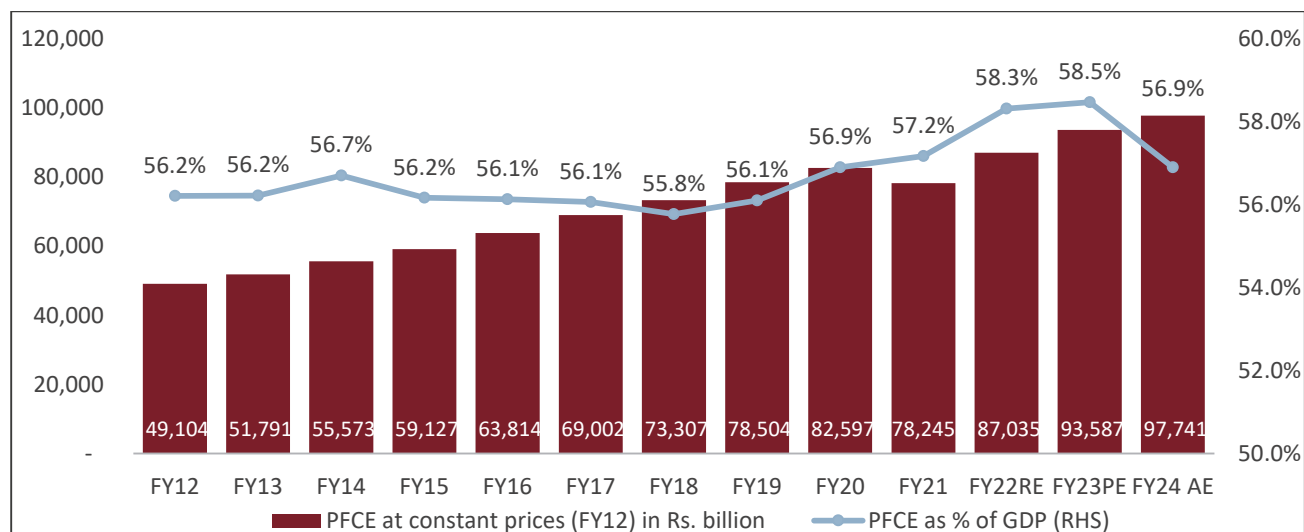
Source: World Urbanization Prospects: The 2018 Revision, United Nations; CRISIL MI&A Consulting

1.4 Review of private final consumption growth

Private final consumption expenditure to maintain dominant share in GDP

Private final consumption expenditure (PFCE) at constant prices clocked 6.0% CAGR between fiscals 2012 and 2023, maintaining its dominant share in the GDP pie, at 58.5% or Rs 93,587 billion as of fiscal 2023. Factors contributing to the growth included good monsoons, wage revisions due to the implementation of the Pay Commission's recommendations, benign interest rates, and low inflation. PFCE had declined to Rs 78,245 billion in fiscal 2021 from Rs 82,597 billion in fiscal 2020 on account of the pandemic, when consumption demand was impacted on account of strict lockdowns, employment loss, limited discretionary spending, and disruption in demand-supply dynamics. PFCE increased 7.5% to Rs 93,421 billion in fiscal 2023 but remained at 58.5% as a percentage of GDP. This was because the pandemic had an adverse impact on personal expenditure and government spending increased in an effort to boost the economy from the Covid-induced slump. As per first advance estimates for fiscal 2024, PFCE growth is expected to slow to 4.4% on-year to Rs 97,741 billion. However, private consumption growth, with ~57% share in GDP, has fallen short of overall GDP growth (7.3%).

PFCE at constant prices



Note: RE - revised estimates, PE – Provisional Estimate, AE – Advance Estimate

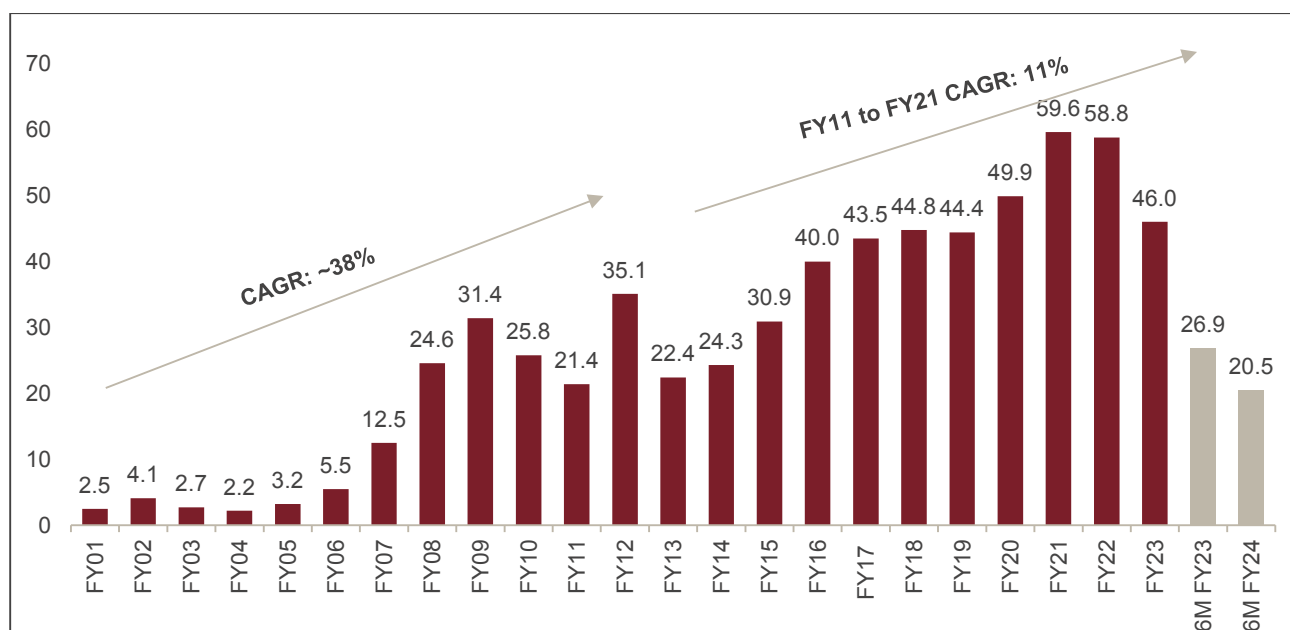
Source: First Advance Estimates 2023-24, MoSPI, CRISIL MI&A Consulting

1.5 Past trends in foreign direct investment (FDI) inflows

Under the new foreign investment policy, the Government of India constituted the Foreign Investment Promotion Board (FIPB), whose main function was to invite and facilitate foreign investments. The FIPB ceased to exist as per the decision taken by the finance ministry in 2017. The government has now empowered individual departments to clear FDI proposals in consultation with the Department of Industrial Policy and Promotion (DIPP) within the set timelines. From a baseline of less than \$1 billion in 1990, India has become one of the most important FDI destinations in the world.

FDI inflows in India grew rapidly at ~17% CAGR to \$49.9 billion in fiscal 2020 from \$2.5 billion in fiscal 2001. The pace of growth was faster from fiscals 2001 to 2009 (~38% CAGR), but the global slowdown affected investments in fiscals 2010 and 2011. During fiscal 2021, India recorded highest ever FDI inflows of \$59.6 billion, up ~20% on-year. Fiscal 2023 has recorded \$46.0 billion FDI inflow which is ~22% lower than fiscal 2022. Continuing its downward trend FDI inflows declined by 24% to USD 20.5 billion during the first six months of fiscal 2024.

FDI equity inflows to India (\$ billion)



Source: DIPP, CRISIL MI&A Consulting

According to the quarterly factsheet on FDI prepared by the DIPP up to the fourth quarter of fiscal 2023, Mauritius was the leader in cumulative FDI inflows over April 2000 to March 2023 with a share of 26%, followed by Singapore (23%), United States (9%), Netherlands (7%), Japan (6%) and United Kingdom (5%). During the period, services sector accounted for 16% of the cumulative FDI inflows, followed by computer software and hardware (15%), telecommunications (6%), trading (6%), automobile (5%) and construction development (5%). FDI inflows in fiscal 2023 stood at \$46.0 billion, registering a significant decline over fiscal 2022 levels.

2 Review of roads infrastructure in India

2.1 Overview of infrastructure sector in India

Developing and modernising the infrastructure sector has been a priority area for the Government of India and has witnessed increasing public investments and budgetary support. Further, the government has undertaken several reforms and initiatives in the infrastructure sector, which has resulted in robust secular growth in most of the segments within the sector.

The roads sector registered a strong pace of constructions by NHAI, growing 6,003 km (16.4 km per day) in fiscal 2023 from 3,071 km (8.4 km per day) in fiscal 2018. Investments in the roads and highways sector rose from Rs 1.7 trillion in fiscal 2018 to ~Rs 2.9 trillion in fiscal 2022, registering ~1.7x growth. Civil aviation has witnessed strong growth as well. India's passenger traffic logged at a CAGR of ~8% from around 165 million in fiscal 2017 to around 209 million in fiscal 2020. In fiscal 2023, passenger traffic stood at 194 million passengers, however international passenger traffic is still below pre-pandemic levels. In the ports and shipping sector, installed capacity of major ports in India increased to 2,456 million tonne in fiscal 2022 from 2,283 million tonne in fiscal 2018.

The government launched the National Infrastructure Pipeline (NIP) for fiscals 2020 to 2025, to boost infrastructure, with a projected investment of Rs 111 trillion during the period. Investments in energy (24%), roads (18%), urban (17%), and railways (12%) will amount to over 70% of the projected capital expenditure during the period. As per an economic survey, NIP will be funded by the central government (39%), state governments (40%), and private sector (21%). As per the India Investment Grid website accessed on June 20, 2022, 2,420 projects are under development covering over 34 sub-sectors.

The Public Private Partnership Appraisal Committee (PPPAC) set up by the government has been responsible for the appraisal of PPP projects in the central sector. The committee recommended four projects with total project cost of Rs 50.41 billion in fiscal 2020. Out of these, two are tourism sector projects overseen by the Ministry of Home Affairs, one is a railways project pertaining to upgradation of railway stations and one is a port expansion project administered by the Ministry of Shipping. Further, the PPPAC recommended six projects with a total project cost of Rs 444 billion in fiscal 2021. Of these, three are railways projects, one is a Ministry of Home Affairs project (eco-tourism), one is a Ministry of Shipping project, and one is a telecom project pertaining to the deployment of BharatNet optical fibre. In fiscal 2022, the PPPAC approved three projects worth Rs 316 billion, of which two are railways projects and one is a Ministry of Home Affairs project.

In fiscal 2021, the government approved the continuation of the revamped Infrastructure Viability Gap Funding (VGF) Scheme till fiscal 2025. The objective of the revamped scheme is to attract PPP projects and aid private investment in social infrastructure (health, education, wastewater, solid waste management, water supply, etc).

Post COVID measures emphasising Infrastructure growth

After the first COVID wave, the government announced relaxation measures from April 20, 2020. Relaxation majors were focusing on non-hotspot areas and allowing inter-state movement of stranded individuals. Subsequent phases of reopening, including 'Unlock 3.0', 'Unlock 4.0', and 'Unlock 5.0', gradually eased restrictions, leading to the reopening of various sectors like metro rail, education, and entertainment. Fiscal support measures, total of approximately 3.5% of GDP, focused on social protection, healthcare, public investment, and sector-specific support schemes. Monetary measures by the Reserve Bank of India (RBI) included rate cuts, liquidity injections,

regulatory relaxations, and special facilities to ensure credit flow to businesses, MSMEs, and stressed sectors. The Reserve Bank of India also introduced various measures to ease liquidity and financing conditions, including special refinance facilities, regulatory forbearance, and loan restructuring schemes for retail, MSMEs, and stressed loans.

The impact of the COVID-19 pandemic on India's road sector, particularly within concession agreements, has been profound. The nationwide lockdown halted construction and toll collection, prompting measures from the Ministry of Road Transport & Highways (MoRTH) to mitigate the sector's challenges. Relief measures included shutting down toll plazas and releasing bank guarantees. However, the onset of the second wave necessitated further revaluation, leading to the establishment of a sub-group to consider additional de-risking measures for Public Private Partnership (PPP) projects.

The pandemic-induced disruptions affected traffic volume, maintenance activities, and project bankability, resulting in time and cost overruns. Despite relief measures, concessionaires still require assistance with obligations, penalties, and revenue compensation. Termination provisions in concession agreements offer recourse, but strategic exits must balance risks for both authorities and concessionaires. Government initiatives, including infrastructure investment trusts and asset monetization, aim to support the sector financially. However, concerns linger regarding debt servicing liabilities and project completion delays.

2.2 Contribution of roads sector to India's GVA

Share of the roads sector in India's GDP stood at 3.2% in fiscal 2022. The share hovered ~3.3% from fiscals 2012 to 2022.

GVA share	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Road transport (at constant prices)	3.2%	3.3%	3.3%	3.3%	3.3%	3.2%	3.3%	3.3%	3.3%	2.5%	3.2%

Source: MoSPI, National Accounts Statistics 2023, CRISIL MI&A Consulting

2.3 Overview of National Highways Development Project (NHDP)

NHDP encompasses building, upgradation, rehabilitation, and broadening of national highways. The project is executed by NHAI, in coordination with the Public Works Departments of various states. NHAI also collaborates with the Border Roads Organisation to develop certain stretches. NHDP is being implemented in seven phases.

The projects are awarded to private players either on EPC (cash) or on a build-operate-transfer (BOT) basis and now on the hybrid annuity model (HAM). NHDP cash contracts are mainly financed through budgetary allocations from the Central Road Fund (CRF), negative grants/premium received, and toll revenue. Loans and grants are also received from the World Bank and Asian Development Bank.

Bharatmala Pariyojana

Bharatmala Pariyojana, an umbrella project of the central government since 2015, aims to improve efficiency in the roads sector. It is expected to supersede the National Highways Development Project (NHDP) and envisages the construction of 65,000 km of highways under the national corridor (north-south, east-west, and golden quadrilateral), economic corridor, inter-corridor roads, and feeder roads categories. As per the ministry's announcements in 2017, Bharatmala, along with the other schemes being undertaken, was estimated to have required a total outlay of Rs 6.9 trillion.

Phase I of the scheme envisages development of 24,800 km of national highways/roads and residual 10,000 km of NHDP between fiscals 2018 and 2022 as per MoRTH Annual Report 2022-23. Awarding under Bharatmala has begun from fiscal 2018 and will likely stretch until fiscal 2025 for Phase 1, involving development of about 9,000 km of economic corridors, about 6,000 km of inter-corridor and feeder roads, about 5,000 km of national corridors efficiency improvements, about 2,000 km of border and international connectivity roads, about 2,000 km of coastal and port connectivity roads, and about 800 km of expressways. Of the total 34,800 km, around 20,800 km had been awarded as of August 2021.

Components of BMP Phase -I

Category	Description	Total length (Km)	Upgrade proposed in Phase I (Km)
National corridor efficiency improvement	Lane expansion and de-congestion of the national corridor	13,100	5,000
Economic corridor development	Connecting economically important production and consumption centres	26,200	9,000

Category	Description	Total length (Km)	Upgrade proposed in Phase I (Km)
Inter-corridor and feeder route development	Inter-connection between economic corridors; first and last mile connectivity	15,500	6,000
Border and international roads	Connectivity to border areas and boosting trades with neighbouring countries	5,300	2,000
Coastal and port connectivity roads	Connectivity to coastal areas to enable port-led economic development	4,100	2,000
Expressways	Greenfield expressways	1,900	800
Total		66,100	24,800

Source: NHAI, CRISIL MI&A Consulting

2.4 Road network in India

India has the second-largest road network in the world, spanning 6.671 million km as of January-2024. Road transportation, the most frequently used mode of transportation in India, accounted for ~86% of passenger traffic and close to ~62.2% of freight traffic as of fiscal 2023. Although national highways span nearly 146,145 km, constituting just 2% of road length, they accounted for about 40% of total road traffic in fiscal 2022. Secondary road system comprises state roads and major district roads, which accounted for the remaining 60% of traffic and 98% of road length.

Road network in India in FY23

Road network	Length ('000 km)	Percentage of total length	Percentage of total traffic	Connectivity to
National highways	146.2	~2%	40%	Union capital, state capitals, major ports, foreign highways
State highways	179.5	~3%	60%	Major centres within the states, national highways
Other roads	6,345.4	~95%		Major and other district roads, rural roads - production centres, markets, highways, railway stations

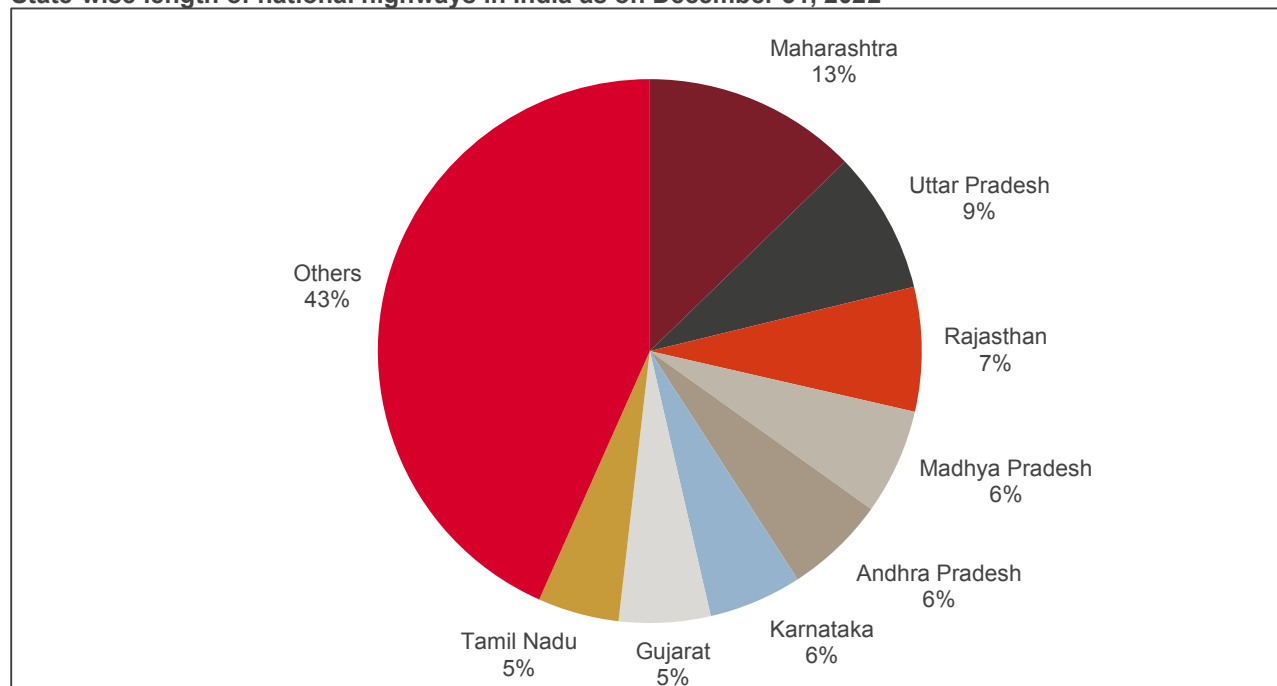
Source: Year End Review 2023-Ministry of Road Transport and Highways, PIB, CRISIL MI&A Consulting

Total length and break-up of national, state and rural roadsBreak-up of road length across different regions (in km)

	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
National highways	97,991	101,011	114,158	126,350	132,500	132,995	136,440	140,995	144,955
State highways	167,109	176,166	175,036	186,908	186,528	194,900	176,818	171,039	167,079
Other roads	5,207,044	5,326,116	5,608,477	5,902,539	6,067,269	6,165,660	5,902,539	6,059,813	6,019,757
Total	5,472,144	5,603,293	5,897,671	6,215,797	6,386,297	6,493,555	6,215,797	6,371,847	6,331,791

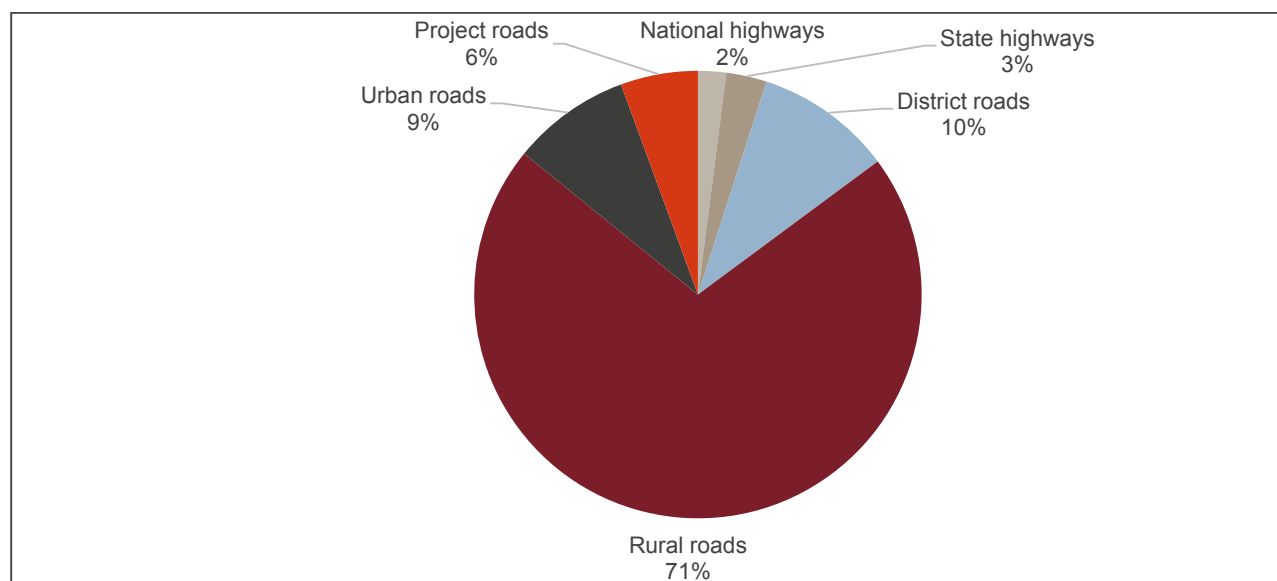
Source: MoRTH Annual Report 2021-22 & 2022-23, CRISIL MI&A Consulting

State-wise length of national highways in India as on December 31, 2022



Source: MoRTH Annual Report 2021-23, CRISIL MI&A Consulting

Road length break-up by segment as a percentage of total road length in India for FY19



Source: MoRTH Annual Report 2021-23, CRISIL MI&A Consulting

2.5 Qualitative overview of maintenance of roads in India

PMGSY is a one-time special scheme undertaken by the Central government to boost infrastructure in rural parts of the country, but maintenance of these roads remains a state subject. All PMGSY roads are covered by five-year

maintenance contracts. Maintenance funds to service the contract are to be budgeted by the state government. With effect from fiscal 2017, financial incentives are given to best-performing states, which show higher achievement on the basis of set parameters. Financial incentives amounting to Rs 10.8 billion and Rs 8.4 billion were awarded in fiscals 2017 and 2018, respectively, for periodic maintenance to best-performing states.

In fiscal 2017 alone, Rs 5.4 billion was credited to the accounts of 20 state rural-road development agencies for carrying out maintenance on these roads, of which only Rs 3.33 billion was spent. In fiscal 2018, Rs. 9.4 billion was spent on maintenance. Thus, even though execution of new roads under PMGSY is on track, their maintenance remains a key monitorable.

CRIF

The CRIF is funded from the cess collected on the sale of petrol and high-speed diesel (HSD). On every litre of petrol and HSD that is sold, a cess of Rs 6 is collected (since fiscal 2016; previously cess was Rs 2). The fund provides assistance to states for the development and maintenance of state roads, rural roads, national highways, under- and over-bridges, and safety works at unmanned railway crossings. About 11% of the cess collected on HSD and 30% on petrol is allocated towards maintenance of state roads.

Funds allocated for fiscals 2015, 2016, 2017, and 2018 were Rs 26.5 billion, Rs 28.8 billion, Rs 72.4 billion, and Rs 83.1 billion respectively. About 476 projects, amounting to Rs 98.6 billion, were sanctioned under the scheme in fiscal 2018, compared with 1,093 projects, costing Rs 123 billion in fiscal 2017. As per notes published in public domain on Demand no. 84 and 86 (Ministry of Road Transport and Highways), Transfer to Central Road and Infrastructure Fund (CRIF) in fiscal 2019, 2020, 2021, 2022, and 2023 (RE) are Rs 200.4 billion, Rs 160.9 billion, Rs 207.5 billion, Rs 394.1 billion, and Rs 1136.0 billion respectively.

In the union budget for fiscal 2019, road cess was replaced by the road and infrastructure cess. Previously, road cess was split for NH construction, maintenance, railways, Pradhan Mantri Gram Sadak Yojana, etc., based on a fixed formula.

Development of roads under CRIF scheme

Sl. No.	Projects received			Projects finalized			
	State/ UT	No.	Length	Cost (Cr.)	No.	Length	Cost
2019-20							
1	Assam	88	1,472	3,507	-	-	-
2	Himanchal Pradesh	20	229	381	-	-	-
3	Kerala	57	485	493	-	-	-
4	Manipur	38	342	264	13	145	132
5	Nagaland	5	152	611	-	-	-
6	Odisha	31	558	928	-	-	-
7	Uttarakhand	2		159	2		174
Total		241	3,237	6,341	15	145	306
2020-21							
1	Andhra Pradesh	77	1,097	1,501	46	676	946
2	Assam	1	89	241	13	201	606
3	Bihar	1	2	205	1	2	205
4	Goa	7	79	98	-	-	-

Sl. No.	Projects received				Projects finalized		
	State/ UT	No.	Length	Cost (Cr.)	No.	Length	Cost
5	Himachal Pradesh	5	64	107	-	-	-
6	Kerala	8	110	115	-	-	-
7	Madhya Pradesh	1	107	154	1	107	154
8	Maharashtra	284	2,188	2,098	276	2,263	2,231
9	Manipur	23	284	259	-	-	-
10	Mizoram	1	15	99	-	-	-
11	Odisha	25	521	1,001	-	-	-
12	Punjab	12	144	211	12	144	211
13	Rajasthan	32	531	724	32	531	724
14	Telangana	42	523	744	-	-	-
15	Tripura	1	16	16	1	16	16
16	Uttarakhand	2		2,402	3	-	2,777
17	West Bengal	7	136	483	7	136	483
Total		529	5,906	10,457	392	4,075	8,351
2021-22							
1	Andhra Pradesh	13	204	353	-	-	-
2	Arunachal Pradesh	27	294	553	27	294	553
3	Bihar	12	121	873	-	-	-
4	Chhattisgarh	15	316	846	15	316	846
5	Goa	6	75	81	6	75	81
6	Haryana	1	24	99	1	24	99
7	Himachal Pradesh State/ UT	9	187	368	13	94	238
8	Jharkhand	7	121	496	-	-	-
9	Kerala	69	956	1,307	-	-	-
10	Madhya Pradesh	24	600	1,893	24	600	1,893
11	Maharashtra	276	1,597	2,231	276	1,597	2,231
12	Meghalaya	15	127	257	15	127	257
13	Mizoram	3	34	223	1	10	47
14	Odisha	35	619	1,727	35	619	1,727
15	Punjab	5	24	272	5	24	272
16	Rajasthan	81	1,607	2,046	81	1,607	2,046
17	Tamil Nadu	47	103	582	-	-	-
18	Telangana	48	612	879	48	612	879
19	Uttarakhand	42	370	615	42	370	615
20	West Bengal	6	155	397	-	-	-
21	Ladakh	17	422	297	17	422	297
22	Puducherry	4	41	33	4	41	33
Total		762	8,610	16,428	610	6,833	12,113
2022-23 (Till 28.02.2023)							
1	Andhra Pradesh	60	320	2,682	32	320	1,121
2	Arunachal Pradesh	6	-	64	-	-	-
3	Bihar	29	150	1,846	27	122	1,542

Sl. No.	Projects received			Projects finalized			
	State/ UT	No.	Length	Cost (Cr.)	No.	Length	Cost
4	Chhattisgarh	23	133	1,373	-	-	-
5	Haryana	14	279	794	2	-	55
6	Himachal Pradesh	5	137	452	1	-	103
7	Jharkhand	16	148	1,289	6	-	424
8	Kerala	71	981	1,342	30	403	506
9	Madhya Pradesh	43	626	3,270	43	626	3,270
10	Manipur	26	207	716	-	-	-
11	Maharashtra	146	943	1,892	146	943	1,859
12	Mizoram	9	0	55	-	-	-
13	Nagaland	52	802	4,455	1	24	93
14	Odisha	10	7	579	10	7	579
15	Punjab	32	370	870	-	-	-
16	Rajasthan	98	1,812	3,053	14	-	674
17	Sikkim	66	-	476	-	-	-
18	Tamil Nadu	56	103	1,376	47	103	656
19	Telangana	25	-	1,829	5	-	433
20	Tripura	12	226	321	-	-	-
21	Uttar Pradesh	25	78	1,525	13	-	832
22	Uttarakhand	164	2,897	2,896	-	-	-
23	West Bengal	18	356	1,025	14	346	997
Total		1,006	10,575	34,179	391	2,894	13,144

Source: PIB (March 23, 2023), CRISIL MI&A Consulting

Of the amount collected under CRIF for state roads, 10% is reserved for the development of roads under the following schemes:

Interstate connectivity (ISC)

Under this scheme, 100% funding (not a loan) is provided by the central government. ISC typically encompasses the development of:

- Interstate roads
- Roads connecting national highways

Economic importance (EI)

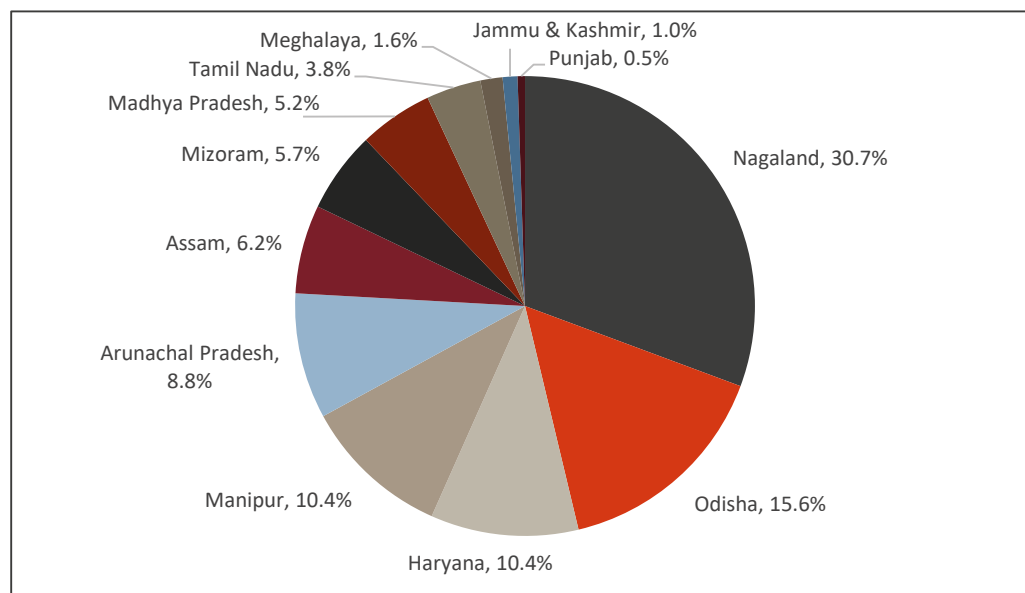
Under this scheme, projects are funded to the extent of 50% by the central government. The state government contributes the rest of the project cost. This scheme is focussed on the development of:

- Roads facilitating connectivity to remote industrial and economic areas
- Roads facilitating the development of remote residential areas, such as roads connecting hilly regions to plains

Funds allocated together under ISC and EI in fiscals 2015, 2016 and 2017 stood at Rs 2.39 billion, Rs 3.55 billion and Rs 4.15 billion, respectively. In fiscal 2018, ~19 projects amounting to Rs 6.6 billion were approved under ISC and EI. In fiscal 2019, ~18 projects amounting to Rs 4.74 billion were approved.

During fiscal 2023, a sum of Rs 1.9 billion had been allocated to various states. Also, provisionally Rs 2.6 billion have been allocated for fiscal 2024.

State-wise allocation under ISC and EI schemes in FY23



Source: MoRTH, CRISIL MI&A Consulting

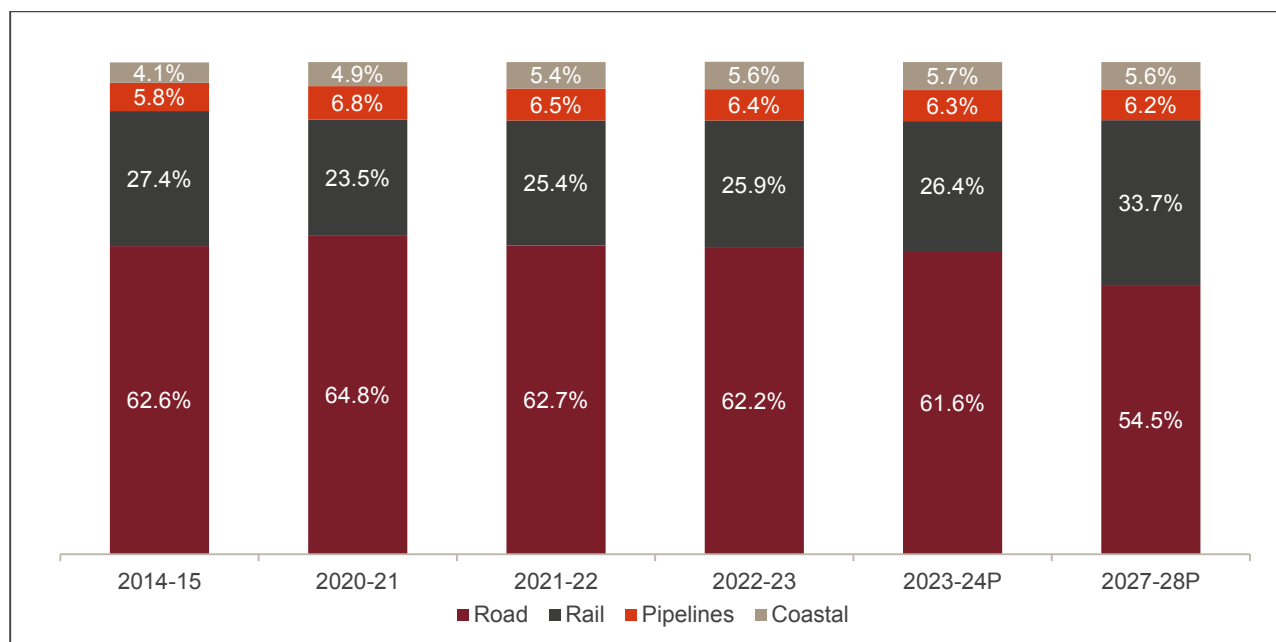
2.6 Indian freight traffic scenario

Roads to continue to hold a dominant share in overall freight movement

Road freight traffic is expected to increase at a compounded annual growth rate (CAGR) of 3-5% in BTKM terms between fiscals 2023 and 2028. In the same period, railways is expected to grow at a CAGR of 12-14%, growing faster than roads. Railways gained share in FY21 as rail freight traffic has been more resilient amid COVID-19 outbreak. Rail share further increased in FY22 due to increased rail capacity, partial commissioning of DFC, soaring diesel prices and higher road freight rates. Commissioning of the dedicated freight corridor to aid in increase in rail share. Impact is expected to be witnessed from fiscal 2024 onwards and would help rail to claw back share it had earlier lost owing to capacity constraints.

In fiscal year 2024, road freight movement is projected to experience a growth rate of 5-7%, slightly lower than that of rail freight movement. In fiscal year 2023, road BTKM is estimated to have grown by approximately 7%, mainly attributed to increased production across all sectors and government spending focused on investments. However, it is expected that road transport will lose market share to railways in the upcoming years due to the establishment of dedicated rail freight corridors and comparatively higher road freight rates relative to other modes of transportation.

Share of roads in total freight movement (in terms of BTKM)



E: Estimated; P: Projected

Source: CRISIL MI&A Consulting

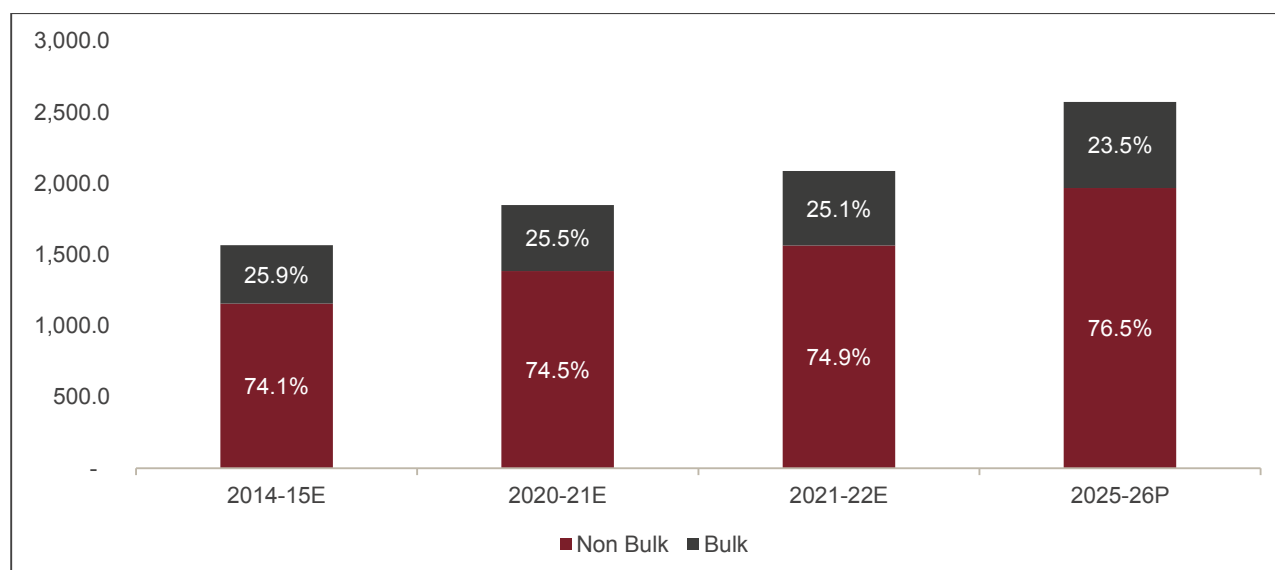
Roads remain the preferred mode for non-bulk transportation

Roads generally account for a significant share in non-bulk commodity transportation, as:

- Rail does not cater to piecemeal freight transportation. Entire rakes are provided for transportation, and not just single wagons (although Indian Railways is looking into multi-point loading, it would still not attract small-sized cargo)
- Road transport has better service quality and is more reliable
- Road transporters operate on a much smaller scale. Also, given the large number of road transport operators, customers have better bargaining power. These transporters also add a personal touch to their service, which is important, as these commodities are typically expensive and fragile.
- Roads provide end-to-end connectivity and safer handling, which is an important factor while transporting low-volume, but high-value commodities

Consequently, CRISIL expects the share of non-bulk commodities in the total road primary BTM to increase to 76.5% by fiscal 2026 from 74.9% in fiscal 2022.

Roads predominantly transfer non-bulk freight (in terms of BTKM)



E: Estimated; P: Projected

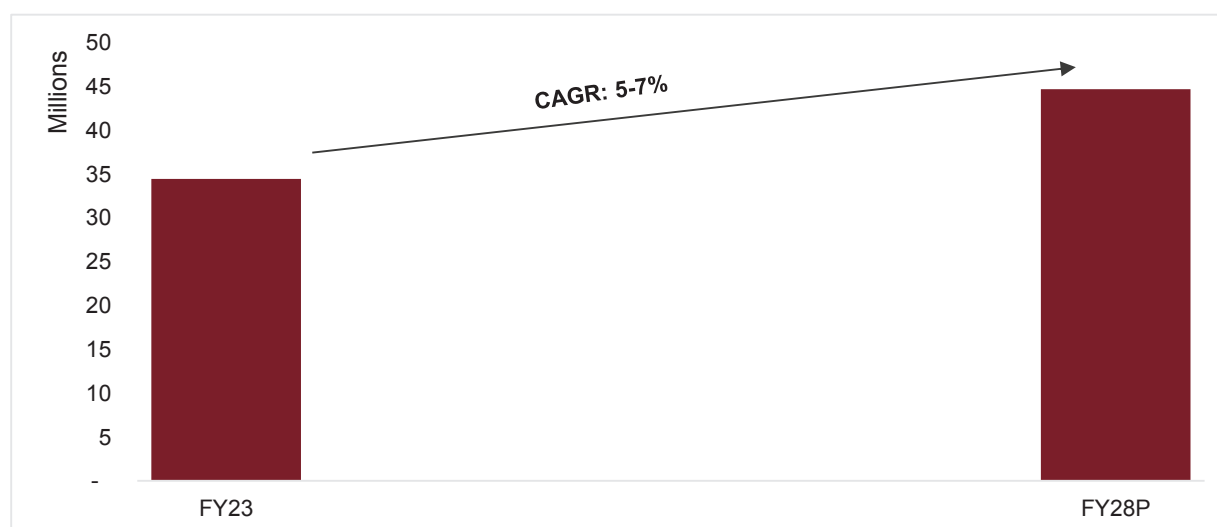
Source: CRISIL MI&A Consulting

Vehicle population's historic growth

Market for PVs underpenetrated, offers sizeable potential in the long run

India's car market is extremely underpenetrated compared with most developed economies and some developing nations. As of fiscal 2021, India had ~24 passenger vehicles per 1,000 people. This number is expected to increase to 27 by fiscal 2026, which is significantly lower than that of developed nations and even Brazil, Russia, and China (all three, along with India, being part of the BRICS block) based on per capita GDP. Thus, India offers tremendous growth potential for automobile manufacturers. Even while comparing the penetration of cars and UVs across countries based on per capita GDP, India lags most others. We expect this gap to reduce gradually in the long run.

Outlook on passenger vehicles population



E: Estimated, P: Projected

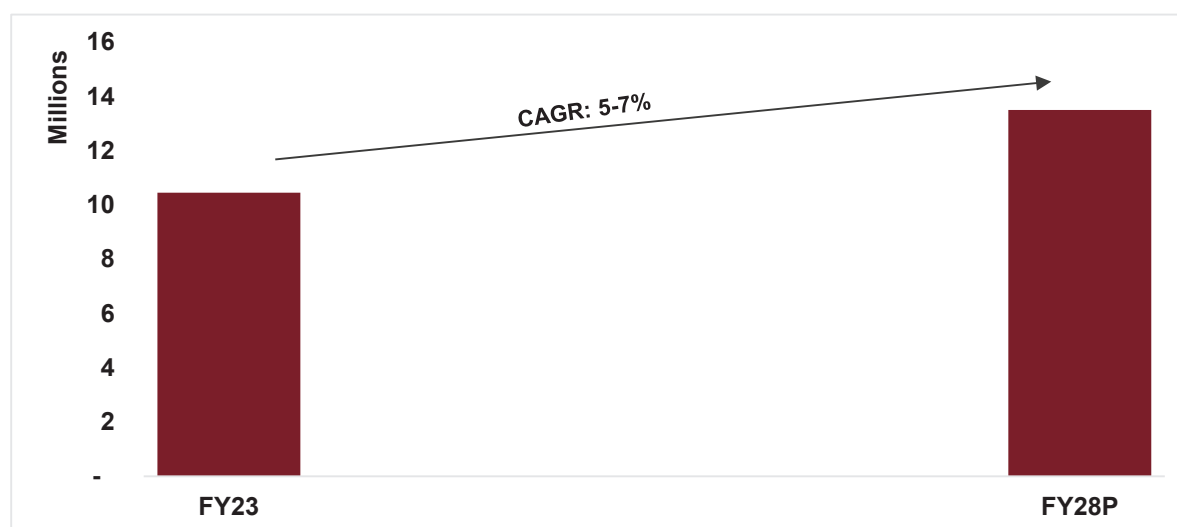
Source: CRISIL MI&A Consulting

Efficiency gains, lower utilisation, and recovery in manufacturing to impact CV population growth in next five years

Manufacturing and construction sectors are the prime factors driving CV demand. Both sectors are expected to perform positively with revival in the overall macroeconomic scenario. The transportation industry enjoyed an increase in available capacity due to axle load norms published in 2018, but this acted as a negative for the CV industry as sales declined due to increased capacity and lower utilisation. Also, post implementation of GST, check posts across state borders have been removed, which has resulted in increase in efficiency of existing fleet on the road.

Improvement in road infrastructure is expected to increase the average speed of trucks, leading to efficiency gain of ~10%. Hence, fewer trucks will be required to move the same quantity of goods, lowering truck demand. On the other hand, increased running of trucks will help improve the competitiveness of the road transportation industry, helping attract more freight. Considering the above-mentioned factors and their future impact CRISIL MI&A Consulting expects CV population to log 5-7% CAGR over the next five fiscals. The commercial traffic growth is expected to grow at a faster pace than the CV population due to a higher number of trip possible per vehicle owing to increased efficiency.

Outlook on freight vehicles population growth



E: Expected; P: Projected

Source: CRISIL MI&A Consulting

2.7 Key growth drivers and emerging trends for road sector

National Infrastructure Pipeline

The National Infrastructure Pipeline (NIP) for FY 2019-25 aims to enhance citizens' quality of life by providing world-class infrastructure and attracting investments. The National Infrastructure Pipeline (NIP), under the Department of Economic Affairs, released by the Finance Minister in April 2020. The National Infrastructure Pipeline (NIP) aggregates projects from various stakeholders, focusing on those with costs exceeding Rs. 100 crore.

NIP addresses India's infrastructure challenges crucial for economic growth, encouraging public-private partnerships. With a vision to become a USD 5 trillion economy by 2025, robust infrastructure is vital, especially for "Make in India" initiatives and urbanization trends. The NIP presents opportunities, such as investing in India's inland waterways, leveraging its extensive navigable network. In addition to it, government schemes facilitate development through various investment avenues. It is including public-private partnerships and procurement contracts, and It helps in easing access to India's growth potential.

In December 2019, the Government launched the National Infrastructure Pipeline (the "NIP"), an investment plan for enhancing infrastructure in identified sectors, which is a first-of-its-kind exercise to provide world-class infrastructure across the country and improve the quality of life for all citizens. NIP is expected to enable a forward outlook on infrastructure projects to create jobs, improve ease of living and provide equitable access to infrastructure for all, thereby making growth more inclusive. NIP includes economic and social infrastructure projects. NIP comprises brownfield and greenfield infrastructure projects of above INR 100 Crores across both economic and social infrastructure sectors.

During the Financial Years 2020 to 2025, sectors such as energy (24%), roads (18%), urban (17%) and railways (12%) are expected to amount to approximately 71% of the projected infrastructure investments in India, with a total capital expenditure projected at ₹111 lakh crore. (Source: National Infrastructure Pipeline – Report of the Task Force, Department of Economic Affairs, Ministry of Finance, Government of India – Volume I (the "Task Force Report – Volume I"))

NIP was launched with 6,835 projects and has expanded to capture over 9,288 projects with a total project outlay of Rs 108.88 lakh cr between 2020-2025. Transport (42%), energy (25%), water & sanitation (15%) and social infrastructure (3%) sectors amount to around 85% of the projected infrastructure investments under NIP.

Policy push aimed at improving private participation in national highways

The following are the recent policy changes that the MoRTH and NHAI have undertaken to improve private participation in the sector and increase competition:

- Technical and financial bidder eligibility criteria reduced for HAM and EPC projects, which would promote the entry of smaller players
- Changes in the hybrid-annuity model (HAM) concession agreement aimed at protecting developers' returns and easing their cash flows during the construction period

- Changes in the Build-Operate-Toll (BOT) concession agreement to reinstate developer interest in the model

Apart from this, the government has taken various steps under the Atmanirbhar package to mitigate the impact of Covid-19 on the sector:

- Extension of time (EOT) of up to 3-6 months for all projects and relaxation of milestone achievement
- Monthly payment mechanism, instead of milestone-based payments
- Reduction in performance security from 5% to 3%, release of retention money to the extent of work done
- Additionally, Covid-19 emergency loan facilities and moratorium on loan repayment up to August 2020
- Extension of concession period for BOT-toll operators, due to toll suspension and restriction in movement during lockdowns

Strong government thrust likely to deliver steady growth in fiscal 2024

Overall road sector capex, comprising of National Highways, State Highways & rural roads is estimated to have grown at a CAGR of 14% between fiscals 2018 & 2023. This growth, driven by Bharatmala and increased state spends on roads has been achieved despite brief hiccups such as the pandemic and hampered construction due to elongated monsoons. The outlook of the sector also remains firm supported by higher awarding of previous fiscals, Bharatmala, NIP pipeline of DPR ready projects and steady state capex.

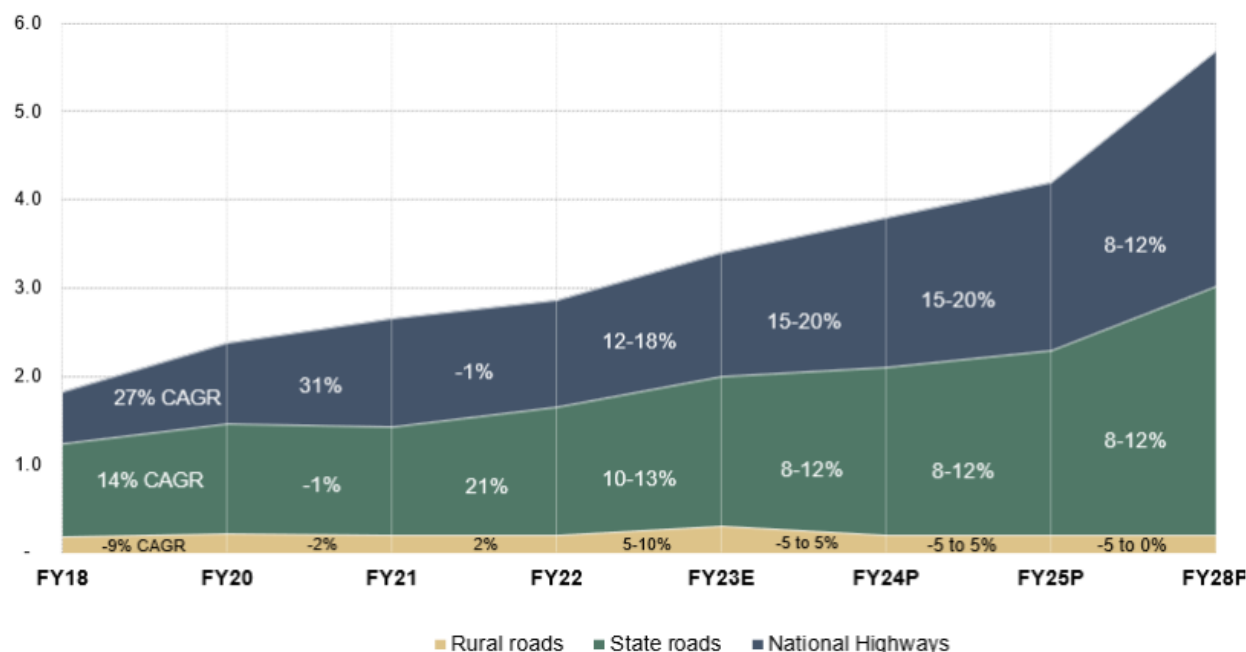
The NH segment contributes around 40-45% of the overall capex. While the execution remained flattish in fiscal 2023 vis-à-vis fiscal 2022, capex grew by 12-18% due to a rise in construction of high value projects and high commodity prices. In fiscal 2024, we expect the national highway capex to grow by 15-20% driven primarily by increased execution.

On the low base of fiscal 2021, the state spends grew by 21% in fiscal 2022 and are estimated to have grown further by 10-13% in fiscal 2023 largely in line with the growth in budgetary outlay. In fiscal 2024, state spends are expected to go up further by 8-12% as their percentage achievement of budgetary allocations are expected to be largely in line with historical average.

The Government of India has given a massive push to the capital expenditure for key infrastructure sectors, especially highways, has got a big boost in Budget 2024-2025. The total allocation for the highways sector has increased marginally to ₹2.78 trillion. Out of the outlay, ₹1.68 trillion is earmarked for investment in NHAI for the development of national highway corridors under Bharatmala Pariyojana

Momentum to continue, supported by Bharatmala and NIP pipeline

(Rs lakh crore)



Note: Capex excludes the land-acquisition costs

Source: NHAI, MoRTH, State budget documents, PMGSY, CRISIL MI&A Research

2.8 Key challenges faced by roads sector in India

Issues and challenges for roads sector

Given the share of roads in the overall transport of goods and passenger traffic, it is critical to develop the roads sector. Although the government has been continuously making efforts to give a fillip to the sector, several issues and challenges hamper the pace of development.

NHAI trying to reduce risks associated with BOT projects through changes in MCA

In order to improve private participation via the BOT-toll mode, NHAI and the ministry introduced changes to the BOT MCA, aimed at addressing key issues such as land acquisition, revenue assessment in case of traffic shortfall and stuck projects. Key amendments to the MCA are as below:

Land acquisition

- Minimum 90% right of way before issue of appointed date as against 80% earlier, providing more comfort to lenders and developers
- Balance 10% to be granted within 180 days of appointed date, else it would be removed from the scope of work. Automatic de-scoping clause would enable the developer to receive PCOD/COD on the completed stretch and start tolling
- Termination clause if appointed date is not received within one year of concession signing date

Traffic risk

- Revenue assessment of project to be done every five years instead of 10 years (or once in a life time of a project) earlier. In case of traffic either exceeding or seeing a shortfall from the target traffic, the concession period would be adjusted accordingly, providing more comfort to lenders and developers

Stuck projects

- In case the project has not achieved COD one year post its scheduled completion date, the project will be mutually foreclosed, and the authority will pay the concessionaire an amount equal or lower of:
 - 90% of the debt due less insurance cover and
 - Value of work done

This will prevent dragging of projects that would lead to time and cost overruns, which was witnessed in the earlier BOT era.

Subdued private participation due to limited financial flexibility witnessing strong revival

Funding constraints and financial stress have thwarted the pace of development in the roads sector. The PPP model for road construction and development acted as a catalyst and provided an impetus to the sector's growth. During fiscals 2008-2012, of the total 10,600 km of national highways completed under the National Highways Development Programme, 50% was funded through the BOT-toll model and 10% through the BOT-annuity model. Rise of PPP in the roads sector has also had some adverse effects. Period of 2007 to 2011 was considered to be the golden age for PPP in the roads sector, wherein the road developers bid aggressively to bag more BOT-toll projects.

In the subsequent years, developers faced viability issues with projects. Issues pertaining to subdued financing, lower traffic, high gearing ratio and delayed execution have stressed their balance sheets. Bidders for PPP toll projects have become limited on account of the said issues. This led to a rise in EPC contracts, but the quality of roads constructed has been usually poor as the EPC contractor has no stake in the roads once these are constructed and handed over to the government. Further, maintenance of roads has been poor after handover to the government, since there is no proper accountability on quality in case of state-owned roads. In case of PPP projects, the developer ensures that the roads are in a good condition for a longer period of time, i.e., the concession period. In the recent years, private participation has revived with the introduction of the HAM model in 2016 and the subsequent favourable changes to the concession agreements in 2020 for the HAM and BOT model.

Delays in project execution and resultant cost overruns

Delays in project execution have posed a major hurdle in the development of the roads sector. Delays lead to significant cost overruns, which lower returns for developers as well as adversely affect their debt-servicing ability. Reasons for delays are numerous and include:

- Issues in land acquisition
- Environmental clearances
- Forest clearances
- Railway clearances

- Shifting of utilities, religious structures and encroachments

It is observed that the duration of delay and cost escalation are on the higher side for projects involving interstate road construction owing to the involvement of different state agencies. NHAI is working towards fast-tracking the resolution of these issues and has established conciliation committees, which target at settling arbitration disputes within 18-20 months (Arbitration Act - amendment in 2019). As per the April 2022 press release, 251 cases have been referred to CCIE and claims worth Rs 387.4 billion have been settled for an amount of Rs 130.6 billion.

Hurdles in bank funding for road projects

Banks are reluctant to fund road sector projects as they are close to the sector exposure limits. Moreover, to ensure delays because of land acquisition do not hinder the progress of a project, they demand 80-100% of the land to be available with the developer at the time the project is awarded. Given the dependence of infrastructure projects on banks for funding, the projects are unable to take off owing to such funding constraints.

Moreover, the stretched working capital cycle in the core construction business of many entities has also strained their liquidity position and increased their dependence on borrowed funds. The operating margins of several road contractors came under pressure because of rising commodity prices (in case of fixed-price contracts) and idling of capacities since execution could not begin on many new projects.

Reluctance to pay toll

Indians have not yet completely accepted the importance of toll for road construction and improvement of service delivery. Also, appeasement of people through provision of subsidies has been a major tool for reaping political gains in the country. There have been several instances of people, backed by political groups, opposing toll plazas. Such instances have not only affected the sentiment of road developers, but also service delivery within the sector. However, it is seen that the acceptability and willingness of users to pay toll is gaining traction.

2.9 Policy framework for road sector

Recent policy reforms provide a significant push to the sector

Key policy measures to boost private participation

To encourage and facilitate private sector investment and participation in the roads sector, the central government, via its respective authorities, has undertaken certain policy measures and provided certain fiscal incentives within the sector. The most significant policy reforms in recent times are discussed below.

Amendments to the EPC model concession agreement (MCA)

The key changes are as follows:

- Right of way: Deadline reduced from 240 days to 180 days for approval/ clearances for areas under forest or sanctuary
- If the appointed date is not received within 90 days of signing the agreement, the contract may be terminated, the authority will pay contractor damages = 1% of the contract price to the contractor for each day of delay

- If the project is not completed within 90 days of the scheduled completion date, the contractor would be ineligible to bid for future projects till it is completed
- Lower compensation and longer tenure for the contractor's maintenance obligations. Defect liability period increased from 4 years to 10 years
- Higher interest on mobilisation advances paid to the authority; earlier recovery of mobilisation advance by the authority; release of retention money against bank guarantees discontinued

Impact

- The authority's obligations increased to enable quicker land acquisition
- Developer's working capital needs increased, also responsible for timely project completion

Introduction of the hybrid annuity model (HAM) in 2016

The broad outline of the new model of operation is as follows:

- Of the total project cost, 40% is to be funded by the government, and the remaining by the developer
- The project cost will be linked to inflation
- Construction support is to be disbursed in five equal instalments of 8% each, and the timing of each such payment will be linked to the percentage of project cost spent by the concessionaire
- Traffic risk will be borne by the government, with developers receiving fixed annuities
- Annuities will be linked to bank rate plus 3%
- 80% of land to be provided prior to the appointed date

Impact of the model

- With land being acquired and other clearances already in place before the appointed date, construction risk is expected to be lower
- Lenders will be assured a steady stream of inflows as traffic risk will be borne entirely by the government
- Low risk and lower capital requirements are expected to attract private players, as well as bankers, towards these projects and gradually help increase private participation in the sector

Impact

The amendment to allow premium payment to begin only in the fourth year of completion will provide developers and lenders a great deal of comfort as interest payments are high in the first three years of operations. The deemed termination of projects will ensure that troubled projects are terminated without delay, thereby avoiding problems that previously existed with prolonged project delays. The amendments, with regard to toll fees and the maintenance of national highways, will provide better protection to highway users.

Exit policy

On August 26, 2015, the Cabinet Committee on Economic Affairs (CCEA) amended its earlier approval dated May 13, 2015, to allow 100% equity divestment after two years of completion for all BOT projects, irrespective of the year of award. The earlier policy allowed such divestments only for projects awarded prior to September 30, 2009.

While the earlier policy allowed the funds obtained through such divestments to be used only for the completion of the concessionaire/promoter's other pending BOT road projects, the new policy allows the proceeds to be used to complete any highway project, any power sector project, or also to retire debt in any other infrastructure project. The exit policy has been changed to six months for HAM projects during construction period and in May 2022, for BOT projects, MoRTH has permitted the change of ownership from existing two years to one year after Commercial Operation Date .

Impact

This move will help close stake sale transactions announced in the last one year and help free up developers' capital, which can be used to repay debt or invest in new projects.

NHAI fund infusion

On May 13, 2015, the CCEA permitted the NHAI to infuse funds in projects stuck in advanced stages of completion. Below are the broad contours of the policy announced:

- Government to look at one-time fund infusion for installed projects where 50% work has already been done
- The NHAI to have the first charge on toll revenue

Impact

This policy will improve developers' cash flows through toll collections and also their debt servicing ability. However, as the NHAI will have the first charge on receivables, lenders are hesitant to allow such a fund infusion. Hence, this policy may not have a significant impact in the near future.

Premium rescheduling

In March 2014, premium rescheduling was announced for projects with delays or lower-than-expected traffic. This helped players manage cash flow mismatches, especially at a time when loan tenures were significantly lower than the project life, resulting in cash flow issues. It also helped specifically in the case of aggressively bid projects where premium payments amounted to a very large portion of the total cost. Decision allowing rescheduling of premium payments, i.e. monthly payments due, to be made by developers to NHAI with an escalation of 5% per annum over the concession period.

Substitution

In January 2014, the CCEA approved the proposal to facilitate the substitution of concessioners in ongoing and completed national highway projects. As per the proposal, existing concessioners are permitted to divest their equity in totality in on-going or completed projects. However, subsequent to the substitution, the leading substituting entity will be required to maintain at least 51% equity holding in the project SPV. The decision to permit substitution will be taken by lenders in consent with the NHAI.

De-linking of forest and environmental clearances

In March 2013, the Supreme Court approved the de-linking of forest and environmental clearances. This de-linking is valid only for road widening projects. In a notification in 2011, the Ministry of Environment and Forests had asked for forest clearances before seeking environmental approval. This led to many road projects being stalled in the first

stage itself. This judgement in 2013 allows companies to start road widening work with just environmental clearances, without having to wait for forest clearances. However, forest clearances will be necessary for stretches that fall in forested areas.

Relaxation on green nod norms for road widening projects up to 100 km

In June 2013, the environment ministry cleared a proposal allowing for the expansion of highways up to 100 km without environmental clearances. Earlier, approval from the environment ministry was not required for road expansion up to 30 km. The relaxation will also be applicable on existing highways, which require additional 40 m of land for widening. This limit was earlier 20 m.

Payment of 75% of arbitration claims

In August 2016, the ministry introduced a policy with regard to the payment of 75% of arbitration claims to the concessionaires. According to the policy, if an arbitration claim has been awarded in favour of a private concessionaire in a lower court/tribunal and the government agency has appealed against it in a higher court/tribunal, then the private player can receive 75% of the claimed amount. It will have to provide the authorities a bank guarantee of an equivalent amount to the government agency.

Impact

This policy will help private players facing financial problems and having substantial claims pending with the NHAI. It is expected to help kick-start stalled projects on account of fund infusion by developer and provide some relief to lenders because of loan repayment.

2.10 Overview of PPP framework and models in operations

PPP is an arrangement between a government/statutory entity/government-owned entity and a private sector entity for the provision of public assets and/or public services through investments made and/or management undertaken by the private sector entity for a specified period of time. In this arrangement, allocation of risk between the private sector and the public entity is defined well. The private entity receives performance-linked payments that conform with (or are benchmarked to) specified and pre-determined performance standards, measurable by the public entity or its representative.

For broad-based and sustainable growth, the government recognises the need to engage with the private sector through a PPP framework to achieve the following objectives:

- Harness private sector efficiencies in asset creation, maintenance and service delivery
- Focus on a life-cycle approach for project development, involving asset creation and maintenance over its life cycle
- Create opportunities to bring in innovation and technological improvements
- Enable affordable and improved services to users in a responsible and sustainable manner

While the preferred form of the PPP model is one in which ownership of the underlying asset remains with the private entity during the contract period, and the project is subsequently transferred back to the public entity on contract termination, the final decision on the form of PPP is taken using the value-for-money analysis.

The types of construction contracts based on price risk are as follows:

Fixed-price contracts: These contracts state the fixed fee or payment (per unit output or whole project) the contractor receives on completion of a contract. The contractor bears the risk of a rise in cost during the construction period. Certain pass-through of higher cost may be allowed in some projects.

Cost-plus contracts: These are contracts in which the contractor is entitled to receive a fixed surplus over the project cost borne. The surplus given to the contractor can be in the form of a fixed percentage over cost or a pre-decided fee over cost. Therefore, any increase in cost of the project, during the construction phase, is passed on to the client.

The types of contracts based on scope of execution are as follows:

Item rate contract

These are fixed-price contracts, where the concerned authority provides the detailed design and the estimated quantity of materials. A project is divided into several sub-activities, for which the item-wise quantity of input material to be used is specified in a document called bill of quantities. Bids are invited for the price of each construction activity based on the items specified. As the aggregate of bid amounts form the total project cost, the lowest bidder wins the project. The bill of quantity document may state the quantity of items such as cement, girders, electric boards, wires, etc, to be used, against which the bids are invited.

Lump-sum turnkey (LSTK) contract

LSTK is a fixed-price contract in which the contractor fixes a lump-sum fee based on the specific project requirements. The client states the project specifications with respect to designs, drawings, technical stipulations, quality of raw material, etc, based on which the contractor provides bids, stating a lump-sum fee for execution.

Design and build contract

In this type of a contract, the authority does a conceptual study of the project to be awarded and specifies the technical output details based on which the specifications of the project are decided. The developer has to undertake the detail designing and execution of these projects. EPC and BOT are design and build models.

A few operational models:

- I. BOT-toll/-annuity/-hybrid annuity model (HAM)
- II. EPC
- III. Toll collection
- IV. Operate, maintain and transfer (OMT)
- V. Toll, operate and transfer (TOT)

Electronic toll collection (ETC) is a strategic focus area for regulatory and administrative bodies involved in the process of toll collection. It presents several advantages such as limiting toll leakages, reducing the waiting time for vehicles, and improving overall traffic flow at toll plazas. In the future, this may result in significant changes in toll collection operating procedures, followed in all the PPP models.

Types of Highway concessions

Type of project	Description	Development risk	Financing risk	Traffic risk and accrual of toll fee collection	Net cash outflow for the government	Revenue for private party	Concession period	Award criteria
BOT-toll	Private party builds the road, undertakes O&M and collects toll	Concessionaire	Concessionaire	Concessionaire	Yes (in the form of grant/equity support)	Toll	20-30 years for the NHAI** and other authorities	Highest revenue sharing bid/highest premium/lowest equity support
BOT-annuity	Private party builds the road, undertakes O&M* and collects annuity from the granting authority	Concessionaire	Concessionaire	Authority	Yes, net payment to be made is the difference between the toll collection and the annuity payable	Annuity payment	15-20 years for the NHAI and other authorities	Lowest annuity
BOT-HAM	Private party builds the road, undertakes O&M. Gets 40% of payment during construction and 60% as annuity along with interest	Concessionaire	Concessionaire	Authority	40% during construction and 60% as semi-annual annuity along with interest, net of toll collected	Construction grant plus annuity payments, interest on annuities, inflation-indexed O&M payments	Around 15 years of operations plus additional construction period	Lowest project cost plus O&M cost
EPC	Private party builds the road, based on the cost incurred by the government	Concessionaire	Authority	Authority	Yes	Contract amount	Not required	Lowest contract price requested
OMT	Private party collects toll, and undertakes O&M and major maintenance	No development risk except minimal risk in case of paved shoulders	Concessionaire	Concessionaire	No	Toll	Up to nine years for NHAI projects	Highest % of toll revenue share or highest premium per year
Tolling	Private party pays the estimated toll upfront to the authority and collects it during the concession period	No development by tolling contractor	Concessionaire	Concessionaire	No	Toll	One year for NHAI projects	Highest revenue-sharing bid
TOT	Private party pays an upfront bid concession fee (summation of NPV of free cash flow based on concessionaire estimates) to the authority, undertakes O&M plus certain capex and collects the toll during concession period	Authority (in case upgradation of lanes is taken up during the concession period)	Concessionaire	Concessionaire	No	Toll	15, 20, 30 years#	Highest upfront payment

Note: Development risk refers to construction risk in developing a road project

*Operations and maintenance

** National Highways Authority of India

#As per TOT bundles of NHAI in 2021-22

Source: CRISIL MI&A Consulting, NHAI

BOT

BOT contracts are typically PPP agreements wherein a government agency provides a private player the rights to build, operate and maintain a facility on public land for a fixed period, after which the assets are transferred back to the public authority.

Funding for the project is arranged by the concessionaire through a mix of equity and debt from banks and other financial institutions. Under the basic BOT mode, the concessionaire charges a fee to the users of the project/facility, and may either transfer the entire user fee collected to the authority or may retain the entire amount as revenue. BOT contracts are, therefore, classified into the following types:

- **Annuity-based contract:** Under this contract, the concessionaire is responsible for the construction and maintenance of the project during the concession period. Variability in user fee gives rise to revenue risk, which is borne by the authority. However, the concessionaire generates revenue through fixed annuity payments received from the authority over the concession period. Since this annuity payment is a cost to the authority, the contract is awarded to the lowest bidder. Tolls charged under these contracts are
 - generally regulated by a policy or a public agency.
- **Toll-based:** Under this model, too, the concessionaire is responsible for the construction and maintenance of the project, after which the project's ownership is transferred to the public authority. However, the toll collected is retained by the concessionaire and not transferred to the authority. Therefore, the concessionaire bears the revenue risk during the concession period. As in BOT annuity-based projects, toll charged under these contracts is generally regulated by a policy or a public agency.
- **HAM:** This is a mix of EPC and BOT (annuity) models. In this model, the project cost is shared between the authority and the concessionaire in a 40:60 ratio. This model aims to lower the financial burden on the concessionaire during the project implementation phase. Compared with EPC projects, the shift to HAM will also ease cash flow pressure on the NHAI. It will lower project risk for developers because the NHAI will bear the risk of traffic volume and the developer earns through fixed annuity payments. It will also help developers participate in more projects given that equity contribution per project will now be lower. This model will also encourage banks to lend to road projects because of the NHAI's involvement. HAM was approved by the Cabinet Committee on Economic Affairs on January 27, 2016.

Viability gap funding (VGF)

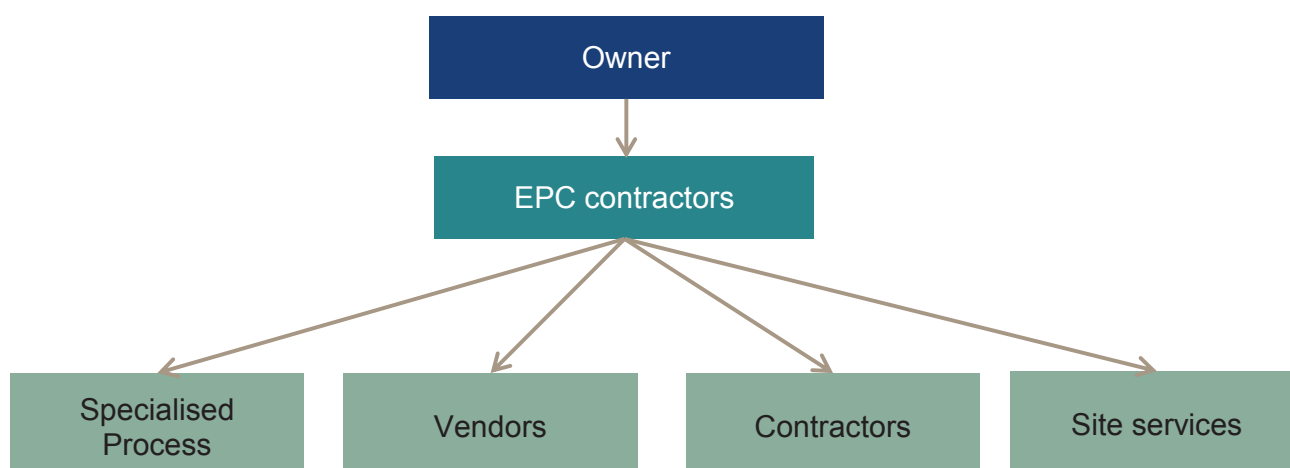
VGF means a grant, one-time or deferred, provided to support infrastructure projects that are economically justified but fall short of financial viability. The VGF scheme was launched in 2004 to support PPP projects. It was a method used by the government for awarding a few BOT projects. Projects generally expected to have traffic numbers insufficient to compensate the costs to the developer were provided an additional grant from the government for execution. The bidder who used to quote the lowest grant used to be awarded the project. The number of projects which got such a grant fell from a high of 23 in fiscal 2010 to only two in fiscal 2016, and no projects in fiscal 2017. Up to fiscal 2012, the rise in the bidding aggression led to a fall in the number of projects receiving VGF. Over fiscals 2013-15, the NHAI's awarding fell drastically. Since fiscal 2016, a majority of the projects awarded by the central government have been on an EPC basis.

In the recently developed HAM model, which in a way is VGF, the government provides 40% of the total cost quoted by the developer during the construction period itself.

EPC

EPC contracts are fixed-price, wherein the client provides conceptual information about the project. Technical parameters, based on the desired output, are specified in the contract. The contractor undertakes the responsibility of designing the project either through an in-house design team or by appointing consultants. Unlike item rate and LSTK contracts, the contractor is allowed to innovate on the project design. Based on these designs, the contractor draws up cost estimates and accordingly bids for the project.

EPC contracts



Source: CRISIL MI&A Consulting

Toll collection

Toll collection, as a separate business model, evolved in 2009. Under this model, the authority invites bids from private players to collect toll on roads constructed under the EPC and BOT-annuity models. It is used for short-duration projects, typically lasting 12 months. The private player with the highest bid is awarded the project. The user fee is pre-determined by the contracting authority. The right to collect user fees during the concession period lies with the private player. A contract of this category involves negligible to minimal road construction and maintenance.

Along with the NHAI, state authorities, municipal bodies and developers are also outsourcing toll collection to private players to recognise revenue upfront. Toll management companies recover their investments and make profits from toll receipts. A typical bidding process adopted by the NHAI and state authorities has been outlined below.

NHAI's bidding process of BOT, HAM & TOT

NHAI adopts single stage two envelop process for selection of the Bidder for award of the Project. Under this process, the Bid shall be invited under two envelopes.

Eligibility and qualification of the Bidder will be first examined based on the details submitted under first envelop ("Technical Bid") with respect to eligibility and qualifications criteria prescribed in this RFP. The Financial bid under the second envelop ("Financial Bid") shall be opened of only those Bidders whose Technical Bids are responsive to eligibility and qualifications requirements as per the RFP. The NHAI introduced the operate-maintain-transfer

(OMT) model for roads in India, and has awarded the maximum number of OMT projects. The bidding process specified by the NHAI for awarding OMT projects is as follows:

NHAI awards OMT projects under a two-stage process: **qualification stage** and **bid stage**

1. Qualification stage

- The NHAI solicits applicants' qualifications through the request for qualification (RFQ) document, for a prefixed number of OMT projects and road length, to ease the process at the bid stage
- The aim of the qualification stage is to evaluate the technical and financial capability of the applicants and decide their eligibility for various categories of OMT projects based on estimated project cost. The cost is specified by the NHAI for all OMT projects and includes all costs expected to be incurred during the project such as cost of major/minor maintenance works, construction of toll plazas, manpower cost, and incident management costs
- At the time of applying for qualification, the applicant is expected to indicate the estimated project cost for which he wishes to be qualified, which should be more than Rs 200 million
- At the end of the qualification stage, the NHAI gives out a list of qualified applicants along with specific estimated project costs, which qualifies them for participation in the bidding stage. The qualification is typically valid for 12 months
- To be eligible for qualification and shortlisting, an applicant is expected to fulfil certain minimum technical and financial criteria:
 - **Technical capacity** – The applicant should have an experience of five financial years, prior to the date of application, of paying or receiving payments for construction or paying for development or collection and appropriation of revenue of PPP projects in the highways* or core sectors* (with capital cost of more than Rs 50 million).
 - **Financial capacity** – In the financial year preceding immediately, the applicant is required to have minimum net worth of the following amounts:
 - For an estimated project cost of less than Rs 20 billion – 25% of the estimated project cost
 - For an estimated project cost between Rs 20 billion and Rs 30 billion – Rs 5 billion plus 50% of the amount by which the estimated project cost value exceeds Rs 20 billion
 - For an estimated project cost value of more than Rs 30 billion – Rs 10 billion plus 100% of the amount by which the estimated project cost value exceeds Rs 30 billion

In the case of a consortium, the combined technical and financial capacity of the members is evaluated.

- The concessionaire is required to engage an experienced O&M contractor or hire qualified and trained personnel to undertake operation and maintenance activities
- No separate applications are needed for qualification for OMT projects, which are part of the RFQ
- A pre-application conference is also convened by the NHAI, wherein applicants can seek clarifications as well as make suggestions for consideration by the authority

** As per the RFQ recently published by the NHAI, the highways sector includes highways, expressways, bridges, tunnels and airfields; core sectors include power, telecom, ports, airports, railways, metro rail, industrial parks/estates, logistic parks, pipelines, irrigation, water supply, sewerage, and real estate development.*

2. Bidding stage

- Unlike the qualification stage, where qualification is evaluated for multiple OMT projects at one go through an RFQ, bidding is carried out separately for each OMT project
- RFP is floated for every OMT project, after which the bidders (applicants qualified at the qualification stage) will be asked to submit financial bids for the projects after detailed analysis of the project's value
- Site detail report as well as concession agreements are also given out in this stage for perusal by qualified bidders

The project is awarded to the bidder who quotes the maximum first year concession fee to be paid to the NHAI or the lowest O&M support required (in case toll revenue from the project is lower than operational expenditures). Till date, all awarded projects have resulted in significant concession fees being paid by concessionaires to the NHAI.

Technology used to help tolling industry

1. ETC

It is a system that enables road users to pay highway tolls electronically without stopping at the plazas. National Electronic Toll Collection (FASTag) programme is the flagship initiative of MoRTH and NHAI has been implemented on pan India basis in order to remove bottlenecks and ensure seamless movement of traffic and collection of user fee as per the notified rates, using passive Radio Frequency Identification (RFID) technology which is made compulsory with effect from February 15, 2021. The implementation of the FASTag system for toll collection in India has been a resounding success, with a consistent growth trajectory. The daily revenue collected from tolls through the use of FASTag has reached an all-time high, of over INR 193 crore as on 29 April 2023. Since FASTag was mandated by the Government in February 2021, the number of toll plazas under FASTag programme has increased from 770 to 1,228, including 339 state toll plazas. With a penetration rate of around 97 percent and over 6.9 crore FASTag issued to users, the system has significantly improved the user experience by reducing waiting times at NH Fee Plazas. (Source: MoRTH press release dated November 21, 2019, and NHAI press release dated May 2, 2023, PIB, CRISIL MI&A).

Average daily collection via FASTag on NH fee plazas is Rs. 147.31 Crores and Number of average daily ETC transactions on NH fee plazas is Rs.86.61 Lakhs in FY 23-24 (Till Nov 2023). The applicable toll amount is deducted from a prepaid account that is linked to the FASTag. The dedicated ETC lanes are colour-coded for immediate recognition. This helps avoid fuel wastage, loss resulting from drivers who avoid payment, and booth attendants taking their cut. It also reduces time delays because of toll payment, thus reducing the resistance for toll payments. In November 2019, MoRTH directed the NHAI that all toll lanes on national highways must have ETC.

In December, the ministry relaxed the rule temporarily to have 95% of the lanes to have ETC. However, in February 2021, the ministry mandated compulsory use of FASTag and announced penalty of double payment in case the toll was paid in cash. (Source: PIB, CRISIL Research)

2. Weigh-in-motion (WIM)

It is a system integrated with toll operations to ensure users are liable for overloaded vehicles and to provide accurate data for charging users by their vehicle weight and type. WIM's main purpose is to prevent road damage as these get easily damaged when overload vehicles pass over it. The Indian Road Congress has limits – prescribed to each axle – to which each vehicle can be loaded. Hence, WIM is an axle-weight calculator installed on the road near toll plazas, which weighs the vehicles in motion and hastens the weighing process.

3. Static weigh bridge (SWB)

This, too, is a weighing system integrated with toll operations to ensure users are liable for overloaded vehicles and to provide accurate data for charging users by their vehicle weight and type. It differs from WIM as it is used to weigh static vehicles.

4. Automatic vehicle counter-cum-classifier system (AVCC)

It is a system that consists of sensor devices installed in a lane to record the physical characteristics of vehicles to determine their configuration for the purpose of charging the user appropriately.

OMT

The OMT concept was introduced to assure road users of adequate quality and safety. An OMT project entails a contract for the right to collect toll and a contract for the operation and maintenance of the stretch.

Scope of work for OMT contracts under MCA includes the following:

- O&M of the stretch/ section of highway
- Tolling of the section
- Construction of project facilities such as toll plazas, street lighting, medical aid posts, traffic aid posts, and bus shelters
- Any major maintenance work (necessary in long-term contracts, not mandatory in short-term contracts)

This model provides consistent revenue (in terms of concession fee by private parties) to the NHAI as well as just-in-time (JIT) maintenance of the project. It includes performance-based, periodic and routine maintenance (minor repairs, cleaning of carriageways, shoulders, cross drainage structures, etc); as well as road property and incident management. In this type of arrangement, toll collection rights are given to the private operator, which form the sole source of revenue.

Road development agencies are looking to generate revenue by awarding OMT contracts. Such revenue is planned to be used to upgrade other roads, and/or for maintenance of roads with low-volume traffic. OMT projects provide an opportunity for firms from the private sector who are not willing to take up construction risk and cannot bring in large investments, but can take traffic risk.

From a developer's perspective, OMT projects offer an opportunity to synergise existing projects by taking up OMT contracts on the same corridor. From an investor's perspective, such projects are equivalent to design, build, finance, operate and transfer (DBFOT) toll-based concessions in terms of traffic risk, but without the construction risk. Investments in such projects would carry benefits similar to investments in DBFOT (toll) projects during the operation period. However, OMT projects have financial liabilities, principally towards road development agencies, unlike capital-intensive DBFOT (toll) projects, where financial liabilities of the project are borne by the road development agencies as well as by lenders. On the other hand, the ticket size of OMT projects, which is about 1/10th the size of a DBFOT (toll) project, is smaller, so a pool of such projects is required to attract larger investors. The creation of such a pool of projects has other advantages such as the hedging of traffic risk. The medium concession period in OMT projects (5-10 years) is another factor that might attract private equity funds to such schemes.

The typical bidding process for an OMT project is as follows:

Bidding process of state authorities

Like the NHAI, many Indian states such as Bihar, Madhya Pradesh, Andhra Pradesh and Telangana follow a two-stage bidding process (qualification stage followed by bidding stage). In the first stage, the authorities qualify applicants through an RFQ process, based on their technical and financial strength. However, unlike the NHAI, which undertakes qualification of a number of OMT projects in one single process (through an RFQ stage), qualification for every single OMT project of the Madhya Pradesh Road Development Corporation (MPRDC) and the Bihar State Road Development Corporation (BSRDC) is typically carried out separately. In the second stage (the bidding stage), which mirrors the NHAI process, bids are invited from qualified applicants and the project is awarded to the bidder which quotes the maximum concession fee or minimum O&M support from the authority. The Karnataka Road Development Corporation, on the other hand, follows a single-stage bidding process wherein qualification and evaluation of financial bids are undertaken.

TOT

The TOT model is a new PPP model by the NHAI to spur private participation in the roads sector. In this model, globally, the concessionaire pays a one-time concession fee upfront (lump sum) in the operations and tolling phase. The TOT concessionaire will then be allowed to operate and toll the project stretch for the concession period. Any improvement in the road asset required may be taken up by the concessionaire as a part of the agreement in the TOT model. However, in the Indian context, these elements may be modified by the NHAI.

The key differences between the tolling and TOT models are:

- In the tolling model, the concession period is typically of a shorter duration (~one year for NHAI projects) whereas in the TOT model, the concession period is longer (15-30 years). The NHAI has reduced the concession period to 15-20 years in the recent tenders pertaining to TOT bundle 5 onwards.
- In the TOT model, the concessionaire maintains the project stretch, which is not the case in the tolling model

Over the past four years, the NHAI has been able to successfully monetise ~14,000 km and raise ~Rs 170 billion. However, with the implementation of FASTags, TOT becomes a more attractive as its able to eliminate cash handling and plug leakages in the system.

Asset recycling, through the Toll Operate Transfer (TOT) model has also been taken up by the NHAI and other State Government agencies is garnering increased interest among the investors. Since its launch in 2018, NHAI has successfully completed 6 rounds of the Road Asset (bundle of roads) of monetization through TOT mode and raised Rs. 26,366 crores. NHAI planned to monetise 46 operational highway stretches of total length of 2,612 kms in the FY 2023-2024 through TOT/ InvIT mode. In the current FY 2023-24, NHAI signed the Concession Agreements for TOT bundles 11, 12, 13 & 14 and realization of Rs 15,968 Cr Concession Fee is expected in FY 2023-24 and NHAI has invited bids for TOT Bundle 15 & 16. Total asset monetization under this model is expected to be Rs 42,334 Cr by the end of FY 2023-24.

2.11 Key initiatives and overview on HAM

The MoRTH released the standard concession agreement and request for a proposal for the much-awaited HAM for private-public partnerships in the road construction sector in June 2016. HAM is a mix of EPC and BOT-annuity models.

The broad contours of the model of operation are as follows:

- 40% of the total project cost to be funded by the government, and the remaining by the developer
- The project cost will be linked to inflation
- Construction support is to be disbursed in five equal instalments of 8% each, and the timing of each such payment will be linked to the percentage of project cost spent by the concessionaire
- Traffic risk will be borne by the government, with developers receiving fixed annuities
- Annuities will be linked to bank rate plus 3%
- 80% of land to be provided prior to the appointed date

Key changes to HAM MCA, 2020

Key changes include the following:

- Back-ending of premium payment
- Redefinition of project milestones
 - Interest on annuity payments linked to the average one-year MCLR of the top five scheduled commercial banks +1.25%
 - 10 milestone payments each, equal to 4% of the bid project cost
- Lenders receive the first charge on all receivables
- Deemed termination of projects
- Maintenance obligations
- Toll fee notifications
- Bids will be evaluated on the basis of the lowest Bid Project Cost (BPC)
- Fixed O&M payments (inflation adjusted) linked with BPC

	Old Clause	Revised Clause	Impact
Annuity Payments	Interest on annuity payment linked to RBI determined Bank Rate + 3%	Interest on annuity payment linked to average of one year MCLR of top 5 Scheduled Commercial Banks + 1.25%	Differential between cost of borrowing and interest on annuity reduced, thus preventing erosion of developers' returns due to RBI repo rate changes
Milestone Payments	5 instalments, each equal to 8% of the Bid Project Cost	10 instalments, each equal to 4% of the Bid Project Cost	Quicker payments helping developers' liquidity
Change in ownership	Original sponsor/ concessionaire shall hold at least 26% of equity during construction period and 2 years thereafter	Original sponsor/ concessionaire shall hold at least 26% of equity during construction period and 6 months thereafter	Quicker stake sell-off would ease up developers' balance sheets to bid for new projects
Financial Closure	No clarity on amount on FC	FC to be undertaken for an amount no lower than either: 1. Total Project Cost (60% of BPC); or 2. 10% less than (Estimated Project Cost minus 40% of Bid Project Cost)	Would likely prevent termination of projects due to inadequate financing
Dispute resolution board	In case of a dispute, either party may call upon the Independent Engineer to mediate.	Failing mediation by the IE, either party may require such dispute to be referred to the Dispute Resolution Board (DRB) .	Quicker dispute resolution mechanism to prevent stuck projects.
Others	Interest mobilization advance linked to bank rate. Termination payments based on previous milestone payments.	Interest on mobilization advance linked to MCLR. Termination payments based on new milestone payments.	NA

Impact

HAM will improve private participation, project awards

The elimination of traffic risk will provide stable cash flows to developers and ensure timely debt servicing for bankers.

The HAM shifts the traffic risk to the NHAI from the concessionaires, with developers being provided fixed annuities based on predetermined schedules. Debt servicing, which is generally challenging during the initial years of the concession period for BOT-toll projects, is set to become easier with the receipt of fixed annuity payments.

The elimination of traffic risk is also a positive, given the bitter experience of road developers, where actual base traffic and traffic growth are significantly lower than estimated. Typically, a two-percentage point decline in traffic growth leads to a ~150 bps decline in project IRRs.

Linking construction and maintenance costs to inflation and ensuring the timely availability of land will mitigate cost overrun risks.

In the past, cost overruns severely impacted project returns. An analysis of projects completed between fiscals 2009 and 2014 shows a dramatic 45% cost overrun for a sample of 51 projects, aggregating to ~3,350 km. The aggregate cost overrun works out to ~Rs 100 billion for these projects.

Typically, a one-year reduction in the concession period owing to project completion delays can reduce project returns by 120-150 basis points (bps). Further, a 10% increase in cost can lower project returns by ~100 bps.

Hence, to address the issue of cost overruns, the government has linked construction, and operation and maintenance costs to inflation. Issues related to delays in land acquisition, which have been the industry's Achilles' heel, have also been addressed, with projects being awarded only after 80% of the land required is in possession of the awarding agency.

In the past, there were significant discrepancies between project costs quoted by the NHAI and project loans taken by developers, due to the factoring in of cost overruns by developers into their own cost estimates. This posed a challenge to bankers in the case of project termination, as compensation was provided by the NHAI only on its approved cost. With project costs being dynamically linked to inflation, bankers' risk has been reduced significantly.

- **Lower equity contribution requirement to increase private players' ability to bid for projects**

With the government incurring 40% of the project cost, the HAM calls for lower equity contribution from developers (~15%, compared with ~25% for BOT-toll projects). This is extremely beneficial, given the current weak financial position of road developers. Further, with the NHAI's equity stake in the project, banker comfort in lending to the project increases significantly.

- **Developers' interest rate risk to reduce significantly**

The HAM provides for bi-annual interest rate payments to concessionaires on the reducing balance of project completion cost, at interest rate payments linked to the average one-year MCLR of the top five scheduled commercial banks +1.25%. This significantly lowers the risk for the developer, in terms of interest rate volatility.

- **Low-risk model to provide moderate returns**

We expect low risk and lower capital requirements to attract private players. Hence, we believe developers would target returns of 11-13%, given the lower risk and assuming moderate competition. Lower competition is mainly on account of the stretched financials of many developers.

- **Boost private investments in national highways over the next five years**

Because of delays in land acquisition and caution shown by lenders in the initial phases for lending to HAM projects, total awarding declined in fiscal 2019 to 2,222 km, compared with 7,397 km in fiscal 2018. Of the total awarding in fiscals 2018 and 2019, ~2,884 and ~977 km, respectively, were awarded through the HAM. The share of private investment has declined between fiscals 2018 and 2019 from 31% to 24%, respectively, mainly on account of EPC projects. Fiscal 2021 saw increased participation in awarding on account of changes to the HAM bid eligibility and MCA changes. A total of 6,306 km was awarded in fiscal 2022, of which, ~3,468 km was under the HAM, compared with a total 4,818 km in fiscal 2021 (~2,602 km under the HAM).

2.12 Key budgetary proposals for infrastructure sector

The Union Budget 2022-23 bet big on an investment push to lift economic growth, two years and three waves into the pandemic. The idea clearly is to push the growth multiplier rather than stoke consumption through direct budgetary support. For the next fiscal, the government's revenue expenditure is budgeted to grow less than 1% after growing 2.7% in the current fiscal. The total capex of the government (budgetary capex plus revenue grants for capital creation and capex by central public sector enterprises) is budgeted to rise 14.5% as compared with only 3.1% in the current fiscal. Hence, the government has tightened the belt around revenue expenditure and frontloaded infrastructure spending, which would lead to faster economic growth.

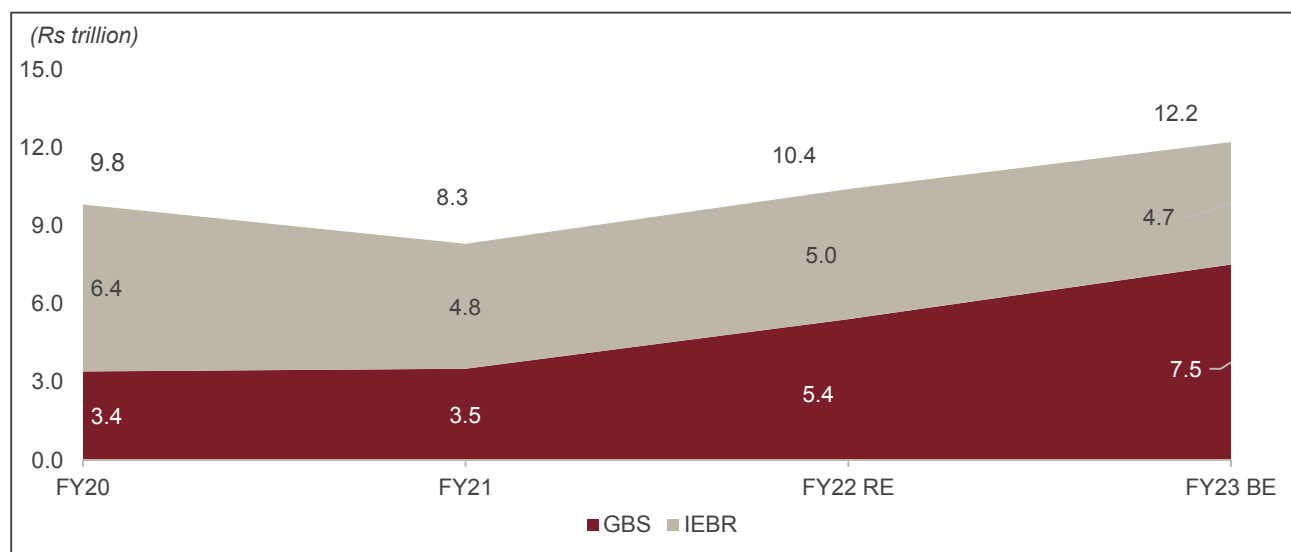
Among the sectors, infrastructure continues to be in focus, with a 30% hike in budgetary support. In addition, railways, water and green energy has also received strong impetus. If there is an overarching picture, it is that this budget sets the tone for much-needed infrastructure growth for the next 3-4 years. That will help both sustain development and create jobs. But implementation, which is all-crucial, remains the elephant in the room.

Budget 2024 raised the allocation for the Road Ministry marginally to ₹2.78 lakh crore from Rs 2.7 lakh crore. Out of the outlay, ₹1.68 lakh crore is earmarked for investment in NHAI for the development of national highway corridors under Bharatmala Pariyojana.

Key budget announcements concerning infrastructure are:

- At Rs 7.5 trillion, aggregate budgetary support (gross budgetary support or GBS) for capex in the next fiscal is up 39% over fiscal 2022RE (revised estimates). For infrastructure sectors, budgetary support is up 30% at Rs 4.3 trillion. These exclude Rs 620.57 billion equity infusion into AI Assets Holding Ltd (AIAHL) in fiscal 2022RE
- PM Gati Shakti Master Plan for expressways is to be formulated. The national highways network will be expanded by 25,000 km next fiscal
- In the railways sector, 2,000 km of tracks will be brought under the train collision avoidance system, Kavach; 400 new-generation Vande Bharat trains will be introduced in the next three years
- Four multi-modal logistics parks will be awarded through the PPP mode next fiscal

Aggregate capex



Note: GBS: Gross budgetary support; IEBR – Internal and extra budgetary resources

Source: Budget documents, CRISIL MI&A Consulting

Budget impact and capital outlay of different infrastructure segments

Aggregate capex is at Rs 12.2 trillion for the next fiscal, up 17% over fiscal 2022RE, excluding equity infusion for AIAHL. Interestingly, the GBS is up a steeper 39% on-year, increasing the government's direct spend to 62% of aggregate capex next fiscal from 55% in the current fiscal. This reflects a shift in the government's financing pattern — an increase in the reliance on direct budgetary support and a reduction in funding from central public sector enterprises (CPSE).

With direct budgetary support for infrastructure rising a faster 30% for next fiscal, the share of infrastructure segments, which account for 54% of the aggregate capex, rises a modest 11% over fiscal 2022RE. In the infrastructure basket, the railways, water, and green energy get a stronger impetus.

Asset monetisation as an infrastructure funding mechanism was largely missing in the budget proposals. It found mention only in the roads sector, where it is expected to generate Rs 200 billion and fund 10% of the NHAI requirement for the next fiscal.

Table 1: Outlay for core infrastructure ministries (Budget documents – February 2023)

Figures (billion)	FY22				FY23BE				FY23RE				FY24BE				Growth in outlay	
Ministry	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	vs FY23RE	vs FY23BE
Ministry of Railways	1172.7	733.9	0.0	1906.6	1371.0	1085.0	0.0	2456.0	1591.0	959.4	0.0	2550.4	2400.0	527.8	0.0	2927.8	15%	19%
Ministry of Road Transport and Highways	1133.1	651.5	69.5	1784.6	1877.4	0.0	83.4	1877.4	2063.0	8.0	77.3	2071.0	2586.1	0.0	87.5	2586.1	25%	38%
National Highways Authority of India	570.6	651.5	0.0	1222.1	1340.2	0.0	0.0	1340.2	1416.1	8.0	0.0	1424.0	1622.1	0.0	0.0	1622.1	14%	21%
Ministry of Defence	1447.9	28.6	0.0	1476.4	1604.2	28.4	0.0	1632.6	1579.8	28.4	0.0	1608.2	1713.8	31.0	0.0	1744.8	8%	7%
Ministry of Petroleum and Natural Gas	3.5	1066.9	18.2	1088.5	6.0	1113.5	4.6	1119.5	0.4	837.7	19.8	838.1	355.1	1064.0	22.0	1419.1	69%	27%
Ministry of Rural Development	0.0	0.0	1380.8	1380.8	0.0	0.0	1070.2	1070.2	0.0	0.0	1525.1	1525.1	0.0	0.0	1305.2	1305.3	14%	22%
Ministry of Housing and Urban Affairs	259.5	99.7	247.7	606.9	273.4	178.7	374.1	826.3	236.8	194.3	310.6	741.7	260.0	169.6	418.3	847.9	14%	3%
Ministry of Power	28.3	481.4	181.7	691.3	0.1	514.7	162.6	677.4	0.2	528.8	120.5	649.6	0.2	608.1	194.7	802.9	24%	19%
Ministry of New and Renewable Energy	25.8	158.8	40.9	225.5	0.1	285.7	67.1	352.9	0.1	275.5	69.3	344.9	0.1	378.3	97.5	475.9	38%	35%
Pradhan Mantri Gram Sadak Yojana	139.9	0.0	0.0	139.9	190.0	0.0	0.0	190.0	190.0	0.0	0.0	190.0	190.0	0.0	0.0	190.0	0%	0%
Ministry of Water Resources	1.8	0.0	110.6	112.4	4.2	0.2	106.7	111.0	3.0	0.0	69.1	72.1	3.6	0.0	120.8	124.5	73%	12%

Figures (billion)	FY22				FY23BE				FY23RE				FY24BE				Growth in outlay	
Ministry	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	GBS	IEBR	GIA	Total	vs FY23RE	vs FY23BE
Ministry of Shipping	6.1	31.7	3.4	41.2	5.7	44.8	4.1	54.5	6.7	31.1	4.2	42.0	10.7	36.3	3.8	50.8	21%	7%
Ministry of Civil Aviation	45.6	0.0	12.3	57.9	0.8	45.7	6.7	53.2	0.9	41.9	13.6	56.4	0.9	34.5	10.5	45.8	19%	14%
Total GBS - infra	4264.2	0.0	0.0	0.0	5333.0	0.0	0.0	0.0	5671.9	0.0	0.0	0.0	7520.3	0.0	0.0	0.0	0%	0%
Total IEBR - infrastructure	3252.3	0.0	0.0	0.0	3296.6	0.0	0.0	0.0	2905.1	0.0	0.0	0.0	2849.6	0.0	0.0	0.0	0%	0%
Total outlay - infrastructure	0.0	0.0	2064.9	9581.4	0.0	0.0	1879.5	10509.1	0.0	0.0	2209.4	10786.5	0.0	0.0	2260.4	12630.3	17%	20%

GIA: General Grant-in-aid, GBS: Gross Budgetary Support, IEBR: Internal and Extra Budgetary Resources, BE: Budget Estimate, RE: Revised Estimate.

Source: Budget documents-Feb 2023, CRISIL MI&A Consulting.

Impact

- Aggregate capex — including capital outlay, grants for capital creation and IEBR — of Rs 18.6 trillion next fiscal is up 28% over fiscal 2023RE (Revised Estimate). The share of gross budgetary support and grants allocated for capital creation has increased to 74% from 69% of overall capital outlay. This indicates the government's reliance on direct budgetary support, thereby improving fiscal transparency
- The 11 core infra ministries account for ~65% of overall capex. In the infrastructure basket, railways (25% growth), water (73%), renewables (38%), and petroleum and natural gas (69%) have received a stronger impetus. Roads and railways account for ~44% of the overall infra capex

Note: *The 11 core infra ministries are Road Transport and Highways, Housing and Urban Affairs, Civil Aviation, Power, Railways, Shipping, Rural Development, Water Resources, New and Renewable Energy, Defence, and Petroleum and Natural Gas

Roads and highways

- Capex for roads and highways next fiscal has been increased a sharp 25% over fiscal 2023RE (Revised Estimate). Similar to the previous fiscal, the entire Rs 2.59 trillion is via GBS since the IEBR limit has been completely eliminated to reduce dependence on the NHAI's borrowings. On the other hand, the asset monetisation target has been slashed by half to Rs 100 billion (RE) from Rs 200 billion (BE), in line with the limited success in awarding toll-operate-transfer (TOT) bundles. This assumes greater significance because roads account for close to 30% of the National Monetisation Pipeline (NMP) targets, and the slower-than-expected progress of monetisation in the sector indicates a delay in achieving the targets and continued dependency on budgetary support for the sector
- Budgetary allocation of Rs 1.62 trillion to the NHAI next fiscal is up 15% over fiscal 2023RE (Revised Estimate). However, the contribution of cess towards NHAI funding for fiscal 2024BE is ~1% of fiscal 2023RE (Revised Estimate). This is because the reduction in value-added tax (VAT) on crude oil and diesel adversely impacted receipts in the Central Road and Infrastructure Fund (CRIF). Fiscal 2024BE CRIF receipts are as much as 31% lower than fiscal 2023RE (Revised Estimate). Coupled with the elimination of IEBR, this implies that a significantly large portion of NHAI funding would be met through GBS. Nonetheless, the sources of NHAI funding remain a key monitorable
- The budget introduced provisions for making unit redemption of infrastructure investment trusts (InvITs) taxable at the hands of the unitholders - it was non-taxable earlier. The move is aimed at widening the tax base. While this would increase the tax outgo for investors, attractive risk-reward dynamics are expected to keep investor interest buoyant in InvITs in the roads sector

Railways

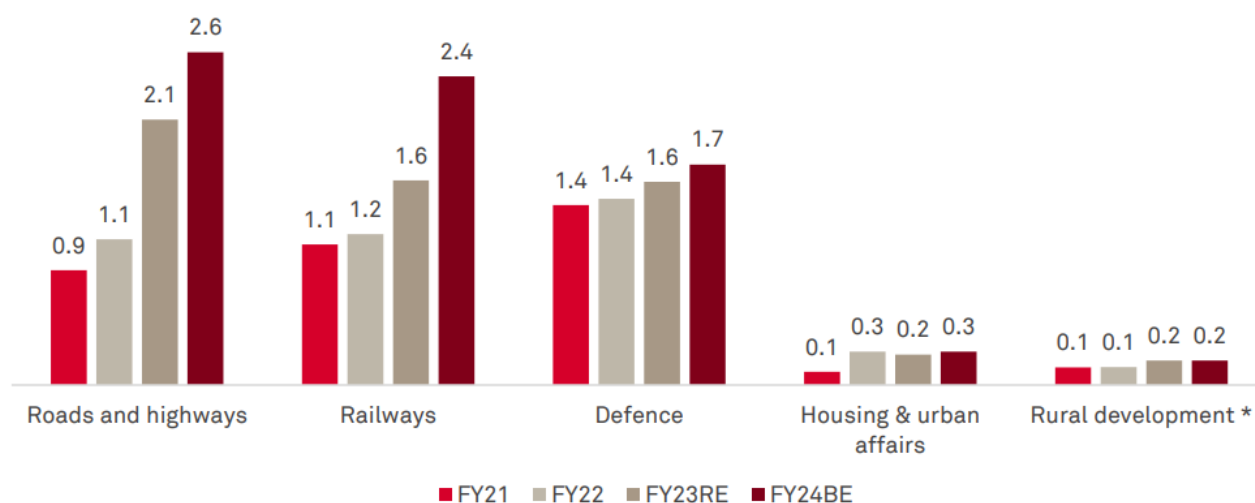
- Railways capex for next fiscal has been increased 15% over fiscal 2023RE (Revised Estimates). The share of gross budgetary support in railways capex has risen from 62% to 82%, while that of IEBR has been reduced to 18% from 38%. This implies a shift in the government's reliance towards GBS, thereby reducing its reliance on external budgetary sources
- The rise in allocation to railways will drive completion of dedicated freight corridors and national high-speed corridors, as well as infrastructure modernisation. Allocation of -Rs 0.37 trillion, up nearly 2.5 times over fiscal 2023RE (Revised Estimate), in rolling stock accounts for - 13% of overall budgetary expenditure for railways

Housing

- Outlay for the Pradhan Mantri Awas Yojana (PMAY), both urban and rural, rose a modest 3% to Rs 0.79 trillion against fiscal 2023RE (Revised Estimate)
- Deduction from capital gains on investment in residential property under Sections 54 and 54F were capped at Rs 100 million for better targeting of tax concessions and exemptions

Income distributed through redemption of units by business trusts such as real estate investment trusts and InvITs is to be taxed in the hands of unit holders.

Sector-wise funds allocation for infrastructure (Rs trillion)



*Note: *Rural Development includes capex of the Department of Rural Development and expenditure under Pradhan Mantri Gram Sadak Yojana*

Source: Budget documents, CEIC, CRISIL

As seen in previous years, the highest budgetary allocation under capex is directed towards major infrastructure-related sectors such as roads (Rs 2.6 trillion, 25.4% growth over fiscal 2023RE (Revised Estimate)). and railways (Rs 2.4 trillion, growing 50.8%).

Capital outlay of the Ministry of Road, Transport and Highways

Capital outlay (Rs billion)	FY16	FY17	FY18	FY19	FY20	FY21	FY22RE	FY23BE	FY23RE	FY24BE	Growth FY24BE vs FY23RE
Ministry of Road, Transport and Highways	275.33	411.93	507.52	676.46	683.74	892	1213	1877	2071	2586	25%

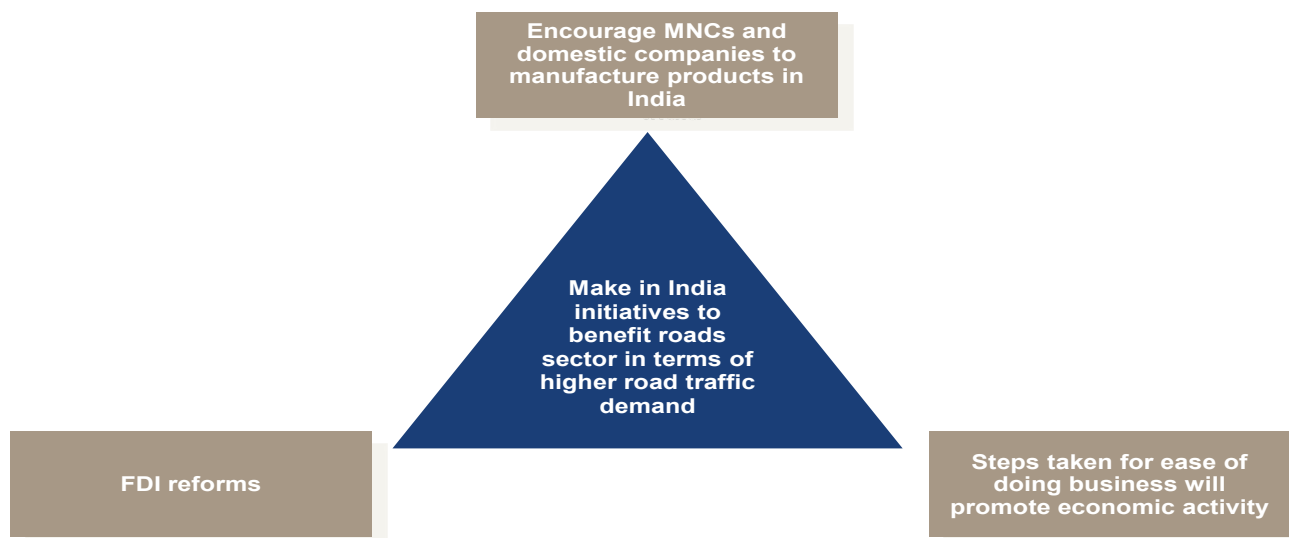
Source: CRISIL MI&A Consulting

Allocation for the Pradhan Mantri Gram Sadak Yojana (PMGSY) for the next fiscal is Rs 190 billion, up 0% over fiscal 2023BE. However, over the past two years, the achievement ratio under the scheme has been a low 70-75%. Therefore, actual expenditure against the allocation remains a monitorable.

2.13 Impact of the 'Make in India' initiative on the roads sector

The 'Make in India' campaign, launched in September 2014, covers 25 major sectors, including roads and highways. The initiatives under the campaign, such as encouraging multinational companies (MNCs) to manufacture products in India, taking steps to improve the ease of doing business, as well as FDI reforms, are expected to benefit the roads sector in terms of increase in traffic movement.

Impact of 'Make in India' on the roads sector



Source: CRISIL MI&A Consulting

Encourage MNCs and domestic companies to manufacture products in India

MNCs and domestic companies setting up manufacturing plants in India will facilitate increase in passenger as well as freight traffic on roads. Following the announcement of the 'Make in India' campaign, the government received several proposals from MNCs interested in manufacturing electronics in India. For instance, Xiaomi, a Chinese mobile phone maker, partnered with Foxconn in August 2015 to manufacture smartphones in a factory in Andhra

Pradesh. A few weeks later, Lenovo, a Chinese computer and mobile phone maker, announced its plans to manufacture smartphones in India at its Chennai plant.

Steps to improve ease of doing business will promote economic activity

The measures undertaken for ease of doing business will promote economic activity and, thereby, boost road traffic demand. Some of these key measures are:

- Applications for environment and forest clearances are to be submitted online through the Ministry of Environment and Forests and Climate Change portals
- Application forms for industrial licence (IL) and industrial entrepreneur memorandum (IEM) have been simplified
- Applications for IL and IEM are to be submitted online
- The eBiz portal has integrated 20 services and will function as a single-window portal to obtain clearances from various governments and government agencies
- The Ministry of Labour and Employment has launched a unified portal to register units for Labour Identification Number (LIN), report inspections, submit returns, and for grievance redressal

Overview of government initiatives

New tolling policy (2011)

Toll act

The central government is authorised to levy a fee (toll) under Section 7 of the National Highways Act, 1956, for public-funded projects and under Section 8-A of the said Act for private investment projects. The government can levy fees on all sections of national highways (irrespective of four or two lanes), tunnels, bypasses, and bridges with specific cost criteria.

Fee structure

Toll charges are based on rates notified by the government. The fee for use of a section of national highways with four or more lanes for the base year fiscal 2008 shall be the product of the length of such a section multiplied by the rates specified hereunder. Fee modification issued prior to this policy shall remain valid till period mentioned in such notification.

Toll rates for four-lane national highways

Vehicle category	Rs/ km
Car, jeep, van, light motor vehicle	0.65
Light commercial vehicle	1.05
Bus or truck	2.2
3-axle commercial vehicle	2.4
Heavy construction machinery, multi-axle vehicles (MAV) with 4-6 axles	3.45
Oversized vehicles with 7 axles or more	4.2

Source: PIB, CRISIL MI&A Consulting

The rates, which will be revised every year, will be an aggregate of the following rules effective April 1, 2016:

- Increase of 3% without compounding (on base rates of fiscal 2008)
- Compared with the previous year, 40% of the increase in wholesale price index (WPI)

In previous years, the toll rates were fully linked to the WPI, which led to numerous case where WPI would become negative. The current method of toll rates has been beneficial for private players.

Other features of the new tolling policy include the following:

- Uniform rates for public- and private-funded projects
- Fee for a permanent bridge, bypass, or tunnel costing Rs 0.10 billion or more and that of NH length will be calculated separately

In 2013, 2014, 2015, 2019, 2020, and 2022 some amendments were made to the National Highway Fee (determination of rates and collection) Rules 2008, as follows:

- In the case of a four-lane highway being upgraded to a six-lane one, the increase in rate shall be limited to 75% of the fee specified, revised as per the applicable rules calculated on and from the date of commencement of upgrade-related work to the date of completion of the project, according to the agreement entered into with the concessionaire without any annual revision
- In certain cases, fee collection is started when the project is 75% complete, but the fee is applicable only to 75% of the operational length
- No user fee shall be levied on the delayed period between the date of completion as per the agreement entered into with the concessionaire and the date of actual completion of the project. For the purposes of this rule, any provisional completion shall not be treated as completion of the project.
- The tolls rates are calculated on the basis of the road length, excluding bypass (costing more than 100 million) and structures (more than 60 metre). The road length fee is payable at 100% of the applicable rate for four lanes and at 60% for two lanes with paved shoulders
- Bypass (costing more than 100 million) length fee is payable at 150% of the applicable rate for four lanes and at 90% for two lanes with paved shoulders
- Structure (costing more than 100 million) length fee is payable at 100% of the applicable rate for four lanes and at 60% for two lanes with paved shoulders
- Commercial vehicles registered within the district are tolled at 50% discount, and local non-commercial vehicles are issued a monthly pass for a certain amount
- The rate of fee for use of an expressway shall be 1.25 times the rate specified in the applicable rule
- The rate of fee for private investment projects shall be as specified under the applicable rule or as the concessionaire may determine by issuing a public notice to users
- The following method is used to calculate the rate of fee for highways/expressways with standalone structures and structures forming part of linear highways/expressways:

Length of the structure* (L) X Factor "10" = Length in metres

** Structure of 60 metres of length or less*

- In the December 2013 amendments, the NHAI empowered the concessionaire to collect 10 times the applicable fee from overloaded vehicles. The December 2015 amendments allowed the concessionaire to stop vehicles plying on National Highways unless they cleared their dues. Any vehicle loaded in excess of its maximum permissible gross vehicle weight (GVW) is not permitted to use the National Highway or cross the toll plaza until the excess load is removed or a fee of 10 times the applicable amount is paid. Moreover, the concessionaire can detain the vehicle until all dues are cleared
- The May 2018 amendment stated that if a vehicle user with a valid, functional FASTag or any such device with sufficient balance in the linked account crossing a fee plaza installed with Electronic Toll Collection infrastructure is not able to pay the user fee through FASTag or any such device because of malfunctioning of Electronic Toll Collection infrastructure, the vehicle user shall be permitted to pass the fee plaza without payment of any user fee
- If a mechanical vehicle crossing fee plaza without valid FasTag, Plaza is authorised to charge 2x the single journey fee amount.

Financial incentives for road developers

- Under section 80 IA of the Income Tax Act, profits and gains derived by an undertaking are subject to 100% deduction for 10 consecutive assessment years out of 20, beginning from the year in which the undertaking begins to operate the business, provided such profits and gains are derived from the business of: 1) developing, 2) operating and maintaining, or 3) developing, operating, and maintaining a road, including tolls and bridges, a highway project including housing or other activities being an integral part of the highway project. These criteria shall not apply to any enterprise that starts development or operations and maintenance of the infrastructure facility on or after April 1, 2017, as that enterprise shall be eligible for 100% deduction of capital expenditure under section 35AD
- Import duty has been completely exempted for public-funded needs on certain identified high-quality construction plants and equipment
- Import of bitumen is now permitted under the Open General Licence
- External commercial borrowings are permitted up to 35% of the project cost

2.14 Review and outlook of NHAI funding

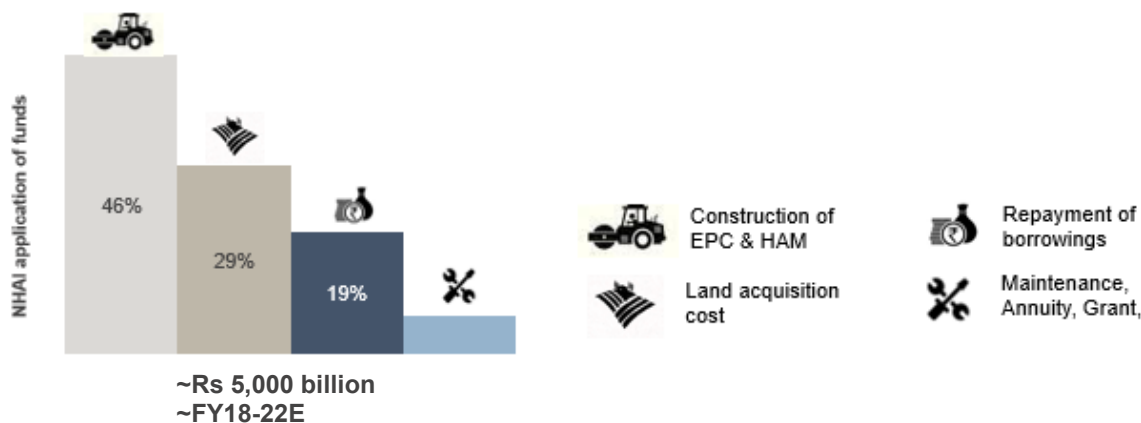
Asset monetisation critical

As per CRISIL MI&A estimates Rs 17-19 trillion will be invested in national highways between fiscals 2023 and 2027, with public funds dominating overall spending. In light of awarding more projects under the HAM and on a cash-contract basis, NHAI is now relying more on external borrowings and asset monetisation. While asset monetisation via TOT and the InvIT route is challenging in itself, raising external funds is increasing the debt to equity ratio of the authority, with repayments forming a large part of NHAI's outflow. Timely asset monetisation is critical for NHAI to meet its ambitious Bharatmala targets.

Due to higher awarding under EPC and HAM, NHAI's outflow toward milestone payments formed ~46% of the total met through market borrowings.

Of the Rs 5,000-6,000 billion spent over the last five years (fiscals 2018-2022), 46% was toward milestone payments for EPC and HAM (40% for HAM) projects, while ~29% was toward land acquisition expenditures and 19% toward interest and repayment of borrowing.

NHAI application of funds: 46% of NHAI outflow towards construction

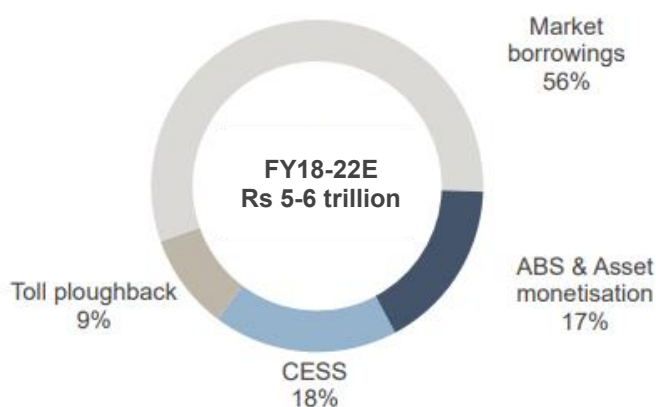


E: Estimated

Source: NHAI, CRISIL MI&A Consulting

While toll plough-back and CESS (budgetary allocation) contributed 18% and 9%, respectively, to the sources, the maximum amount (56%) of NHAI's funding came from market borrowings. Additional budgetary support and asset monetisation were 17% of total amount. With NHAI's requirement expected to increase amid ambitious construction targets, additional support via monetisation are critical for future requirements.

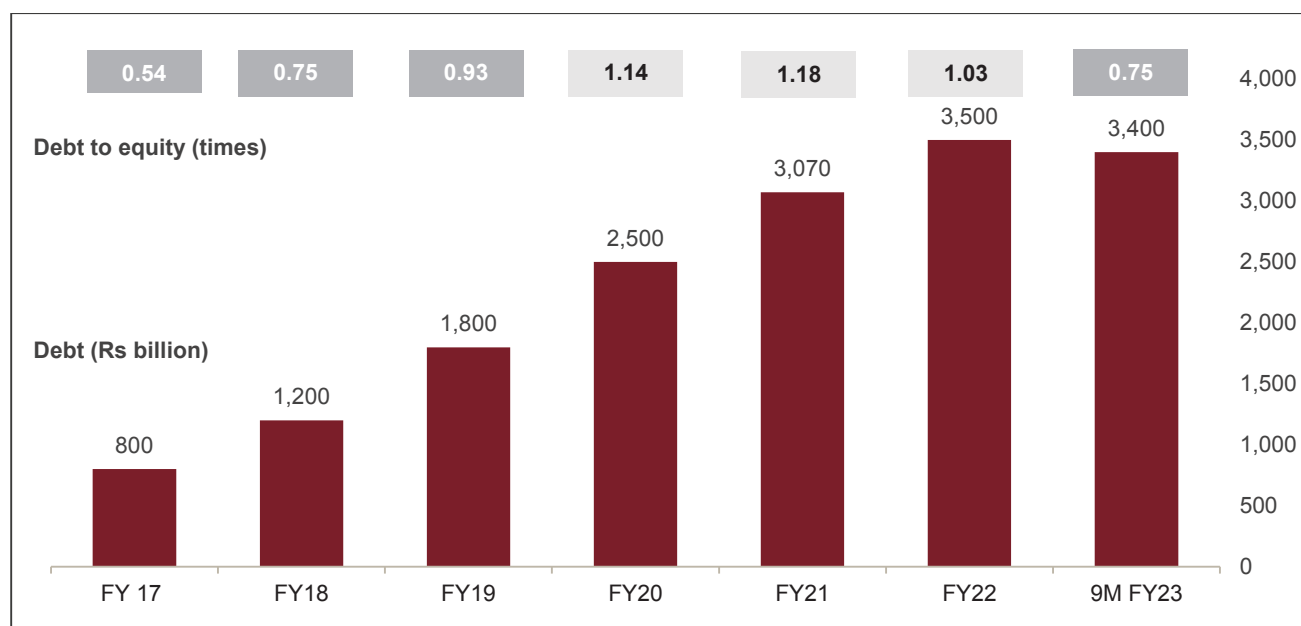
NHAI sources of funds: market borrowings accounted for 56%



Source: NHAI, CRISIL MI&A Consulting

On account of the high dependence on market borrowings to fund asset creation through EPC and HAM projects, NHAI's debt to equity ratio rose to 1.2 times in FY21. Due to the reduction in dependence on external borrowings, NHAI's leverage position has seen a sharp improvement. The entity's debt-to-equity ratio has climbed down from 1.2 in fiscal 2021 to 0.75 (as of Dec-22). This can be attributed to NHAI's strategic importance to the Government of India and the road sector being a key area of reform in order to remove infrastructure bottlenecks and ensure a source of momentum for economic growth. Hence, the sector is witnessing the implementation of significant initiatives, such as the Bharatmala project.

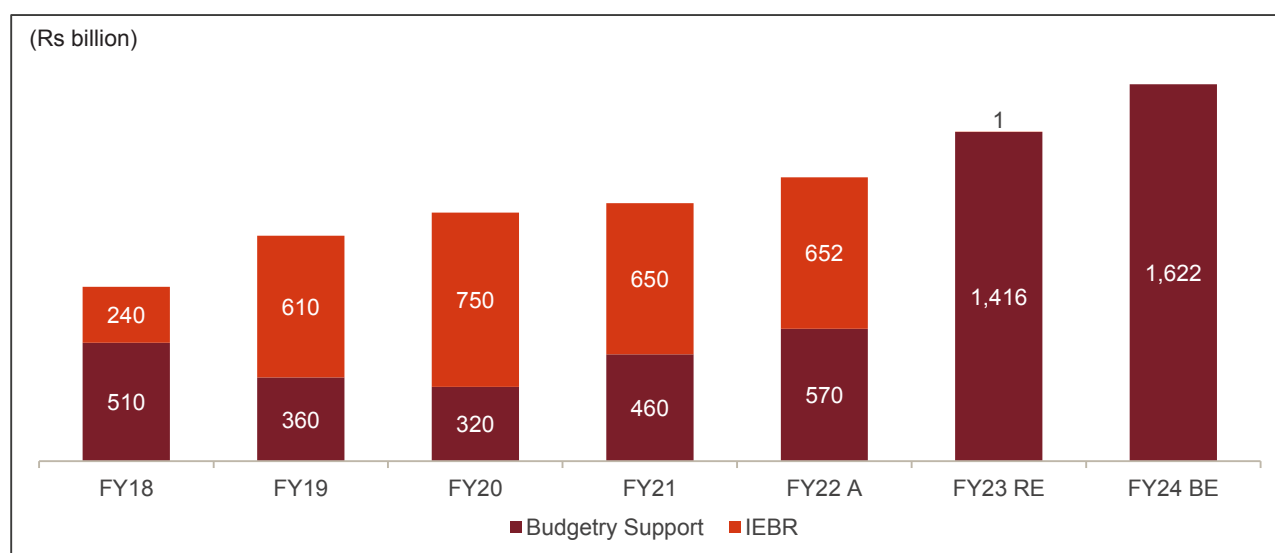
NHAI borrowings on the rise



Source: NHAI, CRISIL MI&A Consulting

To limit the rise in borrowings, NHAI's budgetary support in the form of CESS and toll plough-back was increased by 106% for fiscal 2023 (budgeted), with IEBR remaining nil. The trend has continued in fiscal 2024 wherein the IEBR has continued to remain absent in the budgeted estimates for fiscal 2024. The overall support to NHAI has marked a 13% increase over FY23RE.

IEBR done away with in FY23 budget

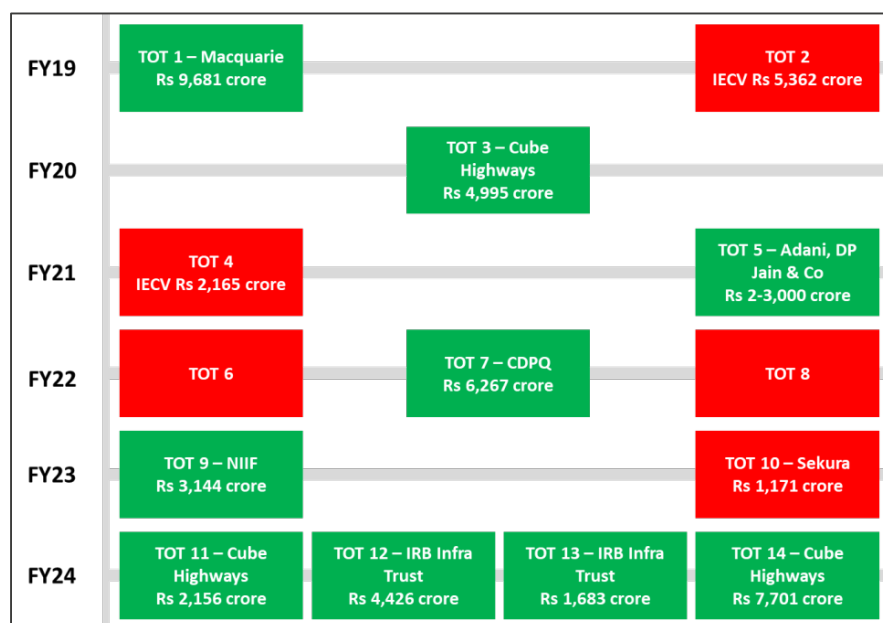


Source: Budget documents, CRISIL MI&A Consulting

Other modes of funding such as TOT have seen only limited success. With the implementation of Fastags, TOT becomes more attractive as its able to eliminate cash handling and plug leakages in the system. However, of late,

the awarding of TOT bundles have encountered impediments with certain TOT bundles like TOT-6, TOT-8 and TOT-10 getting cancelled due to low bids. While NHAI annulled the original bidding process for TOT bundles 11 and 12 due to low valuations, they were subsequently able to successfully award these bundles in the second round of bidding during FY24. During FY24, NHAI has also successfully awarded TOT bundles 13 and TOT 14. Also, NHAI has invited bids for TOT bundles 15 and 16. The convergence of the expectations of the government authorities and the private bidders remain a key monitorable as well as a major requirement for this mode of funding to become truly successful.

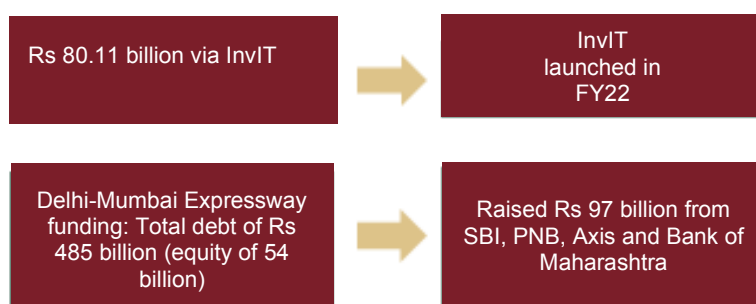
Success of TOT critical to meet ambitious Bharatmala targets



Source: NHAI, CRISIL MI&A Consulting

The authority has also tied up debt via SPVs level funding for the Delhi-Mumbai expressway where it has already raised Rs 97.31 billion.

InvITs and SPV level financing



Source: NHAI, CRISIL MI&A Consulting

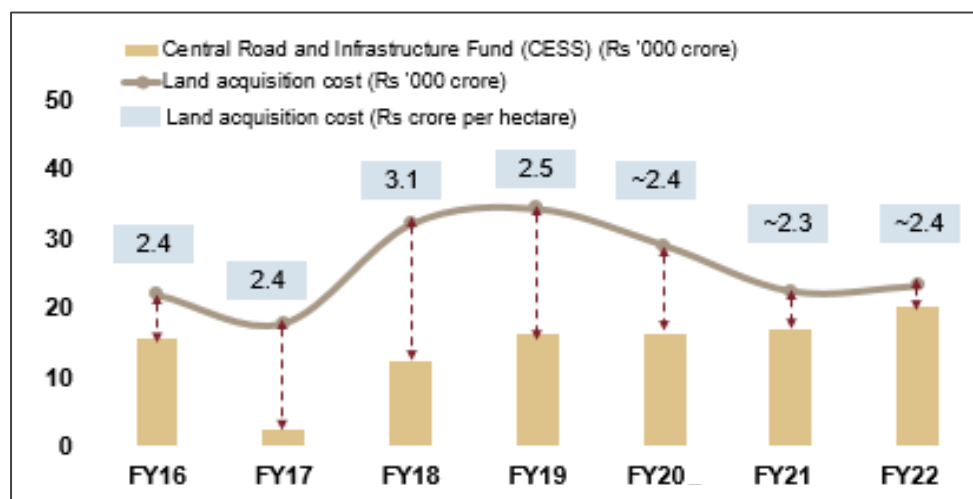
NHAI focuses on clearing land acquisition issues

Historically, cess was allocated towards land acquisition expenditure incurred by the NHAI. After the enactment of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, the shortfall in funds to meet the expenditure widened. However, with the authority's focus on clearing these issues and on new greenfield alignments, the issues plaguing land acquisition have reduced.

In the Union Budget for fiscal 2019, road cess was replaced by the Central Road and Infrastructure Fund (CRIF). Previously, road cess was split based on a fixed formula used and utilised for national highway construction, maintenance, railways, Pradhan Mantri Gram Sadak Yojana, etc. So far, there has been no change in the split. However, going forward, the share of cess for the roads sector could reduce given the increase in the overall scope from roads to roads and infrastructure, increasing dependence on borrowings.

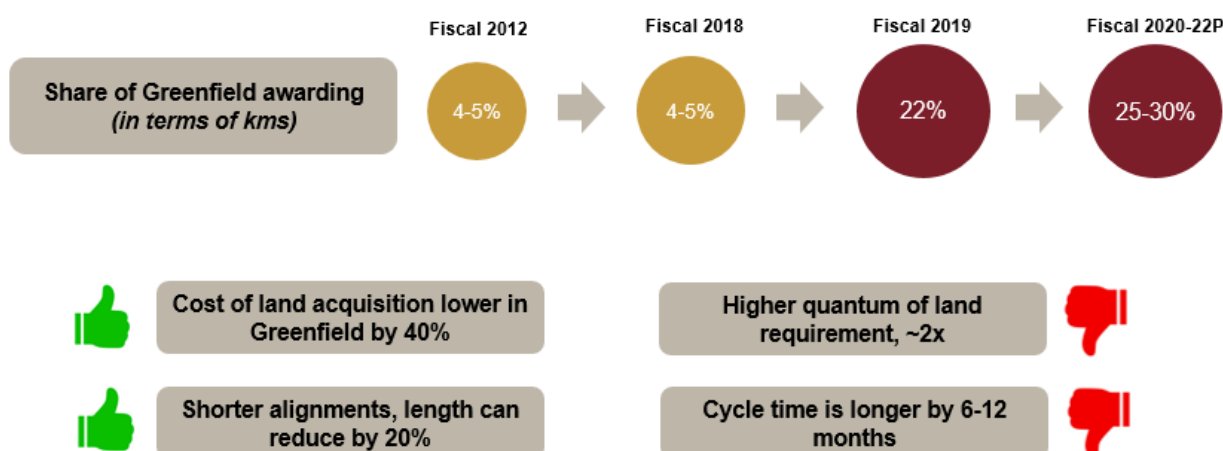
The compensation policy under the current land acquisition law requires the NHAI to pay four times the market value for rural land and two times for urban land. This and the new rehabilitation and resettlement Act have almost tripled land acquisition costs. In fiscal 2014, the average cost for acquiring land was Rs 9 million/ha. It increased to about Rs 30-32 million/ha in fiscal 2019 and declined to Rs 24-25 million/ ha in fiscal 2020.

Cost for Land acquisition for the authority has come down since FY20



Source: NHAI, CRISIL MI&A Consulting

Greenfield projects offer support:



Source: NHAI, CRISIL MI&A Consulting

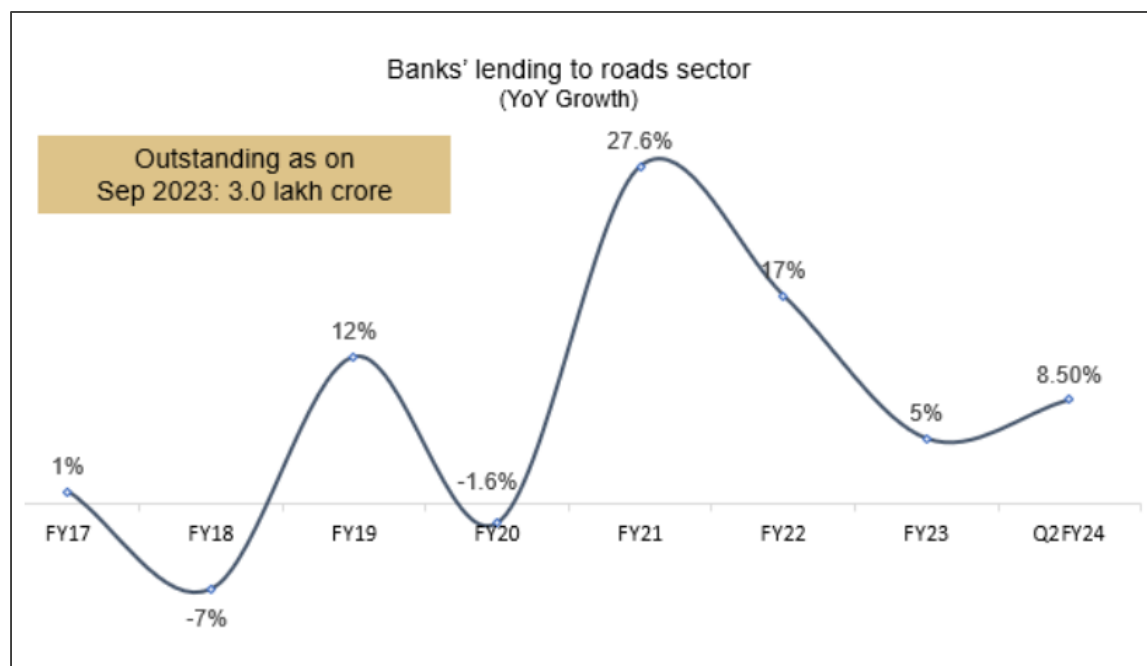
The share of greenfield road projects in awarding has been increasing consistently in the past few years driven by Bharatmala. As per CRISIL MI&A estimates, the share of greenfield projects in awarding was above 25% in the last few fiscals. The increase in the share of greenfield projects lowers the cost of land acquisition by 40%, compared with brownfield projects. Also, these greenfield projects come with shorter alignments and 20% shorter length. That said, a key drawback of greenfield projects is the cycle time, which is longer by 6-12 months, compared with brownfield projects, because of higher design time.

Improvement in bank credit growth led by higher HAM execution

After a dip in fiscal 2020, bank lending to the roads sector staged a healthy recovery and grew by 27% yoy owing to higher awarding and higher construction. The traction continued in fiscal 2022 as well with lending to the sector witnessing a robust growth of 17% yoy. In fiscal 2023, the growth momentum has moderated due to the high base with the on-year growth rate for the year standing at 5%. At the end of fiscal 2023, the outstanding bank credit to the roads & highways sector stood at Rs 2.9 lakh crores.

For projects that were awarded in fiscal 2012, banks approved costs that were much higher than those approved by the National Highways Authority of India (NHAI). As a result of the problems faced in these projects, bankers are now very cautious while evaluating projects, and are estimating project costs much closer to the NHAI estimates. They demand that at least 80% land acquisition should be completed and all clearances must be obtained at the beginning. While this has increased the time taken by players to achieve financial closure, it will ensure participation only by serious players. However, viable projects and those that have not gone through aggressive bidding should achieve financial closure quite smoothly.

Bank credit growth to the roads sector moderated in fiscal 2023 due to the high base



Source: RBI, CRISIL MI&A Consulting

2.15 Investments in National Highways: Review and outlook

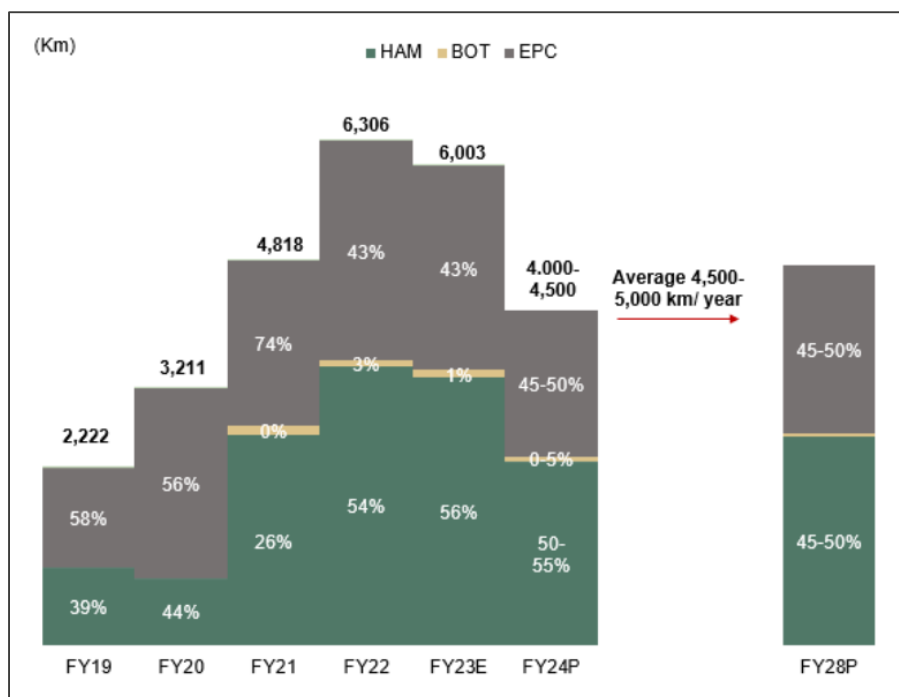
NHAI awarding to moderate in fiscal 2024, share of HAM likely to remain stable

National Highways Authority of India (NHAI) awarding has witnessed a rise from merely 2,222 km in fiscal 2019 to 6,003 km in fiscal 2023. Fiscal 2021 was a pivotal year since despite the COVID-induced disruptions, the NHAI awarded 4,818 kms in which was a three fiscal high back then. Additionally, favorable changes in the BOT and HAM agreements, and relaxation of bidder eligibility criteria not only indicated a clear policy shift to improve private-sector participation but also aided the spurt in the HAM awards. In fiscal 2023, NHAI's awarding volume remained above the 6,000 km mark for the second consecutive year as 6,003 km was awarded during the fiscal year. The share of HAM in awarding increased slightly from 54% in fiscal 2022 to 56% in fiscal 2023. On the other hand, the share of EPC remained unchanged at 43%.

In fiscal 2024, awarding momentum has been marred by various roadblocks. NHAI's flagship Bharatmala Pariyojana Programme (BMP) Phase-1 has witnessed significant cost overrun on account of costlier land acquisition and high inflation. Notably, as per CAG audit report, while only 75% of the estimated project length has been awarded, 158% of the original estimated financial cost has already been expended. Currently, the estimated cost of the BMP phase-1 is almost twice and the initial estimate and the ministry is awaiting cabinet approval for a revamped programme and additional funds in order to undertake rapid awarding of projects in the pipeline. As a result, as per CRISIL MI&A estimates, NHAI awarding is expected to moderate to ~4,000-4,500 kms during fiscal 2024. However, the respective shares of HAM, EPC and BOT in the total awarding are expected to remain at similar levels vis-à-vis fiscal 2023. Over the medium term, it is expected that the NHAI would continue to award ~5,000 kms per year on an average between fiscals 2024 and 2028. Furthermore, the shares of HAM, EPC and BOT in the awarding are expected to remain largely stable without any significant deviations. Additionally, going

forward, developers are also likely to free up capital and deleverage their balance sheets through stake sales supported by the strong pipeline of projects under Bharatmala and the NIP.

Share of HAM in NHAI awarding to remain similar despite moderation in awarding momentum



P: Projected

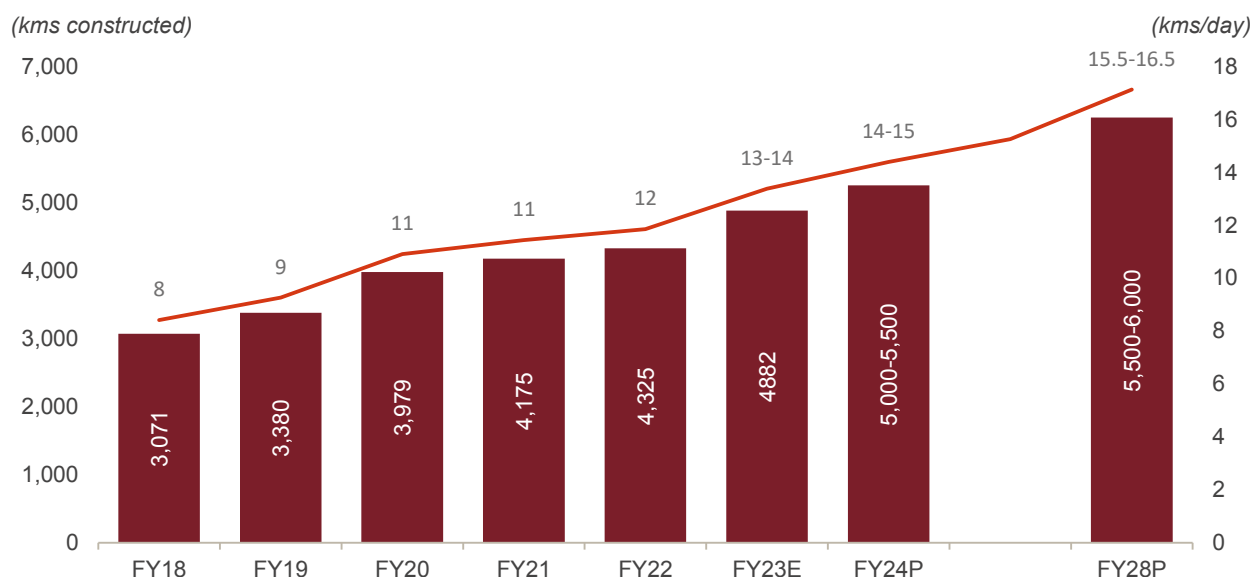
Sources: NHAI, CRISIL MI&A Consulting

NHAI execution is also rising steadily with focus on swifter execution

Even though overall national highways construction at the MoRTH level remained flattish in fiscals 2022 and 2023, NHAI execution witnessed strong momentum. NHAI execution sequentially rose from 4,175 km in fiscal 2021 to 4,882 km in fiscal 2023. Acceleration in project awards, sharper focus on resolving land acquisition issues, and the 'Atmanirbhar Bharat' initiatives to ease liquidity (monthly milestone payments, release of retention money, reduction in performance security & extension of 3-6 months in milestones & SCODs) for EPC road players augured well for the pace of construction during this period even though issues such as exorbitant commodity prices and elongated monsoons acted as headwinds.

CRISIL MI&A expects fiscal 2024 NHAI construction to be in the range of 5,000-5,500 kms on the back of higher awarding witnessed in the previous fiscals and many of those projects receiving appointed dates only towards the fag end of fiscal 2023. Over the medium term, the pace of construction is expected to rise steadily to reach ~16 km per day by fiscal 2028.

NHAI's pace of construction rising steadily with continued focus on swifter execution



Source: NHAI, CRISIL MI&A Consulting

Policy push boosted HAM share in awarding

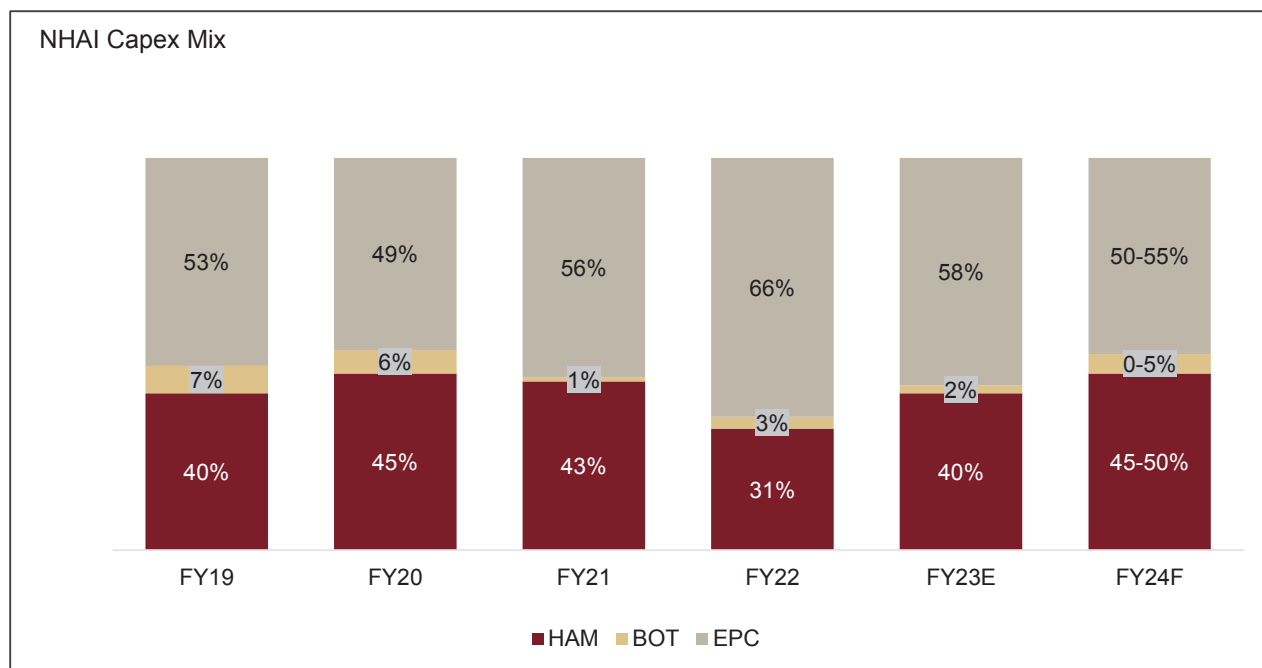
NHAI awards roads and highway projects under:

- EPC
- BOT
- HAM

Incorporating multiple suggestions from various stakeholders, the ministry and NHAI amended certain parameters in the HAM MCA in October 2020. These were largely aimed at protecting developers' returns and ease their liquidity.

Despite the higher HAM awarding, CRISIL MI&A Consulting's estimates of the NHAI capex mix indicates that as share of EPC remains high, the share of public funds would remain more than 70% over the next two fiscals. Thus, the NHAI's funding would remain critical to sustain the sector going forward.

As capex under EPC and HAM remains high, public funds are burdened



P: Projected

Source: NHAI, CRISIL MI&A Consulting.

Number of highway lanes increased over past five fiscals

The NHAI has also focused on increasing the number of lanes on national highways. Single lane roads decreased to 21% in fiscal 2016 from 32% in fiscal 2015, while two-lane roads increased to 56% from 47%, and four-lane roads to 25% from 12%.

Lane-wise break-up of national highways

Width of carriage way	FY12		FY13		FY14		FY15		FY16		FY19	
	Km	%	Km	%	Km	%	Km	%	Km	%	Km	%
Four-/ six / Eight-lane	17,700	25%	19,128	24%	18,372	20%	21,201	22%	24,705	25%	31,067	23%
Two-lane	38,536	54%	40,658	51%	45,399	50%	45,701	47%	55,603	56%	65,123	49%
One-lane	15,536	22%	19,330	24%	27,516	30%	31,089	32%	20,703	21%	36,310	27%
Total	71,772	100%	79,116	100%	91,287	100%	97,991	100%	1,01,011	100%	1,32,500	

Note: Data for fiscal 2019 is available as of March 31, 2019

Source: PIB, MoRTH

Few HAM projects terminated due to land acquisition issues

Even though execution of HAM contracts has picked up, delays with regard to appointed date persists. In fact, a few of these projects have also been terminated.

Terminated HAM projects

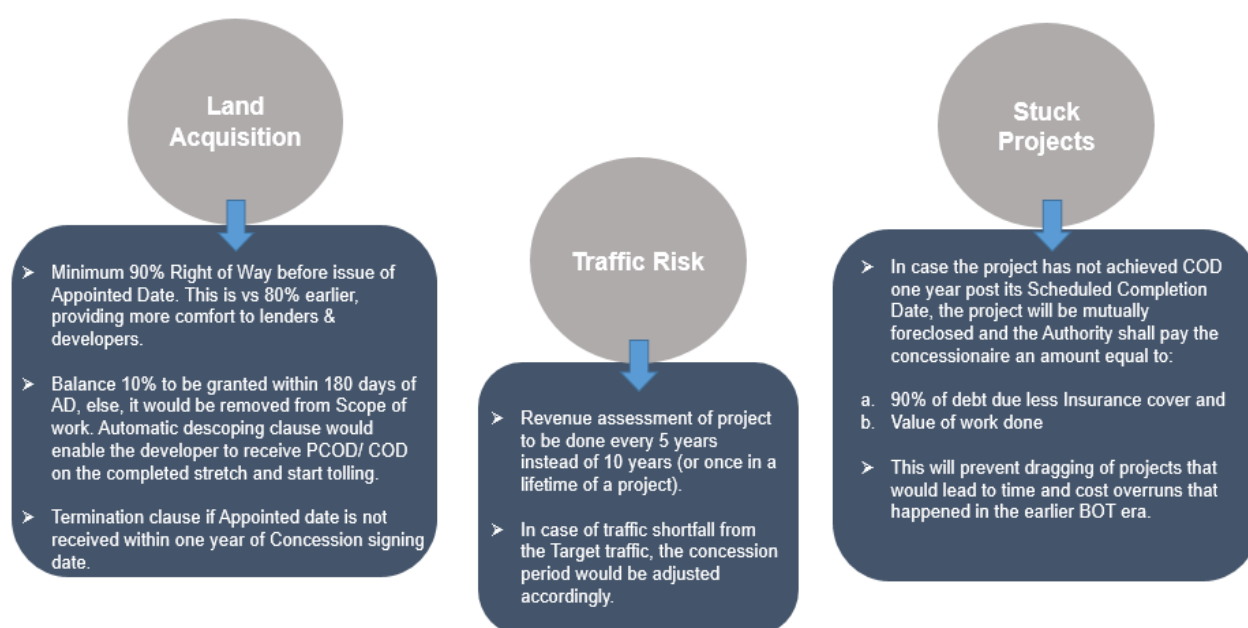
Name of asset	Concessionaire	Termination effective
Vizag Port road	Sadbhav Infrastructure	Jul-2019
Meensurutti to Chidambaram	KNR Construction	Apr-2019
Puducherry-Poondiyankuppam Highway	IRB Infrastructure	Nov-2019
Poondiyankuppam-Sattanathapuram	IRB Infrastructure	Nov-2019

Source: Company report, CRISIL MI&A Consulting

Changes in BOT MCA introduced

In an effort to improve private participation via the BOT-toll mode, the NHAI and the ministry introduced changes to the BOT MCA, aimed at addressing key issues, such as land acquisition, revenue assessment in case of traffic shortfall and stuck projects.

BOT MCA revamped to revive interest in the model



Source: MoRTH, NHAI, CRISIL MI&A Consulting

Amendments to EPC contracts effective November 2018

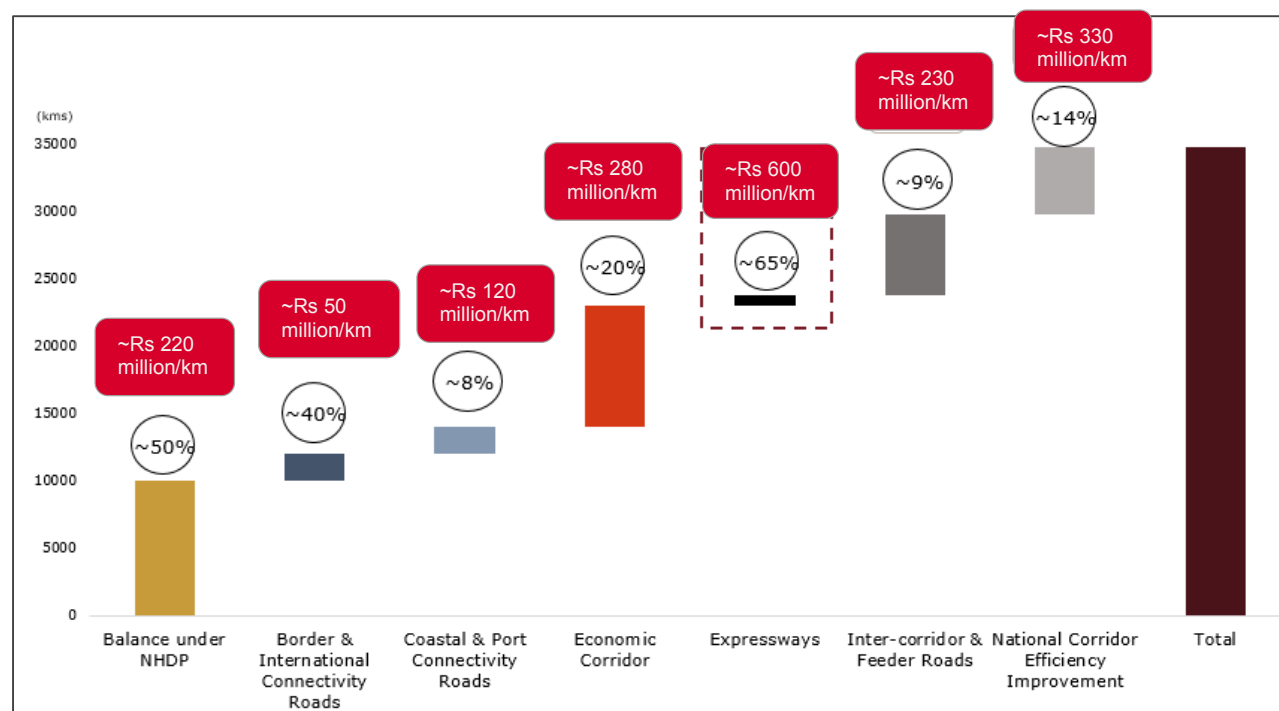
Key implications	Progress
To enable quicker execution by increasing the obligation of the authority	Deadline for approval/ clearance for forest area or a sanctuary lowered to 180 days from 240 days
	If appointed date is not received within 90 days of signing the agreement, the contract can be terminated. Here, the authority will pay contractor damages to the tune of 1% of the contract price to the contractor
Ensure effective competition and focus on timely project completion	If the project is not completed within 90 days of Specification Control Drawing (SCD), the contractor will be ineligible to bid for projects till it is completed

Key implications	Progress
Increase in working capital requirement for contractors	The interest on mobilisation advance paid to the authority was increased. Earlier recovery of mobilisation advance. Also, release of retention money against bank guarantees has been discontinued
Increased maintenance obligation of the contractor	Compensation has been lowered and tenure for maintenance by the contractor increased – defect liability period raised to 10 years from 4 years

Bharatmala Phase 1 awarding has focused on expressways; likely to stretch till fiscal 2025

Bharatmala Pariyojana is an umbrella project introduced by the central government in 2015 to improve the efficiency in the roads sector. It is expected to supersede the National Highways Development Project (NHDP), and envisages the construction of 65,000 km of highways under the following categories: national corridor roads (north-south, east-west and Golden Quadrilateral), economic corridor roads, inter-corridor roads and feeder roads. As per the ministry, Bharatmala, along with incumbent schemes, would require a total outlay of Rs 6.9 trillion.

Cost per km for expressways are highest

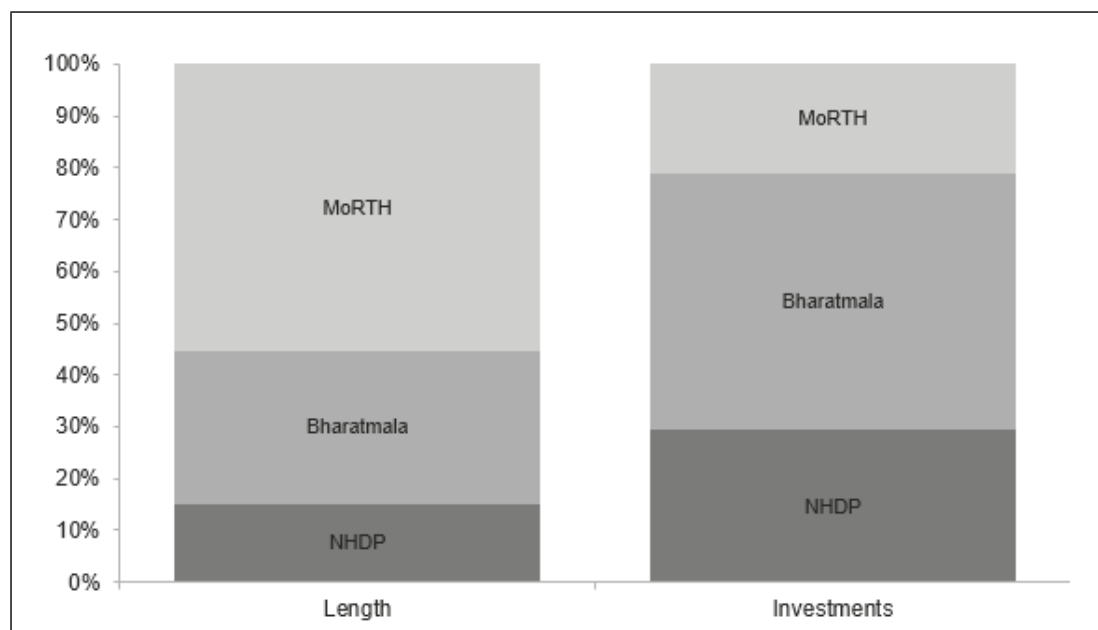


Note: As of fiscal 2020

Source: NHAI, CRISIL MI&A Consulting

Phase I of the scheme envisages development of ~24,800 km of national highways/roads as well as 10,000 km of residual roads between fiscals 2018 and 2022 under NHDP. Awarding under Bharatmala has begun from fiscal 2018 and we believe it will stretch till fiscal 2025 for Phase 1.

Share of different schemes under national highways (fiscals 2023 to 2027P)



P: Projected

Note: National highway investments do not include land acquisition costs

Source: CRISIL MI&A Consulting

Awarding under Bharatmala began in fiscal 2018, with Phase 1 expected to stretch till fiscal 2025.

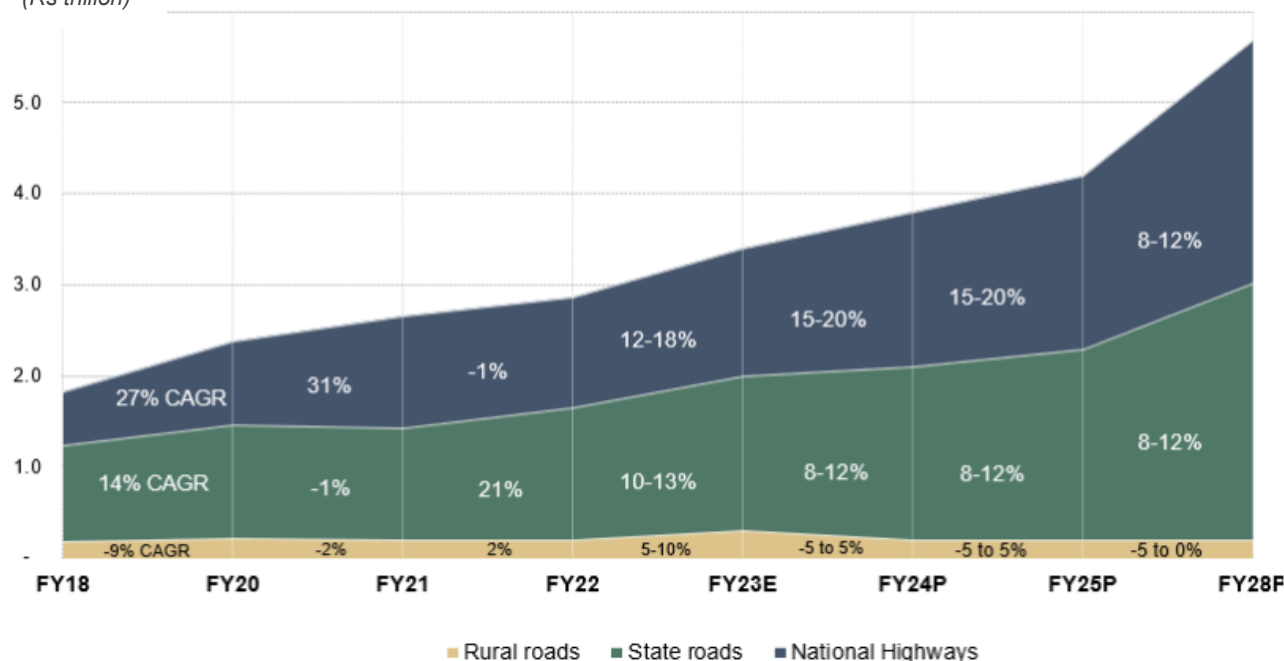
National highway capex to grow sharply in fiscal 2024

Overall road sector capex, comprising of National Highways, State Highways & rural roads is estimated to have grown at a CAGR of 14% between fiscals 2018 & 2023. This growth, driven by Bharatmala and increased state spends on roads has been achieved despite brief hiccups such as the pandemic and hampered construction due to elongated monsoons. The outlook of the sector also remains firm supported by higher awarding of previous fiscals, Bharatmala, NIP pipeline of DPR ready projects and steady state capex.

The national highway segment contributes around 40-45% of the overall capex. While the execution remained flattish in fiscal 2023 vis-à-vis fiscal 2022, capex grew by 12-18% due to a rise in construction of high value projects and high commodity prices. In fiscal 2024, we expect the national highway capex to grow by 15-20% driven primarily by increased execution.

Momentum to continue, supported by Bharatmala and NIP pipeline

(Rs trillion)



E: Estimated, P: Projected

Note: Investment excludes land acquisition cost

Source: NHAI, MoRTH, state budget documents, Pradhan Mantri Gramsadak Yojana, CRISIL MI&A Consulting

On the low base of fiscal 2021, the state spends grew by 21% in fiscal 2022 and are estimated to have grown further by 10-13% in fiscal 2023 largely in line with the growth in budgetary outlay. In fiscal 2024, state spends are expected to go up further by 8-12% as their percentage achievement of budgetary allocations are expected to be largely in line with historical average.

GDP and road traffic correlation

Correlation between GDP and road traffic is observed as economic growth leads to increased business activities. This raises demand for transportation, as well as personal travel, which further contributes to overall freight traffic across modes of transport, including roads. It should be noted that traffic growth variations are observed across different regions influenced by local trends, urbanisation, government policies, development etc. However, GDP growth and traffic growth still show a correlation on an overall level.

To assess the correlation between the road traffic growth and GDP growth, firstly, five-year period toll collection for plazas on national highways are considered on a like-to-like basis, excluding the newly operational plazas. Subsequently, the inflation component is removed from the toll collection growth. The correlation between GDP estimated traffic growth for the toll plazas on a like-to-like basis is shown below:

Correlation between GDP and estimated traffic growth on national highways



*Like-to-like basis for toll plazas operational during fiscal 2018 to 2023 period

Source: NHAI, MOSPI, CRISIL MI&A Consulting

Outlook of toll collection and remittance on national highways

As per IHMCL data, the electronic toll collection on national highways is estimated to have reached ~₹ 463 billion in the fiscal year 2023. Further, toll collections are expected to grow at a CAGR of 9.5-10.0% between fiscal years 2023 and 2028 on a like-to-like basis and to grow at 18-19% considering new road additions and subsequent tolling on them over the same period. The growth will be driven by factors such as improvement in overall economic activity, efficiency gains due to removal of check posts post implementation of GST, increase in both passenger and commercial vehicles, strong execution pipeline of road and highway projects, better compliance and blocking of leakages due to electronic toll collection.

2.16 Key transactions in road sector

Recent key asset sales and private equity transactions

Date	Target	Buyer	Seller	Deal value (Rs mn)	% sought
Jan-2024	Portfolio of 11 HAM & 1 BOT (UPSHA)	KKR & Co	PNC Infrastructure	90,057	100%
Apr-2023	Kundapur-Surathkal section (90.1 km road project in Karnataka, comprising 74.8 km Kundapur-Surathkal section and 15.3 km Mangaluru-Kerala border section)	KKR & Co	Navayuga Udupi Tollways	9240	NA
Apr-2023	Baharampore-Farakka Highways Ltd	Cube Highways and Infrastructure Pte Ltd	HCC Group	13,230	NA
Mar-2023	Aurang Tollway (section of NH 6 between Aurang in Chhattisgarh and Odisha border)	Macquarie Group	BSCPL	16,000	NA

Date	Target	Buyer	Seller	Deal value (Rs mn)	% sought
Feb-2023	5 completed HAM assets (Welspun Delhi Meerut Expressway Pvt Ltd, Welspun Road Infra Pvt Ltd, MBL (CGRG) Road Ltd, MBL (GSY) Road Ltd, Chikhali Tarsod Highways Pvt Ltd) and one operating BOT toll asset (Welspun Infrafacility Pvt Ltd)	Actis and Welspun Enterprises	5 completed HAM assets (Welspun Delhi Meerut Expressway Pvt Ltd, Welspun Road Infra Pvt Ltd, MBL (CGRG) Road Ltd, MBL (GSY) Road Ltd, Chikhali Tarsod Highways Pvt Ltd), and Welspun Infrafacility Pvt Ltd	NA	NA
Nov-2022	Eastern Peripheral Expressway	CDPQ-backed Maple Highways	NHAI	62,670	NA
Oct-2022	InvIT (across 7 states: Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Telangana)	CPPIB and Ontario Teachers' Pension Plan Board	National Highways Infra Trust	NA	NA
Sep-2022	Andhra Pradesh and Gujarat assets (Tada Nellore)	Adani Group	Macquarie Group	31,100	NA
Aug-2022	SP Jammu-Udhampur Highway Ltd	NIIF	Shapoorji Pallonji Group	22,800	100%
Jul-2022	Navayuga Quazigund Expressway Pvt. Ltd	NIIF	Navayuga Quazigund Expressway Pvt Ltd	30,350	NA
Jun-2022	Six operating highway toll projects	Actis' Long Life Infrastructure Fund	Welspun Enterprises Ltd	60,000	100%
Jun-2022	Five operational road projects	IndInfra Trust, an InvIT led by Canada Pension Plan Investment Board	Brookfield	93,750	100%
April – 2022	KKR & Co's road platform in India	Ontario Teachers	Ontario Teachers' Pension Plan Board committed an investment to boost alternative investment company KKR & Co's road platform in India.	Committed Rs 13.33 billion (\$175 million)	-
Jul-2021	One highway concession	KKR Asian Fund III LP	Global Infrastructure Partners	-	39%
Jan-2021	Shree Jagannath Expressways Pvt. Ltd	Indian Highway Concessions Trust	Bharat Road Network	7,300	74%
Dec-2020	Jorabat Shillong Expressway Ltd	Sekura Roads Ltd	IL&FS Transportation Networks Ltd	9,300	100%
Dec-2020	Chenani Nashri Tunnelway Ltd.	Cube Highways and Transport Assets Advisors Private Limited	IL&FS Transportation Networks Ltd	39,000	100%
Jun-2021	Navayuga Road Projects Pvt. Ltd. – two road projects	Sekura Roads Ltd	Navayuga Road Projects Pvt Ltd	-	100%

Date	Target	Buyer	Seller	Deal value (Rs mn)	% sought
Feb-2021	Sadbhav Infrastructure Projects Ltd	Allianz Global Investors joined by AMP Capital	-	To raise Rs 7 billion (\$96 million) through NCDs	-
Jan-2021	Chennai Elevated Tollway Ltd	JC Flowers Asset Reconstruction Company	-	Acquire over half of the debt of a stressed road developer at a discount of over 80%	-
Dec--2020	Chenani Nashri Tunnelway Ltd Asset, a road tunnel, from Infrastructure Leasing & Financial Services Ltd	Cube Highways and Infrastructure Pvt Ltd	-	Rs 39.0 billion (\$528 million)	-
Sep-2020	Farakka Raiganj Highways Ltd	Cube Highways and Infrastructure Pvt Ltd	Hindustan Construction Company	Rs 15.08 billion (USD 205 million)	-
Jan-2020	KNR Walayar Tollways Pvt Ltd	Cube Highways and Transport Assets Advisors Private Limited	KNR Construction Ltd	6,200	100%
Aug-2019	Five under construction HAM projects – Dilip Buildcon Ltd	Cube Highways and Transport Assets Advisors Private Limited	Dilip Buildcon Ltd	7,300	100%
Aug-2019	KNR Shankarampet Projects Pvt Ltd	Cube Highways and Transport Assets Advisors Private Limited	KNR Construction Ltd	1,000	100%
Feb-2019	Two road projects – KNR Construction Ltd	Cube Highways and Transport Assets Advisors Private Limited	KNR Construction Ltd	2,000	100%

Source: Industry, CRISIL MI&A Consulting

2.17 Overview of investments in road platforms

Investments by private sector to grow 2x over the next five years

CRISIL expects private construction investments in national highways to increase 2x to Rs 2.7 trillion over fiscals 2023-2027 compared with the previous five years. This is expected to be mainly through the (HAM) mode, as the BOT toll mode may have only a few takers.

A policy push in the form of changes in model concession agreements (MCAs) for HAM and BOT projects and reduction in bid eligibility criteria across all national highway projects would bode well for private participation. However, the share of HAM in total awarding is constrained by the banks' cautious approach in lending to such projects.

Amid the Covid-19 pandemic, the NHAI and ministry took various steps under the Atmanirbhar package to ease the problems developers faced. Releasing monthly payments (instead of milestone-based payments), extension of timelines for completion of projects, etc have helped sustain private participation in the sector.

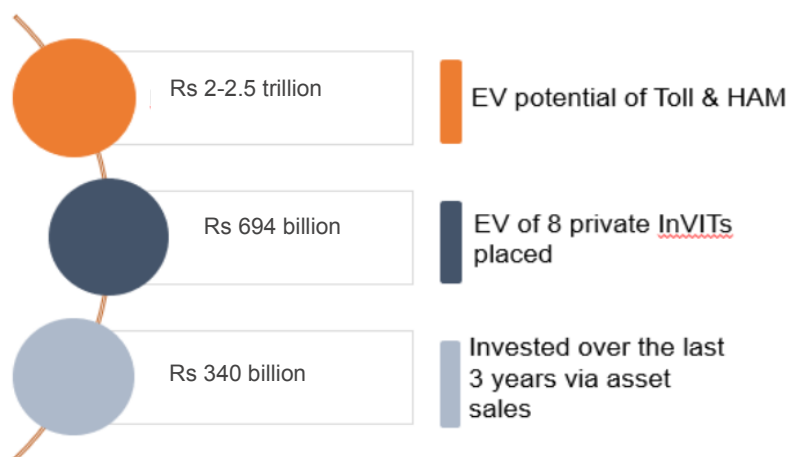
Asset monetisation, equity infusion key to support private investment in the long run

There are two broad drivers of asset sales in the roads sector — rationalisation of financial position to improve balance sheet strength and asset churning to be able to participate in the upcoming projects. The erstwhile major BOT players are selling off assets to reduce their debt burden and free up equity, which can be infused projects under execution.

HAM players are currently selling off their HAM assets to participate in the upcoming HAM projects. Some players intend to sell off under-construction projects to financial investors and continue the execution themselves. Thus, they convert HAM projects to EPC without facing the cut-throat competition prevalent in the EPC segment. The strategy will help them retain margins.

About Rs 700-800 billion has already been invested through these models. CRISIL's analysis of BOT and HAM projects indicates a potential of ~Rs 2.0-2.5 trillion in terms of enterprise value.

Asset monetisation has a lot of potential to free up developers' balance sheets



Source: CRISIL MI&A Consulting

2.18 Outlook on Road Sector

Strong government thrust likely to deliver steady growth in fiscal 2024

A spurt in the construction volumes of national highways and a substantial increase in state capital expenditure is likely to drive growth this fiscal.

Policy push aimed at improving private participation in national highways

The following are the recent policy changes that the MoRTH and NHAI have undertaken to improve private participation in the sector and increase competition.

- Technical and financial bidder eligibility criteria reduced for HAM and EPC projects, which would promote the entry of smaller players

- Changes in the hybrid-annuity model (HAM) concession agreement aimed at protecting developers' returns and easing their cash flows during the construction period
- Changes in the Build-Operate-Toll (BOT) concession agreement to reinstate developer interest in the model

Apart from this, the government has taken various steps under the Atmanirbhar package to mitigate the impact of Covid-19 on the sector:

- Extension of time (EOT) of up to 3-6 months for all projects and relaxation of milestone achievement
- Monthly payment mechanism, instead of milestone-based payments
- Reduction in performance security from 5% to 3%, release of retention money to the extent of work done
- Additionally, Covid-19 emergency loan facilities and moratorium on loan repayment up to August 2020
- Extension of concession period for BOT-toll operators, due to toll suspension and restriction in movement during lockdowns

3 Overview of Infrastructure Investment Trusts (InvITs) for roads in India

3.1 Overview of InvITs currently registered in India

InvITs to deleverage balance sheets and enable capital recycling

Infrastructure investment trusts (InvITs) will help free up capital of players by divesting stake in operational assets and help recycle this capital to deleverage balance sheets for creating new assets.

Details of InvITs currently registered in India:

Name	Sponsor	Date of registration	Assets
IRB InvIT Fund	IRB	Mar-2016	5 toll road assets & 1 HAM asset
Indinfravit Trust	L&T IDPL	Mar-2018	19 BOT-toll, 4 BOT annuity assets
Oriental Infratrust	Oriental Group	Mar-2019	4 toll & 1 annuity asset
IRB Infrastructure Trust (IRB InvIT II)	IRB Infrastructure Trust (IRB InvIT II)	Nov-2019	10 operational toll projects, 1 under construction project & 1 proposed under construction project
Bharat Highways InvIT	G R Infraprojects Limited	Aug-2022	7 HAM assets
Cube Highways Trust	Cube Highways Group	Apr-2022	17 toll and 1 annuity asset
Highways Infrastructure Trust	Galaxy Investments II Pte. Ltd	Dec-2021	5 BOT Toll, 2 Annuity Assets and 3 HAM assets (in process of acquiring 3 other assets)

Name	Sponsor	Date of registration	Assets
Indian Highway Concessions Trust	Maple Highways Pte Ltd	Feb-2020	2 toll assets
National Highways Infra Trust	National Highway Authority of India	Oct-2020	5 Assets (Round 1) and 3 Assets (Round 2)
Shrem Invit	Shrem Infra Structure Private Limited	Feb-2021	15 NHAI & 1 MoRTH HAM Assets, 2 NHAI toll assets, 10 State (Toll+Annuity) assets and 6 State Annuity Assets
Roadstar Infra Investment Trust	IL&FS Transportation Networks Ltd	Dec-2020	4 Assets (2 BOT Annuity and 2 BOT)

Note: Details pertaining to Roadstar Infra Investment Trust is currently not available

Source: Credit Rating Rationale, DRHP, CRISIL MI&A

Year wise developments in InvITs

InvIT	Year	Progress
Cube Highways Trust	Apr 2023	As per the SEBI's website, the InvIT filed the final placement memorandum in April 2023. Its portfolio assets include 18 toll assets and one annuity asset, totaling 1,636.5 km
Highway Infrastructure Trust (HIT)	Dec 2021	HIT is sponsored by Galaxy, in which KKR is an investor. It has acquired an initial portfolio of six operational projects with four toll and two annuity roads. It has acquired a portfolio of 11 assets from PNC Infrastructure comprising of 10 HAM & 1 BOT (UPSHA) assets in FY24
National Highways Infra Trust	Nov 2021	Eight road project assets (five in round-1 and three in round-2) have been transferred to the InvIT. It was listed in November 2021. Round-1 assets have received appointed date as December 2021. Round-2 assets were transferred in September 2022.
Shrem InvIT	Feb 2021	As of January 2023, the InvIT's portfolio had 28 projects (24 acquired from Dilip Buildcon Ltd in 2017 and 2018 and four newly acquired SPVs). Six additional SPVs were proposed to be acquired. The projects consist of annuity, state toll & annuity, NHAI HAM, MoRTH HAM and NHAI toll assets across five states. Floated by the sponsor, Shrem Infra Structure Pvt Ltd, Shrem InvIT got SEBI approval in February 2021.

InvIT	Year	Progress
IRB InvIT Fund	Feb 2020	In August 2019, the company had announced signing of definitive agreements with GIC affiliates, for up to Rs 44 billion investment for 49% stake in a portfolio of nine of its assets through private InvIT structure (IRB Infrastructure Trust) with IRB retaining the controlling 51% stake in the trust. The portfolio has 5,900 km in Haryana, Uttar Pradesh, Rajasthan, Gujarat, Maharashtra, and Karnataka. In October 2020, IRB Infrastructure Trust successfully closed the second tranche of fund raising by way of rights Issue of units amounting to Rs 5.1 billion. Being the sponsor and 51% stakeholder, the company contributed Rs 2.6 billion and the GIC affiliates, the balance Rs 2.5 billion. This is part of the total commitment of Rs 44 billion by GIC affiliates for the 49% stake in private InvIT housing nine BOT assets. Of Rs 44 billion, the trust received Rs 37.53 billion in February 2020.
	May 2017	A fresh issue of units of about Rs 43 billion and an offer for sale of about Rs 30 billion. The proceeds from the offer from sale went to the sponsor, IRB, while the proceeds of the fresh issue (about Rs 42 billion) were invested in the six road assets under the InvIT in the form of debt. The repayment of existing debt on the SPV to the lenders was completed.
IndInfraTrust (L&T IDPL)	Jun 2019	Sadbhav Engineering transferred nine operational BOT assets (seven toll and two annuity) to this InvIT. The enterprise value of these assets is Rs 66 billion, which will help deconsolidate Rs 40 billion of Sadbhav's debt. This, in turn, will help unlock funds to bid for newer HAM projects.
	Apr 2018	L&T privately placed the InvIT units. It has transferred five operational assets to this InvIT.
Oriental InfraTrust	Jun 2019	It has five operational road assets of approximately 621 km.

Source: CRISIL MI&A Consulting

InvITs, as envisaged in Union Budget 2014-15, will own and manage income-generating infrastructure projects. As per regulations, these trusts will be allowed to make only 20% of their investments in under-construction projects. The rest will have to be invested in completed, revenue-generating infrastructure projects. Such trusts are expected to help unlock tied-up capital of developers and attract foreign capital.

In Union Budget 2015-16, the finance minister exempted the capital gains tax on sponsors at the time of listing of units of InvITs. In Union Budget 2016-17, distributions made from special purpose vehicles to InvITs were exempt from the dividend distribution tax.

Additionally, the Union budget (FY21) announcement of scraping dividend distribution tax (DDT) and shifting the taxation of such payouts to investors would prove to be a negative for InvITs. Our interactions with market participants, however, indicate that given this could hurt asset monetisation plans esp. in the roads sector, the government may create a carveout for InvITs to allow them to continue with the earlier regime.

4 State Highways

4.1 Review and Outlook of State Road

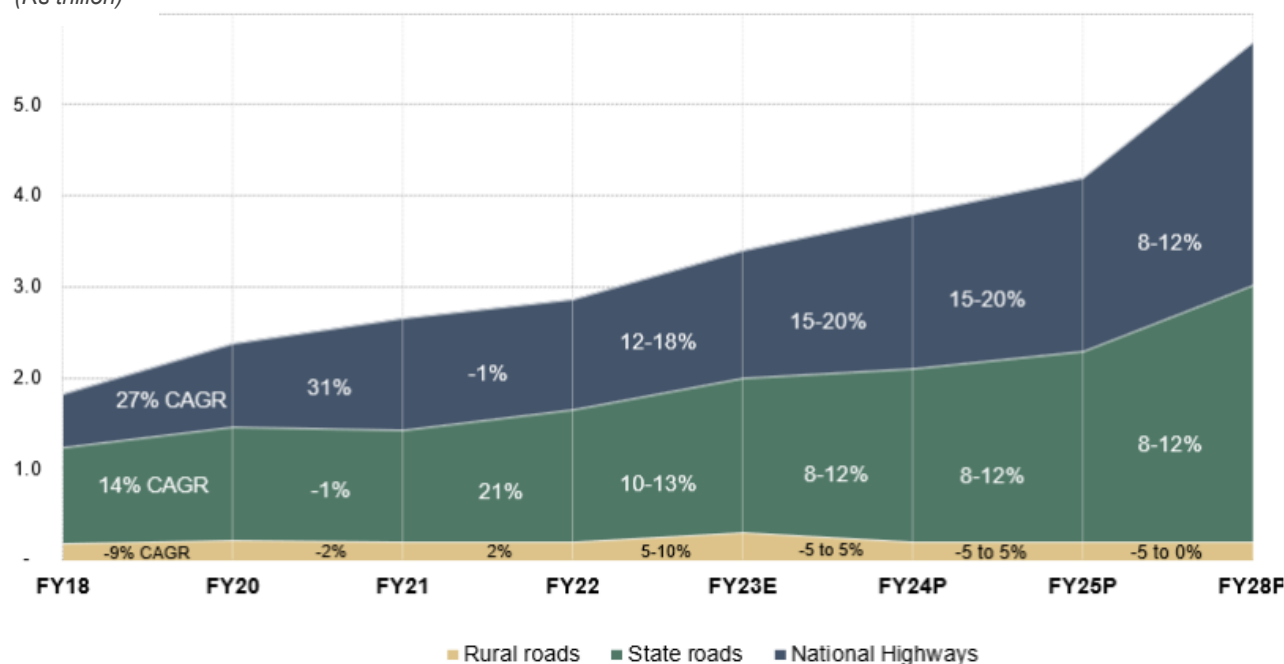
State road capex to continue its growth this fiscal, albeit at a slightly lower pace

CRISIL MI&A's analysis of state road budgets indicates that state road capex forms 45-50% of the sector. State capex on roads & highways sector remained flattish in fiscal 2021 due to constrained state funds. On this low base, it grew by 21% in fiscal 2022 and is estimated to have further grown by 10-13% in fiscal 2023 largely in line with the growth in budgetary outlay. Subsequently, growth is expected to moderate slightly to 8-12% over the next 2 years.

Our interactions with market participants indicate that state road projects funded by external agencies such as World Bank or ADB or have private/bank funding such as Expressways under UPEIDA have not had much impact due to COVID-19, as compared to state-funded projects.

State road capex to witness slight moderation in growth on the high base of last fiscal

(Rs trillion)



P: Projected

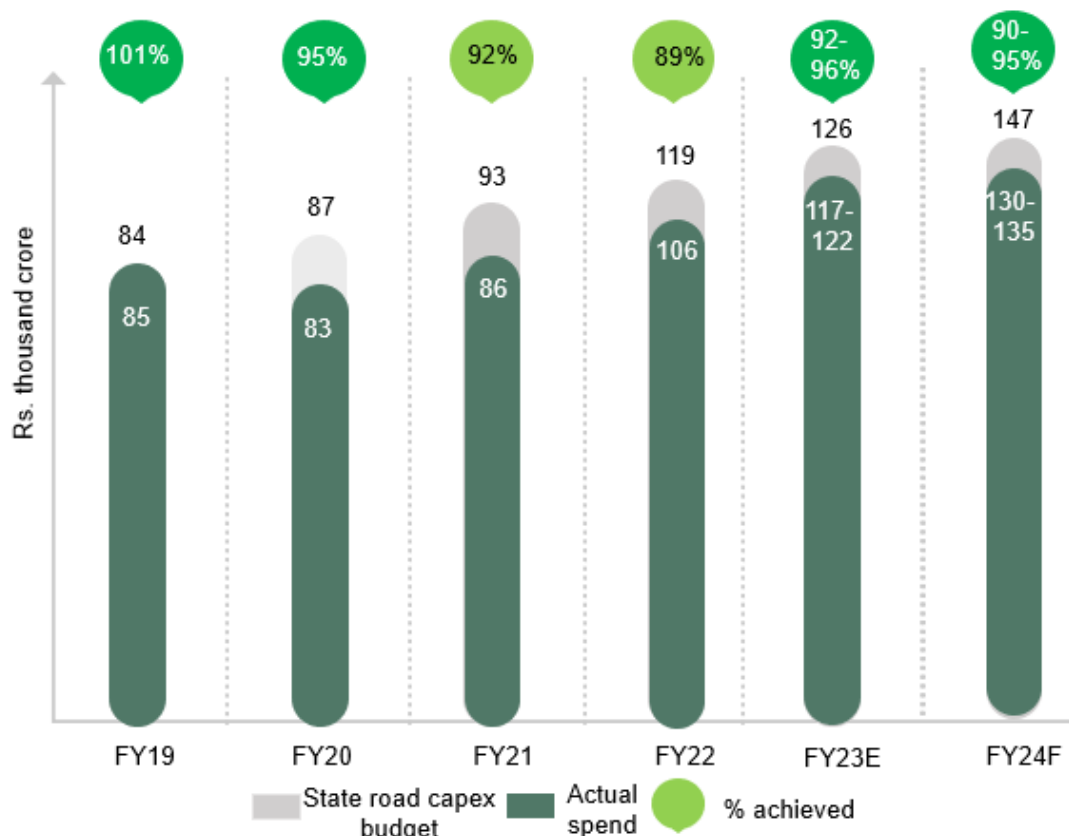
Source: State budget documents, CRISIL MI&A Consulting

State roads, which include highways, major district roads and rural roads that do not come under the purview of the Pradhan Mantri Gram Sadak Yojana, constitute over 20% of the country's road network and handle ~40% of road traffic. These play an important role in the economic development of mid-sized towns and rural areas, and aid industrial development by enabling the movement of raw materials and products to and from the hinterland.

As per CRISIL MI&A's analysis of the budgets of top 15 states that account for 85% of state road capex, in fiscal 2024, the budgeted capital outlay on roads is higher by 9% vis-à-vis the revised estimated (RE) of fiscal 2023 while it is 17% higher than the fiscal 2023 budgeted estimates (BE).

The average achievement ratios, i.e. actual spends over the Budgeted Estimates, is in the range of 90-95%. Fiscal 2023 achievement ratio is likely to be largely in line with historical trend and hence, the actual spend is likely to be in the range of Rs 117-120 thousand crores. Due to the higher budgeted expenditures on roads in fiscal 2024, the actual expenditure is expected to go up to Rs 130-135 thousand crores. However, given the high fiscal deficits of some of the constituent states, there is a downside risk to this estimate.

FY24 budgets for top 15 states is 17% higher on-year, even on the high base of last year



Note: E: Estimated, P: Projected; State budget data for 15 states that account for 85% of total state road capex outlay

Source: State budget documents, CRISIL MI&A Consulting

Parallely, CRISIL MI&A compared the 5-year CAGRs of state spends and state fiscal deficits. As is evident from the data, states having a strong fiscal deficit profile and especially the states that have been laggards in road spends in the past few years have budgeted for a sharp growth in road capital expenditure in fiscal 2024. As can be construed from the chart, states like Gujarat, Jharkhand, Orissa are some of the prominent states that fall in this basket. Consequently, these states are likely to see a spurt in investment opportunities in the roads & highways sector. Furthermore, given their relatively comfortable fiscal deficit profiles, the downside risk to the budgeted capital expenditure is also limited.

Laggard states with superior fiscal deficit profiles have typically budgeted for higher road spends this fiscal

	FY24BE Capital Outlay ('000 crores)	Growth in Roads Capex		Fiscal deficit	
		FY18-23RE	FY24BE	FY23RE	FY24BE
Uttar Pradesh	32	33%	-1%	4.0%	3.5%
Maharashtra	23	35%	13%	2.7%	2.5%
Tamil Nadu	17	15%	7%	3.0%	3.3%
Odisha	13	11%	21%	2.9%	3.0%
Gujarat	13	13%	150%	1.5%	1.8%
Karnataka	9	10%	11%	2.5%	2.2%
Madhya Pradesh	7	0%	28%	3.6%	4.0%
Rajasthan	5	-7%	-1%	4.3%	4.0%
Jharkhand	5	-10%	61%	2.3%	2.8%
West Bengal	5	6%	18%	4.0%	3.8%
Telangana	5	13%	2%	3.2%	2.7%
Bihar	4	4%	4%	8.8%	3.0%
Andhra Pradesh	3	13%	24%	3.6%	3.8%
Haryana	2	19%	24%	3.3%	3.0%
Punjab	2	6%	58%	5.2%	5.0%

Note: Fiscal deficit: <3% green, 3-3.6% yellow and >3.6% red

Source: State budget documents, CRISIL MI&A Consulting

NHAI vs state HAM

Few states such as Maharashtra, Madhya Pradesh, Karnataka and Rajasthan have implemented the HAM model in awarding of state highway projects. Maharashtra's model is similar to that of NHAI, while those of Madhya Pradesh, Karnataka & Rajasthan.

Maharashtra's HAM similar to NHAI's model

Parameter	NHAI	Maharashtra	Madhya Pradesh	Karnataka	Rajasthan
Equity contribution by developer	Yellow	Yellow	Yellow	Red	Yellow
Operational Period	Green	Yellow	Yellow	Red	Yellow
Termination payment pre COD	Green	Green	Red	Green	Red
Termination payment post COD	Green	Green	Green	Green	Green
Cash flow in initial years	Yellow	Green	Green	Green	Yellow
Mobilization advance	Green	Green	Yellow	Green	Green
Overall riskiness	Green	Yellow	Yellow	Yellow	Yellow

Source: State budget documents, CRISIL MI&A Consulting

State roads financed by state governments, private participation in state-level HAM projects, a monitorable

State roads are largely financed through budgetary allocations by respective state governments. These are supplemented by funds from the National Bank for Agriculture and Rural Development (Nabard), Housing and Urban Development Corporation Ltd, Rural Infrastructure Development Fund, and the state's portion of Central Road Fund (CRF).

State governments will finance most state road projects (via budgetary allocation, external assistance, and CRF). Some states have a favourable policy framework to attract private participation. Going forward, the share of private participation in state roads is expected to be at 12-15% as the success of the HAM projects introduced across various states are monitorable.

Budgetary support and lender comfort — key success factors for states

	NHAI	Maharashtra	Madhya Pradesh	Karnataka	Rajasthan
Number of bidders	5-6 bidders	6-7 bidders	4-5 bidders	2-3 bidders	2-3 bidders
Bid Project Cost vs Authority Cost	10-15% above	Almost at par	Almost at par	15-20% above	8-10% above
Awarded projects (kms) till date	>7000	~10000	280	420	750
Average size of Project	~Rs 1,100 crore	~Rs 200 crore	~Rs 150 crore	~Rs 1,000 crore	~Rs 500 crore
Cost per km	Rs 20 crore per km	Rs 2.5-3 crore per km	Rs 3-3.5 crore per km	Rs 7 crore per km	Rs 2-2.5 crore per km
Key players	Dilip Buildcon, Ashoka Buildcon, PNC Infratech, Sadbhav, IRB	Rajpath Infra, SB Deshmukh, Harsh Construction, Welspun,	Ravi Infra, Shreeji, Path, RCL	Sadbhav, KNR	Dineshchandra R Agarwal, GR Infra, Gagar Construction
	Awarding began in FY16	Awarding began in FY18, future pipeline in line with Govt. budget allocation	Awarding began in FY20, future pipeline of ~1300 kms	Awarded in FY19, no future pipeline	Awarded in FY18, future awarding potential of 750 kms in FY21
Funding	Budgetary allocation + IEBR	Budgetary allocation of Rs 30-35 billion per year	\$ 490 mn from ADB	\$ 346 mn from ADB approved for KSHIP Land acquisition & funding issues due to change in Govt.	\$ 190 mn from ADB
Key findings		GoM deposits 50% of its grant in escrow account maintained by bank to ensure no delayed payments	Awarded in Jan 2020 after approval for ADB loan	Projects awarded in June 2018 have only now achieved FC. Appointed date given with 65% land to KNR	750 kms awarded in FY18 under RSHIP-1 with ADB funding. RSHIP Tranche-2 now approved

Source: State budget documents, CRISIL MI&A Consulting

Central assistance to state roads

State roads come under the jurisdiction of the respective state governments. However, the central government may provide financial assistance to state governments through various schemes for the development of the road network. The responsibility of awarding contracts for road development is entrusted with two state government divisions, namely, the PWD and Road Development Corporation (RDC). Generally, cash contracts are awarded by the state PWDs, while BOT-annuity and BOT-toll contracts are awarded by state RDCs.

The central government has set up the CRF to provide financial assistance to state governments for road development and railway safety works within the states.

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CRISIL Limited: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076. India

Phone: + 91 22 3342 3000 | Fax: + 91 22 3342 3001 | www.crisil.com

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REGISTERED OFFICE OF THE ISSUER

1101, Hiranandani Knowledge Park
11th floor, Technology Street, Hill Side Avenue
Opp. Hiranandani Hospital, Powai
Mumbai 400 076
India

ADVISORS TO THE ISSUER

Avenor Capital Pvt. Ltd.
1312, C Wing, One BKC
Mumbai 51
India

PRINCIPAL PAYING AGENT, REGISTRAR AND TRANSFER AGENT

**Deutsche Bank AG,
Hong Kong Branch**
Level 60, International
Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

TRUSTEE

DB Trustees (Hong Kong) Limited
Level 60, International
Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

SECURITY TRUSTEE

Catalyst Trusteeship Limited
Windsor, 6th Floor
Office No – 604
C.S.T. Road, Kalina
Santacruz (East)
Mumbai 400 098, India

LEGAL ADVISERS

To the Issuer as to Indian law

**JSA
Advocates & Solicitors**
One Lodha Place,
27th Floor,
Senapati Bapat Marg,
Lower Parel, Mumbai 400013, India

To the Issuer as to U.S. federal law

Shearman & Sterling LLP
6 Battery Road, #28-01
Singapore 049909

To the Initial Purchasers as to Indian law

Talwar Thakore & Associates
3rd Floor, Kalpataru Heritage
127, Mahatma Gandhi Road
Mumbai 400 001, India

To the Initial Purchasers as to U.S. federal law

Linklaters Singapore Pte Ltd
One George Street #17-01
Singapore 049145

CURRENT JOINT AUDITORS OF THE ISSUER

M S K A & Associates
Chartered Accountants
602, Floor 6, Raheja Titanium
Western Express Highway
Geetanjali Railway Colony
Ram Nagar, Goregaon (E)
Mumbai 400 063
India

Gokhale & Sathe
Chartered Accountants
304/308/309, Udyog Mandir No. 1
7-C, Bhagoji Keer Marg
Mahim, Mumbai 400 016
India

PREVIOUS JOINT AUDITORS OF THE ISSUER

B S R & Co. LLP
Chartered Accountants
14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, Nesco Center
Western Express Highway
Goregaon (East), Mumbai 400 063
India

Gokhale & Sathe
Chartered Accountants
304/308/309, Udyog Mandir No. 1
7-C, Bhagoji Keer Marg
Mahim, Mumbai 400 016
India