IRB Infrastructure private limited
(A subsidiary of
IRB INFRASTRUCTURE DEVELOPERS LTD)

Registered Office :
IRB Complex, Chandivali Farm, Chandivali Village, Andheri (E), Mumbai-400 072
Tel: 91-22-6640 4299 • Fax: 91-22-6640 4274 • e-mail: info@irbfl.co.in • www.irbfl.co.in
CIN :U28920MH1997PTC112628

September 1, 2020

Corporate Relationship Department, BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001	Listing Department, National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra (E), Mumbai.

Dear Sir/Madam,

Ref: Scrip Code: 540526, Symbol: IRBINVIT

Sub: Annual report & Notice of the 3rd Annual General Meeting of IRB InvIT Fund to be held on September 25, 2020

Pursuant to Regulation 23 of SEBI (Infrastructure Investment Trusts) Regulations, 2014, we are enclosing herewith:

1) The Annual Report for the period ended March 31, 2020;
2) Notice of the 3rd Annual General Meeting of IRB InvIT Fund to be held on September 25, 2020 through video conferencing.

Kindly take the same on your records.

Thanking you,

Yours faithfully,
For IRB Infrastructure Private Limited
(Investment Manager to IRB InvIT Fund)

SWAPNA SADANAND VENGURLEKAR

Swapna Vengurlekar
Company Secretary & Compliance Officer

IRB INVIT FUND

NOTICE OF THE THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting ("AGM") of the Unitholders (the "Unitholders") of the IRB InvIT Fund (the "Trust") will be held on Friday, September 25, 2020 at 11.00 am through Video Conferencing to transact the following businesses:

ITEM NO. 1: TO CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS AS AT AND FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020 TOGETHER WITH THE REPORTS OF THE INVESTMENT MANAGER, MANAGEMENT DISCUSSION & ANALYSIS AND THE REPORT OF THE AUDITORS THEREON AND THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020.

To consider and, if thought fit, to pass with or without modifications(s), the following resolution by way of ordinary majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended:

"RESOLVED THAT pursuant to the applicable provisions, if any, of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, and the circulars and guidelines issued thereunder, and other applicable rules, if any, including any statutory modifications, amendments or re-enactments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by any competent authority in India from time to time, to the extent applicable, the Audited Financial Statements of the Trust as at and for the financial year ended March 31, 2020 together with the Report of the Investment Manager, Management Discussion and Analysis and Report of the Auditors be and are hereby received, approved and adopted.

RESOLVED FURTHER THAT the Audited Consolidated Financial Statements as at March 31, 2020 together with the Report of the Auditors be and are hereby received, approved and adopted."

ITEM NO. 2: TO CONSIDER RE-APPOINTMENT OF AUDITOR AND FIX THEIR REMUNERATION

To consider and, if thought fit, to pass with or without modifications(s), the following resolution by way of ordinary majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended:

"RESOLVED THAT pursuant to provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, read with circulars and guidelines issued thereunder and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force), M/s. Suresh Surana & Associates LLP (Firm's Registration No.:121750W/W-100010) as Statutory Auditor of IRB InvIT Fund ("Trust") be and are hereby re-appointed as the Statutory Auditor of the Trust for another five consecutive years commencing from the conclusion of this Annual General Meeting (AGM) till the conclusion of 8th AGM of the Trust.

RESOLVED FURTHER THAT the Investment Manager be and is hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Auditor."

ITEM NO. 3: TO APPROVE AND ADOPT THE VALUATION REPORT ISSUED BY MR. SANTOSH NAGALINGASWAMY, THE VALUER, FOR THE YEAR ENDED MARCH 31, 2020

To consider and, if thought fit, to pass with or without modifications(s), the following resolution by way of ordinary majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended:

"RESOLVED THAT in accordance with the Regulation 21 and other applicable provisions, if any, of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, and the circulars and guidelines issued thereunder, and other applicable rules, if any, including any statutory modifications, amendments or re-enactments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by any competent authority in India from time to time, to the extent applicable, the Valuation Report of the Trust issued by Mr. Santosh Nagalingaswamy (IBBI Registration Number - IBBI/RV/05/2019/11458) for the year ended March 31, 2020 be and is hereby approved and adopted."

ITEM NO. 4: TO APPOINT THE VALUER

To consider and, if thought fit, to pass with or without modifications(s), the following resolution by way of ordinary majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended:

"RESOLVED THAT pursuant to provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, read with circulars and guidelines issued thereunder and other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force), the appointment of Mr. S Sundararaman ("Registered Valuer"), bearing IBB registration number IBBI/RV/06/2018/10238 and Baker Tilly DHC Business Private Limited as the valuers of the IRB InvIT Fund and all its Project SPVs for the financial year 2020-2021 on such terms and conditions, including fees, as decided by the Board of Directors of the Investment Manager, be and is hereby considered and approved."

RESOLVED FURTHER THAT the Investment Manager be and is hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Valuer."

ITEM NO. 5: AUTHORITY TO BORROW AND CREATE CHARGE ON ASSETS AND MATTERS RELATED THERETO

To consider and, if thought fit, to pass with or without modifications(s), the following resolution by way of ordinary majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended:

"RESOLVED THAT in accordance with the applicable provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, and the circulars and guidelines issued thereunder, and other applicable rules, if any, including any statutory modifications, amendments or re-enactments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by any competent authority in India from time to time, to the extent applicable, and subject to the Trust Documents, the consent of the Unitholders, be and is hereby granted to the Trust Group (comprising the Trust and the Project SPVs owned by the Trust) to borrow from time to time, any sum or sums of money not exceeding 49% of the aggregate value of Trust's Assets from time to time, in whatever form including but not limited to issuance of debentures, term loans, advances, deposits, bonds etc., on such terms and conditions as the Investment Manager may deem fit in the best interest of the Trust and the Unitholders, and on such security, including by way of mortgage, hypothecation, pledge, lien and/or charge, in addition to the mortgage, hypothecation, pledge and/or charge already created, in such form, manner and ranking and on such terms as the Trustee and/or Investment Manager may deem fit in the best interest of Trust and the Unitholders, on all or any of the movable and/or immovable properties of the Trust and/or the Project SPVs owned by the Trust, both present and future and/ or any other assets or properties, either tangible or intangible, of the Trust and/or the Project SPVs owned by the Trust, for securing the borrowings availed or to be availed by the Trust Group, including providing any undertakings and/or guarantees as may be required in connection therewith, and to do all such acts, deeds and things and to execute all such documents, instruments and writings, and register all charges as may be required in this regard.

RESOLVED FURTHER THAT in relation to the aforesaid transactions, the Investment Manager be and are hereby severally authorised to do all such acts, deeds, matters and things and execute, modify or amend all such deeds, agreements or other documents, as may be necessary from time to time for giving effect to the above resolution on such terms and conditions as the Investment Manager may deem fit in the best interest of the Trust and the Unitholders, and to settle any questions, difficulty or doubt that may arise with regard to giving effect to the above resolution, as it may deem necessary in its discretion.

RESOLVED FURTHER THAT the board of directors of the Investment Manager be and is hereby authorised to delegate all or any of the powers herein conferred upon the Investment Manager, to any committee, director(s), officer(s) and/or authorised representative(s) of the Investment Manager so as to give effect to the aforesaid resolution."

For **IRB INVIT FUND**

By Order of the Board
IRB Infrastructure Private Limited
(as the Investment Manager to IRB InvIT Fund)

Vinod Kumar Menon
Whole-time Director & Chief Executive Officer
Mumbai
August 26, 2020

Registered Office and Contact Details of the Trust:

IRB InvIT Fund
IRB Complex, Chandivali Farm, Chandivali Village,
Andheri (East), Mumbai - 400 072
SEBI Registration Number: IN/InvIT/15-16/0001
Tel: +91 22 6640 4299
Fax: +91 22 6640 4274
E-mail: info@irbinvit.co.in
Website: www.irbinvit.co.in
Compliance Officer: Ms. Swapna Vengurlekar

Registered Office and Contact Details of the Investment Manager:

IRB Infrastructure Private Limited
IRB Complex, Chandivali Farm, Chandivali Village,
Andheri (East), Mumbai - 400 072
Tel: +91 22 6640 4299
Fax: +91 22 6640 4274
Email: info@irbfl.co.in
Contact Person: Ms. Swapna Vengurlekar

NOTES:

1. In view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, Securities and Exchange Board of India (SEBI) vide Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2020/102 dated June 22, 2020 including any amendments/ clarifications thereto have allowed InvITs to conduct their Annual General Meeting (AGM) of Unitholders through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the Unitholders at a common venue, subject to the fulfillment of conditions as specified in the circulars. In compliance with the aforesaid circular, the AGM is being held through VC.

2. The Investment Manager, on behalf of the Trust has enabled the Unitholders to participate at the meeting through the VC facility provided by KFin Technologies Private Limited, Registrar and Share Transfer Agents. The instructions for participation by Unitholders are given in the subsequent paragraphs. Participation at the meeting through VC shall be allowed on a first-come-first-served basis for first 1,000 unitholders. Further, all the parties to the InvIT shall be allowed to attend the meeting without restriction on account of first-come-first-served principle. The unitholders can visit https://emeetings.kfintech.com and login through existing user id and password to attend the live proceedings of the meeting of the Trust.

3. Annual Report for the financial year 2019-20 and Notice of the AGM of the unitholders are being sent to the unitholders whose email addresses are registered with the Trust or with the depository participant / depository. Unitholders may note that the Notice and Annual Report 2019-20 will also be available on the InvIT's website at www.irbinvit.co.in, websites of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of KFin Technologies Private Limited (KFintech) at https://evoting.karvy.com.

4. Unitholders who have not registered their e-mail address are requested to register the same in respect of units held in electronic form with the Depository through their Depository Participant(s). Unitholders may temporarily update their email address by accessing the Link https://ris.kfintech.com/email_registration/

5. The Investment Manager, on behalf of the Trust, is providing a facility to the Unitholders as on the cut-off date, being September 18, 2020, ("the Cut-Off Date") to exercise their right to vote by electronic voting systems ("Remote e-Voting") on any or all of the businesses specified in the accompanying Notice. Additionally, the Unitholders can also exercise their right to vote by e-voting during the meeting. Details of the process and manner of Remote e-Voting along with the User ID and Password is as per Annexure A. Such remote e-voting facility is in addition to voting that will take place at the meeting being held through VC. For this purpose, the Trust has engaged services of KFin Technologies Private Limited (KFintech), Registrar and Transfer Agent for providing e-Voting services. Any person who acquires Units of the Trust and becomes a Unitholder of the Trust after the dispatch of the Notice, and holding Units as on the Cut-Off Date, may obtain the User ID and Password by sending a request at evoting@karvy.com or contact M/s. KFin Technologies Private Limited at toll free number 1800 345 4001. Voting by electronic mode is a convenient means of exercising voting rights and may help to increase the Unitholders' participation in the decision-making process

6. Unitholders who have cast their vote by Remote e-Voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. Unitholders can opt for only one mode of voting, i.e. Remote e-Voting or e-voting at the AGM. If a Unitholder opts for Remote e-Voting, then he/she shall not vote using e-voting at the AGM and vice versa. In case a Unitholder casts his/her vote, both by Remote e-Voting and e-voting at the AGM mode, then the voting done by Remote e-Voting shall prevail and the e-voting at the AGM shall be invalid.

7. Since this Annual General meeting is being held through VC, physical attendance of Unitholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Unitholders will not be available for the meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

8. Corporate Unitholders intending to participate in the meeting through their authorized representatives are requested to access the link https://evoting.karvy.com and upload duly certified copy of their Board Resolution / Governing Body resolution / Authorisation letter, etc. and may send a copy to the Scrutinizer through email at scrutinizer@mmjc.in authorising their representatives to attend and vote through remote e-voting on their behalf at the said Meeting.

9. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.

10. Unitholders are requested to address all correspondence, including distribution matters, to the Registrar and Unit Transfer Agent, Kfin Technologies Private Limited (Unit: IRB InvIT Fund), Selenium Building, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serrilingampally, Hyderabad - 500 032, India.

11. The Securities and Exchange Board of India (the "SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in the securities market. Unitholders are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.

12. The Results declared along with Scrutinizer's Report(s) will be available on the website of the Trust (www.irbinvit.co.in), the Investment Manager (www.irbfl.co.in) and on Service Provider's website (https://evoting.karvy.com) within two (2) days of passing of the resolutions and communication

of the same to the BSE Limited and the National Stock Exchange of India Limited.

13. **Instructions for the Unitholders for attending the AGM through Video Conference:**

    A. Unitholders may note that the 3rd AGM of the Trust will be convened through VC in compliance with the Circular issued by SEBI. The facility to attend the meeting through VC will be provided by the Trust. Unitholders may access the same at https://emeetings.kfintech.com and click on the “video conference” and access the shareholders/members login by using the remote e-voting credentials. The link for AGM will be available in shareholder/members login where the EVENT and the name of the Trust can be selected.

    B. Please note that the Unitholders who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

    C. Unitholders can participate in the AGM through their desktops / smartphones / laptops etc. However, for better experience and smooth participation, it is advisable to join the meeting through desktops / laptops with high-speed internet connectivity.

    D. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

    E. The facility of joining the AGM through VC will be opened 15 minutes before the scheduled start-time of the AGM and will be available for Unitholders on a first-come-first-served-basis.

    F. The Trust reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.

    G. **Unitholders who would like to express their views/ask questions may log into https://emeetings.kfintech.com/and click on “Post your Questions” may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that, Unitholders questions will be answered only if the Unitholder continues to hold the units as of cut-off date benpos. The window shall remain active from 10.00 am on Tuesday, September 22, 2020 to 11.00 am on Thursday, September 24, 2020.**

    H. **In addition to the above mentioned step, the Unitholders may register themselves as speakers for the AGM to pose their queries. Accordingly, the Unitholders may visit https://emeetings.kfintech.com/ and click on ‘Speaker Registration’, the window shall remain active from 10.00 am on Tuesday, September 22, 2020 to 11.00 am on Thursday, September 24, 2020. The Trust reserves the right to restrict the number of speakers at the AGM and to only those Unitholders who have registered themselves, depending on the availability of time for the AGM.**

    I. Due to limitations of transmission and coordination during the Q&A session, the Trust has dispensed with the speaker registration during the AGM conference.

    J. Unitholders who need assistance before or during the AGM, can contact KFintech on evoting@kfintech.com / 1800 345 4001 (toll free) or contact Suresh Babu D, Deputy Manager, KFin Technologies Private Limited Tel +91 40 6716 2222; or send an E-mail request to suresh.d@kfintech.com or evoting@kfintech.com

14. **Instructions for Unitholders for e-voting during the AGM session:**

    A. The e-Voting “Thumb sign” on the left hand corner of the video screen shall be activated upon instructions of the chairman during the AGM proceedings. Unitholders shall click on the same to take them to the “Evoting” page.

    B. Unitholders to click on the “Evoting” icon to reach the resolution page and follow the instructions to vote on the resolutions.

    C. Only those unitholders, who are present in the AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

EXPLANATORY STATEMENT

The following Statement sets out the material facts and reasons for the proposed resolution at Item No. 2, 4 and 5 in the accompanying Notice:

Item No. 2

M/s. Suresh Surana & Associates LLP (Firm's Registration No.:121750W/W-100010) was appointed as Statutory Auditor of the IRB InvIT Fund ("Trust") by the Board of Directors of IRB Infrastructure Private Limited, Investment Manager of the Trust in 2015 for a period of five years.

Since they have completed first term, the Board of Directors of Investment Manager recommended for the approval of the Unitholders, the re-appointment of M/s. Suresh Surana & Associates LLP (Firm's Registration No.:121750W/W-100010), as the Statutory Auditor of the Trust for another five consecutive years commencing from the conclusion of this Annual General Meeting (AGM) till the conclusion of 8th AGM of the Trust.

The Investment Manager recommends the resolution as setout in the Notice for your approval by way of ordinary majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution).

Item No. 4

You kind attention is drawn to the fact that as per the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, the Valuer is required to be appointed to carry out valuation of IRB InvIT Fund. Further, Valuer means any person who is a "registered valuer" under section 247 of the Companies Act, 2013 or as specified by the Board from time to time.

Accordingly, it is proposed to appoint Mr. S Sundararaman ("Registered Valuer") bearing IBB registration number IBBI/RV/06/2018/10238 will undertake all valuation related assignments which are required to be conducted by a Registered Valuer. Baker Tilly DHC Business Private Limited will render similar services in a professional capacity and shall issue a review report on the valuation report prepared by the Registered Valuer.

Brief profile of Mr. S Sundararaman is as follows:

Mr. Sundararaman is a fellow member from the Institute of Chartered Accountants of India, Graduate member of the Institute of Cost and Works Accountants of India, Information Systems Auditor (DISA of ICAI) and has completed the Post Qualification Certification courses of ICAI on IFRS, Valuation. He is a registered Insolvency Professional and a Registered Valuer for Securities or Financial Assets, having been enrolled with the Insolvency and Bankruptcy Board of India (IBBI) after passing the respective Examinations. He possesses more than 29 years of experience in servicing large and medium sized clients in the areas of Corporate Advisory including Strategic Restructuring, Governance, Acquisitions and related Valuations and Tax Implications apart from Audit and Assurance Services. He is a partner of Haribhakti & Co. LLP since last 10 years.

For information about Baker Tilly DHC Business Private Limited, please visit www.bakertillydhc.co.in

The Investment Manager recommends the resolution as setout in the Notice for your approval by way of ordinary majority (i.e. where the votes cast in favour of the resolution arerequired to be more than the votes cast against the resolution).

Item No. 5

Kind attention of the Unitholders is invited to the requirement of Regulation 20(3) of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations") which stipulates approval of the Unitholders in case the aggregate consolidated borrowings and deferred payments of the Trust and the Project SPV(s), net of cash and cash equivalents, exceed 25% of the value of the Trust Assets.

Further, in accordance with Regulation 20(2) of the InvIT Regulations, the aggregate consolidated borrowings and deferred payments of the Trust and the Project SPV(s), net of cash and cash equivalents shall not exceed 70% of the value of the Trust Assets.

Unitholder may note that as per the latest Valuation report, the valuation of the Trust as on 31st March 2020 has been revised downward by the Valuer in comparison to the Valuation as on 30th September 2019 while the consolidated borrowing of the Trust has remained at a stable level during this period. Accordingly, since the borrowing powers of the Trust are linked to the Value of the Assets, the Trust proposes to augment the borrowing limit adequately so as to remain compliant of the InvIT Regulation. Additionally, the Investment Manager has been evaluating Projects/ Assets offered by the potential sellers and will continue to do so in ordinary course. Hence, in order to enable the Trust to meet the additional fund requirements of the Trust for its business purposes including potential acquisition of assets/ projects and for cashflow mismatches/ operational requirements, it is proposed by the board of directors of the Investment Manager at their meeting held on August 20, 2020 to enable the Trust Group (comprising the Trust and the Project SPVs owned by the Trust) to borrow sums of money not exceeding 49% of the aggregate value of Trust's Assets from time to time, including but not limited to issuance of debt securities, raising of term loans, advances, deposits or such other instrument as may be permissible under the InvIT Regulations, on such terms and conditions as the Investment Manager may deem fit in the best interest of the Trust and the Unitholders and in such form, manner and ranking as may be determined by the Investment Manager from time to time, in consultation with the relevant lenders, including providing any undertakings and/or guarantees as may be required in connection therewith.

The resolution contained in Item No. 5 of the accompanying Notice, seeks the approval of the Unitholders so as to enable the Investment Manager to complete all procedural and other formalities in connection with any borrowing that may be availed by the Trust (acting through the Investment Manager and/or the Trustee) and the creation of charge(s) on the assets of the Trust so to secure any such borrowings.

The Investment Manager recommends the resolution as set out in the Notice for your approval by way of ordinary majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution).

For **IRB INVIT FUND**
By Order of the Board
IRB Infrastructure Private Limited
(as the Investment Manager to IRB InvIT Fund)
Vinod Kumar Menon
Whole-time Director & Chief Executive Officer
Mumbai
August 26, 2020

Registered Office and Contact Details of the Trust:
IRB InvIT Fund
IRB Complex, Chandivali Farm, Chandivali Village,
Andheri (East), Mumbai - 400 072
SEBI Registration Number: IN/InvIT/15-16/0001
Tel: +91 22 6640 4299
Fax: +91 22 6640 4274
E-mail: info@irbinvit.co.in
Website: www.irbinvit.co.in
Compliance Officer: Ms. Swapna Vengurlekar

Registered Office and Contact Details of the Investment Manager:
IRB Infrastructure Private Limited
IRB Complex, Chandivali Farm, Chandivali Village,
Andheri (East), Mumbai - 400 072
Tel: +91 22 6640 4299
Fax: +91 22 6640 4274
Email: info@irbfl.co.in

Contact Person: Ms. Swapna Vengurlekar

Annexure A

The instruction for e-voting are as under:

A. In case a Unitholder receives an email from KFin Technologies Private Limited [for Unitholders whose email IDs are registered with the Trust/ Depository Participants (s)]:

i. Launch internet browser by typing the URL:http://evoting.karvy.com.

ii. Enter the login credentials (i.e., EVEN No., UserID and password mentioned on Attendance Slip). EVEN No. followed by Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with KFintech for remote e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on “LOGIN”.

iv. You will now reach password change Menu where in you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case(A-Z), one lower case (a-z), one numeric value (0-9)and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommend that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the “EVEN” i.e., IRB INVIT FUND.

vii. On the voting page, enter the number of Units (which represents the number of votes) as on the Cut off Date under “FOR/AGAINST’ or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together not exceed your total Unitholding as mentioned herein above. You may also choose the option ABSTAIN. If the Unitholder does not indicate either “FOR” or “AGAINST” it will be treated as“ABSTAIN” and the Units held will not be counted under either head.

viii. Unitholders holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

x. You may then cast your vote by selecting anappropriate option and click on “Submit”.

xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period,Unitholders can login any numbers of times till they have voted on the Resolution(s).

xii. Corporate/ Institutional Unitholders (i.e. other thanIndividuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail scrutinisers@mmjc.in with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format “IRB InvIT Fund, Annual General Meeting”.

xiii. In case a person has become the Unitholder of the Trust after dispatch of AGM Notice but on or before the cut-off date i.e. September 18, 2020, may write to KFintech on the email Id: evoting@kfintnech.com or toll free No. 1800 345 4001 or to Kfin Technologies Private Limited [Unit: IRB InvIT Fund], Selenium Building, Tower B, Plot No. 31&32, Financial District, Nanakramguda, Serrilingampally, Hyderabad - 500 032, requesting for the User ID and Password. After receipt ofthe above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.

B. In case of any queries relating to e-voting please visit Help & FAQ section of https://evoting.karvy.com (Karvy Website).

C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

D. The e-voting period commences on September 22, 2020 (10.00 AM) and ends on September 24, 2020 (5.00 PM). During this period Unitholders of the Trust, holding Units in dematerialized form, as on the cut-off date being September 18, 2020, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Unitholder, the Unitholder shall not be allowed to change it subsequently. Further the Unitholders who have casted their vote through Remote e-Voting, then he/she shall not vote using e-voting at the AGM.

E. The voting rights of Unitholders shall be in proportion to their Units of the paid up Unit capital of the Trust as on the cut-off date being September 18, 2020.

F. The Board of Directors of Investment Manager has appointed Mr. Makarand M. Joshi, Partner of M/s. Makarand M. Joshi & Co. Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

G. The Results shall be declared on or after the AGM of the Trust and the resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).

H. The results declared along with the Scrutinizer's report shall be placed on the Trust's website www.irbinvit.co.in, Investment Manager's website www.irbfl.co.in and on the website of the service provider (https://evoting.karvy.com) within two (2) days of passing of the resolutions at the AGM of the Trust and communicated to BSE Limited and National Stock Exchange of India Limited.

IRB

IRB INVIT FUND

Staying Focused Through Testing Times

Annual Report | 2019-20

Contents

Corporate Information

IRB InvIT Fund (Trust)

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

SEBI Registration No:
IN/InvIT/15-16/0001
Tel.: 022 6640 4299
Fax: 022 6640 4274
E-mail: info@irbinvit.co.in
Website: www.irbinvit.co.in
Compliance Officer:
Ms. Swapna Vengurlekar

Bankers/Lenders
State Bank of India
IDFC First Bank Limited

Auditors
Suresh Surana & Associates LLP

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

Registrar & Transfer Agent

Kfin Technologies Private Limited (Formerly known as Karvy Fintech Pvt. Ltd.)
Selenium Building, Tower B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad – 500 032
Tel.: +91 40 6716 2222, 7961 1000

Valuer

Mr. Santosh Nagalingaswamy
Unit No.303, 4th Floor,
SKAV Lavelle 909, Lavelle
Road, Bengaluru,
Karnataka - 560001
Tel: +91 80 61256100
IBBI Registration Number -
IBBI/RV/05/2019/11458

Investment Manager

IRB Infrastructure Private Limited
CIN: U28920MH1997PTC112628

Registered Office
IRB Complex,
Chandivali Farm, Chandivali Village,
Andheri (E), Mumbai – 400 072,
Maharashtra, India
Tel.: +91 22 6640 4299
Fax: +91 22 6640 4274
E-mail: info@irbfl.co.in
Website: www.irbfl.co.in

Board of Directors
- **Mr. R. P. Singh**
  Chairman of the Board
- **Mr. Sumit Banerjee**
  Independent Director
  (up to 31st July 2020)
- **Mr. B. L. Gupta**
  Independent Director
  (up to 24th May 2020)
- **Mr. Vinod Kumar Menon**
  Whole-time Director and CEO
- **Mr. Sunil Tandon**
  Independent Director
  (w.e.f. 5th June 2020)

Key Managerial Personnel
- **Mr. Vinod Kumar Menon**
  Whole-time Director and CEO
- **Mr. Tushar Kawedia**
  Chief Financial Officer
- **Ms. Swapna Vengurlekar**
  Company Secretary and
  Compliance Officer

Trustee of the Trust

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

Contact Persons
- **Mr. Shivaji Gunware**
- **Mr. Naresh Sachwani**

Introducing IRB InvIT

IRB InvIT Fund (IRB InvIT) is a registered infrastructure investment trust under the InvIT Regulations. It is primarily involved in owning, operating and maintaining a portfolio of seven toll road assets in the Indian states of Maharashtra, Gujarat, Punjab, Karnataka, Tamil Nadu and Rajasthan. These toll roads are operated and maintained pursuant to concessions granted by the National Highways Authority of India (NHAI).

Key Statistics

₹ 65,000 Million
Total asset under operations

₹ 10.00
Total distribution per unit

4,055 lane kms
Under operation

Credit Rating

- **India Ratings – IND AAA/Stable**
- **CARE Ratings – CARE AAA/Stable**

Towards this purpose, the Trust raised capital by issuing units to investors, for acquiring the toll road assets. These units were listed on stock exchanges in line with the provisions of applicable laws. Thus, the Trust became the first ever listed Infrastructure Investment Trust in India, focusing on toll-road assets in India. The InvIT has obtained the Registration no. IN/InvIT/15-16/0001 from the Securities and Exchange Board of India (SEBI), under its Infrastructure Investment Trusts Regulations, 2014.

Assets Portfolio

The Trust's project portfolio of toll road concessions comprises seven operational road assets with four of them forming a part of the Golden Quadrilateral (GQ) project and one being part of the East-West corridor. These projects span the states of Maharashtra, Gujarat, Rajasthan, Karnataka, Tamil Nadu and Punjab, with an average weighted residual concession period of 16 years.

Parties Involved and Their Roles

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

At present, the Company has a portfolio of 21 projects, including 19 Build-Operate-Transfer (BOT), 1 Toll-Operate-Transfer (TOT) and 1 Hybrid Annuity Model (HAM) projects. The BOT segment includes nine projects under Private InvIT with Operation and Maintenance (O&M) contracts, three projects under Tolling and seven projects under O&M contracts as a Project Manager for IRB InvIT, thus aggregating to 12,300 lane km, along with 20% share in India's prestigious GQ project. It is the largest by any private highways infrastructure developers in India.

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

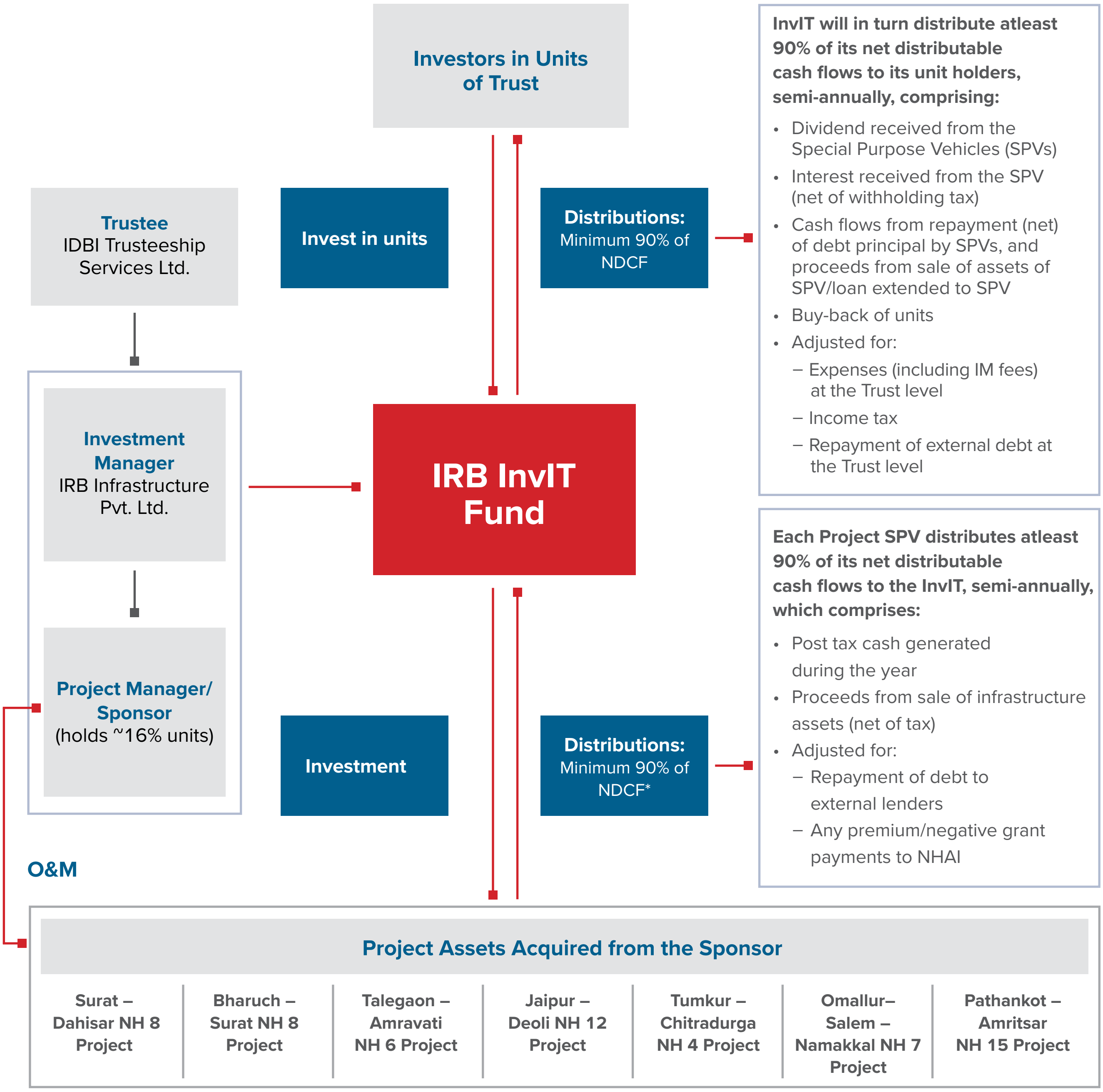
Investment Manager
IRB Infrastructure Private Limited, the 100% subsidiary of the Sponsor, is the Trust's designated Investment Manager, who will be responsible for making investment decisions with respect to the underlying assets or projects of the Trust. This includes any further investment or divestment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

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

Trustee
The Sponsor, in accordance with the provisions of the InvIT Regulations, has appointed IDBI Trusteeship Services Limited as the Trustee.

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

IRB InvIT Structure



*Subject to applicable provisions of the Companies Act, 2013

Our Operating Canvas

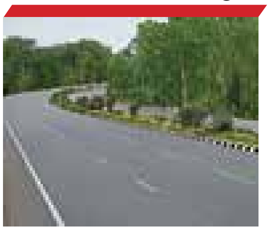
Operational Highlights

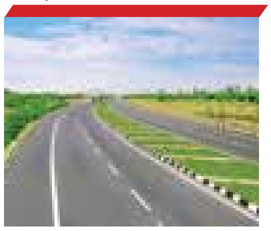
Project-wise Gross Toll Collection

For the year ended 31st March 2019	Project SPVs	For the year ended 31st March 2020
₹ 2,281.87 Million	IDAA Infrastructure Limited (IDAA)	₹ 2,470.56 Million
₹ 6,771.69 Million	IRB Surat Dahisar Tollway Limited (IRBSD)	₹ 7,214.12 Million
₹ 683.64 Million	IRB Talegaon Amravati Tollway Limited (IRBTA)	₹ 720.48 Million
₹ 975.63 Million	IRB Jaipur Deoli Tollway Limited (IRBJD)	₹ 1,008.69 Million
₹ 2,475.08 Million	IRB Tumkur Chitradurga Tollway Limited (IRBTC)	₹ 2,399.59 Million
₹ 960.07 Million	M.V.R Infrastructure & Tollways Limited (MVR)	₹ 1,012.53 Million
₹ 1,218.57 Million	IRB Pathankot Amritsar Toll Road Limited (IRBPA)	₹ 1,231.53 Million
₹ 15,366.55 Million	Total	₹ 16,057.50 Million

FY 2019-20 numbers reflect the impact of the lockdown due to COVID-19

Project-wise Performance



BOT Projects	Surat – Dahisar	Tumkur – Chitradurga	Bharuch – Surat	Jaipur – Deoli
Net Income (₹ in Million)	3,757	2,559	2,480	1,028
EBITDA (₹ in Million)	3,259	2,364	1,883	621
Traffic Movement (in 000)	35,439	11,669	9,377	4,444

Financial Highlights

Total Consolidated Income
(₹ in Million)

FY 2018-19	12,334
FY 2019-20	**12,701**

Consolidated Toll Revenues
(₹ in Million)

FY 2018-19	11,960
FY 2019-20	**12,360**

EBITDA
(₹ in Million)

FY 2018-19	9,989
FY 2019-20	**10,218**

Depreciation
(₹ in Million)

FY 2018-19	6,405
FY 2019-20	**6,854**

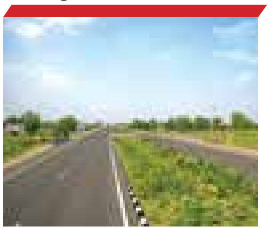
Profit Before Tax
(₹ in Million)

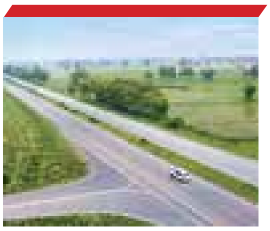
FY 2018-19	1,993
FY 2019-20	**1,728**

Profit After Tax
(₹ in Million)

FY 2018-19	1,978
FY 2019-20	**1,727**

FY 2019-20 numbers reflect the impact of the lockdown due to COVID-19





BOT Projects	Omallur – Salem – Namakkal	Talegaon – Amravati	Pathankot – Amritsar	Total
	830	733	1,251	12,638
	726	523	919	10,296
	7,175	2,651	4,829	

* Total income comprises Revenue from Operations and Other Income
Numbers reflect the impact of the lockdown due to COVID-19

Message by the Investment Manager

Overall, despite all the challenges posed, your Trust ensured a distribution of ₹10/unit for the year. The Trust continues to enjoy AAA rating by two of the credit rating agencies.

₹ 10/unit
FY 2019-20 distribution

Dear Unitholders,

On behalf of the Board of Directors of Investment Manager, it gives me great pleasure to share the performance highlights of the IRB InvIT Fund ("the Trust") for FY 2019-20 with you.

The FY 2019-20 was a roller coaster ride wherein we saw the impact of general elections and an extended monsoon season, which was then followed by a strong revival of traffic and then a Pandemic led slowdown hitting us towards the year end.
In Q2 FY20, developments in the state of J&K impacted traffic in Pathankot – Amritsar BOT Project. The traffic witnessed a strong rebound in Q3 FY20 across the portfolio on account of festive season. The growth continued to be robust in Jan and Feb 2020. There was a double-digit y-o-y growth for 3 projects – Bharuch – Surat, Surat – Dahisar and Jaipur – Deoli – comprising ~68% of collections. However, due to outbreak of the COVID-19 Pandemic, the traffic movement started slowing around second week of March 2020 culminating into nationwide lockdown for the last 6 days of the year. Even as the overall impact of COVID-19 is yet to be estimated, the Government has been mindful of the liquidity as well as operational challenges faced by the sector. To compensate for the slow down as well as lockdown, the government has extended support in the form of: 1) Moratorium for existing loans, 2) Increase in working capital limits, 3) COVID-19 Loans by NHAI at low interest rates and
4) An extension of the concession period of projects. We have reviewed all the options project by project, and are using all benefits available to optimize our cash-flows. On the whole, these initiatives are expected to significantly mitigate the impact of COVID-19 on our project finances.

Simultaneously, we have also been working on cost-cutting initiatives and have signed a fixed price contract with the project manager to insulate us from extreme volatility on our main expense item for efficient planning and budgeting. We have also been benefitted by reduction in our interest rate on outstanding loan – from 8.55% to 8.15%.

Overall, despite all the challenges posed, your Trust ensured a distribution of ₹ 10/unit for the year. The Trust continues to enjoy AAA rating by two of the credit rating agencies.

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

Thank you.

R. P. Singh
Chairman
Investment Manager of the Trust

Board of Directors and the Management Team

Board of Directors

Mr. R. P. Singh
Chairman

Mr. B. L. Gupta
Independent Director
(Up to 24th May 2020)

Mr. Sumit Banerjee
Independent Director
(Up to 31st July 2020)

Mr. Sunil Tandon
Independent Director
(w.e.f. 5th June 2020)

Mr. Vinod Kumar Menon
Whole-time Director and CEO

Management Team

Mr. Vinod Kumar Menon
Whole-time Director and CEO

Mr. Tushar Kawedia
Chief Financial Officer

Ms. Swapna Vengurlekar
Company Secretary and Compliance Officer

Report of the Investment Manager

for the year ended 31st March 2020

Activities of the Trust

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

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

Financial Statements

The summary of financial information on Consolidated & Standalone Financial Statements of the Trust as on 31st March 2020 is as follows:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	Year Ended 31st March 2020	Year Ended 31st March 2019	Year Ended 31st March 2020	Year Ended 31st March 2019
Total income	127,009.19	123,340.59	60,054.45	62,843.09
Total expenditure	109,726.51	103,403.32	13,949.35	14,252.99
Profit before tax	17,282.68	19,927.27	46,105.10	48,590.10
Less: Provision for tax				
Current tax	12.74	150.77	-	-
Profit after tax	17,269.94	19,776.50	46,105.10	48,590.10
Add: Profit at the beginning of the year	(49,911.00)	(18,280.44)	(291.14)	2,493.01
Profit available for appropriation	(32,641.06)	1,496.05	45,813.96	51,083.11
Appropriations:				
Unit issue expenses	-	-	-	-
Interest distribution	(47,601.00)	(51,374.25)	(47,601.00)	(51,374.25)
Other comprehensive income/(loss) for the period	14.79	32.80	-	-
Balance carried forward to the Balance Sheet	(80,227.27)	(49,911.00)	(1,787.04)	(291.14)

Management Discussion and Analysis

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

Assets of the Trust

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

Particulars	IDAA Infrastructure Limited (IDAA)	IRB Surat Dahisar Tollway Limited (IRBSD)	IRB Talegaon Amravati Tollway Limited (IRBTA)	IRB Jaipur Deoli Tollway Limited (IRBJD)	IRB Tumkur Chitradurga Tollway Limited (IRBTC)	M.V.R. Infrastructure And Tollways Limited (MVR)	IRB Pathankot Amritsar Toll Road Limited (IRBPA)
Concession period (in years)	15	12	22	25	26	20	20
Concession start date	January 2, 2007	February 20, 2009	September 3, 2010	June 14, 2010	June 4, 2011	August 14, 2006	December 30, 2010
Concession end date without reduction/extension	January 1, 2022	February 19, 2021	September 2, 2032	June 13, 2035	June 3, 2037	August 13, 2026	December 30, 2030
Concession end date with reduction/extension	April 30, 2022	August 30, 2022	May 24, 2037	October 07, 2040	September 30, 2037	December 24, 2026	April 27, 2035
Tolling start date	September 25, 2009	February 20, 2009	April 24, 2013	September 27, 2013	June 04, 2011	August 14, 2006	November 27, 2014
Total project cost (₹ in Million)	14,054.90	25,285.74	8,925.95	17,746.96	11,420.00	3,075.99	14,453.10
No. of toll plazas	1	4	1	2	2	1	2
Km length	65.00	239.00	66.73	148.77	114.00	68.63	102.42
Lane km	390.00	1,434.00	267.00	595.00	684.00	275.00	410.00
State	Gujarat	Gujarat	Maharashtra	Rajasthan	Karnataka	Tamil Nadu	Punjab
NHs	NH 8	NH 8	NH 6	NH 12	NH 4	NH 7	NH 15

The Trust has not invested in under-construction projects.

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

Project-wise Revenue from the Underlying Projects

Details of project-wise Gross Toll Collection from the underlying assets are as follows:

(₹ in Lakhs)

Particulars	Quarter Ended 30th June 2019	Quarter Ended 30th September 2019	Quarter Ended 31st December 2019	Quarter Ended 31st March 2020	For the Year Ended 31st March 2020	For the Year Ended 31st March 2019
IDAA	6,031.0	5,771.0	6,540.1	6,363.5	24,705.6	22,818.7
IRBSD	17,993.8	17,041.1	18,966.7	18,139.6	72,141.2	67,716.9
IRBTA	1,861.1	1,687.3	1,842.6	1,813.8	7,204.8	6,836.4
IRBJD	2,651.5	2,311.8	2,624.3	2,499.3	10,086.9	9,756.3
IRBTC	6,293.1	5,883.1	6,085.5	5,734.2	23,995.9	24,750.8
MVR	2,534.8	2,502.4	2,640.4	2,447.7	10,125.3	9,600.7
IRBPA	3,346.1	2,860.2	3,286.8	2,822.2	12,315.3	12,185.7
Total	**40,711.4**	**38,056.9**	**41,986.4**	**39,820.3**	**160,575.0**	**153,665.5**

As per the directions of the NHAI due to COVID-19, the Project SPVs of the Trust have stopped toll collection on its projects from 26th March 2020 and resumed it from 20th April 2020 in compliance with the guidelines issued by the Government of India.

Summary of the Valuation

The Investment Manager has submitted the full valuation report for the financial year ended 31st March 2020 as received from the Valuer with the Stock Exchanges within the stipulated time period. The summary of full valuation report is enclosed as 'Annexure A'.

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

Valuation of Assets and NAV

Statement of Net Assets at Fair Value as at 31st March 2020:

Particulars	₹ in Lakhs
A. Assets	1,307,950.22
B. Liabilities	799,171.52
C. Net assets	508,778.70
Outstanding units	5,805
NAV at fair value (Per Unit)	**87.64**

Borrowings

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

(₹ in Lakhs)

Particulars	Opening Balance (1st April 2019)	Loan Availed During the Period	Loan Repaid During the Period	Closing Balance (31st March 2020)
Secured loan				
Loan from SBI	105,488.81	-	2,353.35	100,135.46
Loan from IDFC First Bank Limited	48,810.00	-	1,125.00	47,685.00
Total	**151,298.81**	**-**	**3,478.35**	**147,820.46**

Credit Rating

CARE Ratings Limited has reaffirmed 'CARE AAA' to the Trust's long-term bank facilities of ₹ 1,489.86 Crores with a Stable outlook.

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

Investment Manager

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

Brief Profiles of the Investment Manager's Directors

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

Mr. Rajinder Pal Singh is an Independent Director and Chairman of the Board of Investment Manager. He holds a master's degree in mathematics from Advanced Centre for Pure Mathematics, Punjab University, Chandigarh. He taught pure mathematics and statistics to graduate students, before he joined the Indian Administrative Service.

He has wide experience in the regulatory areas of the finance industry, urban development and infrastructure. He worked both as Commissioner of Hyderabad Municipal Corporation and Vice Chairman of Hyderabad Urban Development Authority. He was also the Managing Director of Andhra Pradesh Industrial Development Corporation and Commissioner of Taxation in Andhra Pradesh. He was posted to Punjab & Sind Bank as its Chairman from March 2005 to September 2009.

He retired as Secretary to the Government of India in the Department of Industrial Policy & Promotions and post retirement was appointed by the Government of India as Chairman of the National Highways Authority of India (NHAI). At present, he is a Director of Maruti Suzuki India Limited, Bharti Infratel Limited, Nirlon Limited and Macrotech Developers Limited.

b) **Mr. B. L. Gupta (DIN : 07175777) (up to 24th May 2020)**

Mr. B. L. Gupta is an Independent Director of the Investment Manager. He holds a Bachelor's Degree in Commerce and a Master of Business Administration degree. He is a certificated associate of the Indian Institute of Bankers. He has experience in banking, corporate and project finance. Previously, he was the Chief General Manager of India Infrastructure Finance Company Limited. He has completed his second term as an Independent Director and accordingly ceased to be Director of the Company w.e.f. 24th May 2020. However he continues to be independent director in the Project SPVs.

c) **Mr. Sumit Banerjee (DIN : 00213826) (up to 31st July 2020)**

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

He has completed his second term as an Independent Director and accordingly ceased to be Director of the Company w.e.f. 31st July 2020. However he continues to be independent director in the Project SPVs.

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

Mr. Vinod Kumar Menon is a Whole-time Director and Chief Executive Officer of the Investment Manager. He holds a Bachelor of Technology degree in Civil Engineering. He has experience in the fields of infrastructure development and management. Previously, he was the President (Business Development) of the Sponsor. He currently also serves as the Vice President of the National Highway Builder Federation – a non-profit organisation.

e) **Mr. Sunil Tandon (DIN : 00874257) (w.e.f 5th June, 2020)**

Mr. Sunil Tandon is an Independent Director of the Investment Manager. He is a former IAS officer with a master's degree in Business Administration (specialisation in Financial Management and Strategy) from the Strathclyde Business School, UK. He has over 40 years of experience in the private sector and in the government. His experience spans the entire spectrum from formulation and implementation of policy to conceiving and grounding of large infrastructure projects. He has held the positions of CEO and MD of various large corporates such as SKIL Group, Pipavav Port, Pipavav Rail, GMR Infrastructure, Capital Partners, 50 HZ India Private Limited, etc. He has held senior positions in state and central governments and specialises in setting up (concept to completion) large infrastructure projects (Ports, Defence Shipyards, Airports, Railways, Expressways, Special Economic Zones), project management and finance, joint ventures, mergers and acquisitions, public administration, Public Private Partnerships (PPPs) and advising corporates and state governments on risk mitigation strategies for large projects. He has worked with and advised the state governments of Madhya Pradesh, Chhattisgarh, Tamil Nadu, Andhra Pradesh, Gujarat, Rajasthan and Orissa, on large infrastructure projects and PPPs. He also served as the Nodal Officer in the Ministry of Finance, Government of India for various projects financed by various foreign government agencies and organisations and worked with various foreign governments. He was the former Chairman of several Infrastructure Committees of trade bodies such as CII, Assocham and FICCI. He was Secretary to the Union Minister of State for Finance and Deputy Secretary/Director in the Ministry of Finance.

Board Meetings

For the period ended 31st March 2020, the Board of Directors of Investment Manager of the Trust met five times on 2nd May, 24th May, 29th July, 25th October 2019 and 7th February 2020.

Further, circular resolution was passed by the Board of Directors on 26th June 2019.

Details regarding the attendance of the Directors at the Board Meetings held during the period ended 31st March 2020, are provided in the following table:

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

Brief Profiles of the Investment Manager's Key Personnel

a) **Mr. Vinod Kumar Menon**

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

b) **Mr. Tushar Kawedia**

Mr. Tushar Kawedia is the Chief Financial Officer of the Investment Manager. Previously, he served as the Deputy Chief Financial Officer of the Sponsor Group. Mr. Kawedia holds a Bachelor's Degree in Commerce and is a qualified Chartered Accountant (ICAI). Prior to joining the Sponsor, he was the Deputy General Manager (Accounts and Finance) at Reliance Infrastructure Limited. He has experience in the fields of accounts and finance.

c) **Ms. Swapna Vengurlekar**

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

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

As on 31st March 2020, as per the disclosures received from the Directors of Investment Manager, except Mr. Rajinder Pal Singh, all the Investment Manager's Directors hold Units of the Trust as follows:

Sr. No.	Director	No. of Units Held
1.	Mr. Vinod Kumar Menon	30,000
2.	Mr. Sumit Banerjee	65,000
3.	Mr. B. L. Gupta	5,000

Also, details of the Units held by the Key Managerial Personnel (KMP) of the Investment Manager as on 31st March 2020 are as follows:

Sr. No.	Director	No. of Units held
1.	Mr. Tushar Kawedia	30,000

Summary of the Standalone Financial Statements of the Investment Manager

The Investment Manager has no subsidiaries. For a summary of the financial statements of the Investment Manager, as derived from the standalone financial statements of the Investment Manager, prepared in accordance with Indian GAAP and the Companies Act, 2013 as of and for the financial year ended 31st March 2020, please refer to the website of Investment Manager at www.irbfl.co.in.

Mr. B. L. Gupta, Independent Director of the Company has completed his second term as an Independent Director of the Investment Manager and accordingly ceased to be Director of the Company w.e.f. 24th May 2020.

Mr. Sunil Tandon was appointed an Additional Independent Director of the Company with effect from 5th June 2020.

Mr. Sumit Banerjee, Independent Director of the Company has completed his second term as an Independent Director of the Investment Manager and accordingly ceased to be Director of the Company w.e.f. 31st July 2020.

Codes/Policies

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

Distribution Policy

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

Policy on Unpublished Price-sensitive Information and dealing in units by the parties to IRB InvIT Fund (the UPSI Policy)

The Investment Manager has adopted the UPSI Policy (as a part of PIT) to ensure that IRB InvIT Fund complies with the applicable law, including the InvIT Regulations or such other laws, regulations, rules or guidelines prohibiting insider trading and governing disclosure of material and unpublished price-sensitive information.

Policy in Relation to Related Party Transactions

To ensure proper approval, supervision and reporting of the transactions between IRB InvIT Fund and its Related Parties, the Board of Directors of the Investment Manager has adopted the Policy in relation to Related Party Transactions as disclosed in the final offer document, to regulate the transactions between IRB InvIT Fund and its Related Parties.

Representatives on the Board of Directors of each Project SPV

The Investment Manager, in consultation with the Trustee, has appointed the majority of the Board of Directors of Project SPVs. Further, the Investment Manager ensures that in every meeting, including Annual General Meeting of Project SPVs, the voting of the Trust is exercised.

Committees

In compliance with the requirement of the Companies Act, 2013 and Rules made thereunder, Investment Manager's Board of Directors constituted the following Committees as on 31st March 2020:

i) Audit Committee.

ii) Nomination and Remuneration Committee.

iii) Corporate Social Responsibility Committee.

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

i) Audit Committee

The Audit Committee comprises the Board of Directors of the Investment Manager. The Chairperson of the Audit Committee is an Independent Director. All members and Chairman of the Audit Committee are financially literate and have accounting and related financial management expertise.

The Composition of the Audit Committee consists of the following members:

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

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

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

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

The Audit Committee met five times for the period ended 31st March 2020, viz. 2nd May, 24th May, 29th July and 25th October 2019 and 6th February 2020.

The following table presents the details of attendance at the Audit Committee meetings held during the period ended 31st March 2020:

Sr. No.	Name of the Member	No. of Meetings Attended
1.	Mr. Bajrang Lal Gupta	5
2.	Mr. Vinod Kumar Menon	5
3.	Mr. Sumit Banerjee	5

ii) Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Board of Directors of the Investment Manager.

The composition of the Nomination and Remuneration Committee consists of the following members:

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

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

The brief terms of reference of the Nomination and Remuneration Committee are to determine persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance, formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

The Nomination and Remuneration Committee met on 24th May 2019 during the period ended 31st March 2020.

The following table presents the details of attendance at the Nomination and Remuneration Committee meetings for the period ended 31st March 2020:

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

Remuneration Policy

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

The Policy ensures:

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

(b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

(c) The remuneration to Directors, key managerial personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

iii) **Corporate Social Responsibility (CSR) Committee**

The Corporate Social Responsibility Committee comprises Board of Directors of the Investment Manager.

The composition of Corporate Social Responsibility Committee consists of the following members:

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

The Corporate Social Responsibility Committee met on 6th February 2020 during the period ended 31st March 2020.

The following table presents the details of attendance at the Corporate Social Responsibility Committee meetings for the period ended 31st March 2020:

Sr. No.	Name of the Member	No. of Meetings Attended
1.	Mr. Sumit Banerjee	1
2.	Mr. Vinod Kumar Menon	1
3.	Mr. Bajrang Lal Gupta	1

The terms of reference of CSR Committee inter-alia include:

(a) Formulate and recommend to the Board, a CSR Policy that shall indicate the activities to be undertaken by the Company in the areas or subject specified in Schedule VII of the Companies Act, 2013 and rules made thereunder.

(b) Recommendation of the amount of expenditure to be incurred on the activities referred to in clause (a).

(c) Monitoring of the CSR Policy of the Company from time to time.

Functions, Duties and Responsibilities of the Investment Manager

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

Sponsor and the Project Manager

IRB Infrastructure Developers Limited is the Sponsor of the Trust. The Sponsor is one of the largest infrastructure development and construction companies in India in terms of net worth in the roads and highways sector according to the NHAI's annual prequalification for PPPs in the National Highways Projects Report for 2016. The Sponsor has been listed on the Indian Stock Exchanges since 2008.

As of 31st March 2020, the Sponsor's portfolio comprises 21 projects, including 19 BOT, one TOT and one HAM. The BOT segment includes nine projects under Private InvIT with O&M contracts, three projects under Tolling and 7 projects under O&M contracts as a Project Manager for IRB InvIT.

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

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

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

Functions, Duties and Responsibilities of the Project Manager

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

Trustee

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

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

Background of the Trustee

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

The Trustee is permitted to engage in the following activities:

i) Debenture/bond trustee.
ii) Security trustee/facility agent.
iii) Securitisation trustee.
iv) Share pledge trustee/share monitoring agent.
v) Escrow agent.
vi) Venture Capital Fund (VCF) trustees/Alternative Investment Fund (AIF) Trustees.
vii) Safe keeping/locker services.
viii) Management of private trusts/execution of wills.
ix) Special corporate services (e.g., provision of nominee Directors).

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

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

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

The Board of Directors of the Trustee as on 31st March 2020 is as follows:

Sr. No.	Name	Designation	DIN
1.	Mr. J. Samuel Joseph	Chairman	02262530
2.	Mr. Ravishankar G. Shinde	Director	03106953
3.	Ms. Madhuri J. Kulkarni	Director	07787126
4.	Mr. Satyajit Tripathy	Director	08681994
5.	Ms. Padma Betai	Managing Director and CEO	00937921

Valuer

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

Mr. Santosh Nagalingaswamy
Unit No.303, 4th Floor,
SKAV Lavelle 909, Lavelle Road, Bengaluru,
Karnataka - 560001
Tel: +91 80 61256100
IBBI Registration Number – IBBI/RV/05/2019/11458

General Disclosures

1) Except as stated otherwise in this Report and in any other public disclosures, during the period under review, there are no changes in the clauses of trust deed, investment management agreement or any other agreement pertaining to the activities of the Trust.

2) During the period, there are no material regulatory changes that had impacted or may impact cash flows of the underlying projects.

3) During the period, there is no change in material contracts or any new risk in performance of any contract pertaining to the Trust.

4) Except otherwise specified, during the period under review, there were no legal proceedings that may have a significant bearing on the activities or revenues or cash flows of the IRB InvIT Fund.

5) Except otherwise specified, during the period under review, there were no material changes, events or material and price-sensitive information to be disclosed for IRB InvIT Fund.

Unit Price Performance of the Trust

Particulars	BSE (₹)	NSE (₹)
Unit price quoted on the exchange at the beginning (closing price of 1st April 2019)	67.60	67.30
Unit price quoted on the exchange at the end (closing price of 31st March 2020)	25.54	25.61
Highest unit price 16th April 2019	68.50	
Highest unit price (2nd May 2019)		67.89
Lowest unit price 31st March 2020	25.54	25.61

Monthly Highest and Lowest Unit Price

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2019	69.50	65.81	67.54	66.68
May 2019	68.50	64.00	67.89	63.85
June 2019	66.33	63.85	66.00	64.58
July 2019	67.00	65.22	66.60	65.40
August 2019	66.00	64.00	66.43	63.98
September 2019	64.99	59.11	64.59	61.36
October 2019	61.05	53.00	61.45	53.00
November 2019	53.50	51.01	52.88	51.49
December 2019	55.95	51.10	54.66	51.15
January 2020	55.90	52.40	55.19	52.70
February 2020	53.99	43.91	53.65	43.72
March 2020	46.25	25.01	45.99	25.61

Average Daily Volume Traded

Month	Average Daily Volume	
	BSE	NSE
April 2019	44,667	2,67,368
May 2019	17,895	2,85,000
June 2019	45,000	4,57,105
July 2019	28,824	234,565
August 2019	28,333	4,05,250
September 2019	80,357	2,60,526
October 2019	46,167	2,54,875
November 2019	69,605	3,87,250
December 2019	472,625	5,28,333
January 2020	1,47,619	4,80,000
February 2020	62,763	5,93,375
March 2020	1,39,286	11,12,143

Unitholding Pattern for the Year ended 31st March 2020

Cat-etory	Category of the Unit Holder	No. of Units Held	As a % of Total Outstanding Units	No. of Units Mandatorily Held		Number of Units Pledged or Otherwise encumbered	
				No. of Units	As a % of Total Units Held	No. of Units	As a % of Total Units Held
(A)	**Sponsor(s) / Investment Manager / Project Manager(s) and Their Associates/Related Parties**						
(1)	**Indian**						
(a)	Individuals / HUF	14430000	2.49	0	0.00	0	0.00
(b)	Central/state governments	0	0.00	0	0.00	0	0.00
(c)	Financial institutions/banks	0	0.00	0	0.00	0	0.00
(d)	Any other (specify)	0	0.00	0	0.00	0	0.00
	Bodies corporates	92705000	15.97	87080000	15.00		0.00
	Sub total (A) (1)	**107135000**	**18.46**	**87080000**	**15.00**	**0**	**0.00**
(2)	**Foreign**						
(a)	Individuals (Non-resident Indians / foreign individuals)	0	0.00				
(b)	Foreign government	0	0.00	0	0.00	0	0.00
(c)	Institutions	0	0.00	0	0.00	0	0.00
(d)	Foreign portfolio investors	0	0.00	0	0.00	0	0.00
(e)	Any other (specify)	0	0.00	0	0.00	0	0.00
	Sub total (A) (2)	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**
	Total unit holding of the Sponsor and Sponsor Group* (A) = (A)(1) + (A)(2)	**107135000**	**18.46**	**87080000**	**15.00**	**0**	**0.00**

Cat-etory	Category of the Unit Holder	No. of Units Held	As a % of Total Outstanding Units	No. of Units Mandatorily Held		Number of Units Pledged or Otherwise encumbered	
				No. of Units	As a % of Total Units Held	No. of Units	As a % of Total Units Held
(B)	**Public Holding**						
(1)	**Institutions**						
(a)	Mutual funds	66042500	11.38				
(b)	Financial institutions/banks	2200000	0.38				
(c)	Central/state governments	0	0.00				
(d)	Venture Capital Funds (VCFs)	0	0.00				
(e)	Insurance companies	0	0.00				
(f)	Provident/pension funds	0	0.00				
(g)	Foreign portfolio investors	222217500	38.28				
(h)	Foreign Venture Capital investors	0	0.00				
(i)	Any other (specify)	0	0.00				
	Sub total (B) (1)	**290460000**	**50.04**				
(2)	**Non-Institutions**						
(a)	Central Government/State Governments(s)/President of India	0	0.00				
(b)	Individuals	98969072	17.05				
(c)	NBFCs registered with the RBI	110000	0.02				
(d)	Any other (specify)						
	Trusts	2900000	0.50				
	Non Resident Indians	2543334	0.44				
	Clearing members	3471629	0.59				
	Bodies corporates	74910965	12.90				
	Sub total (B) (2)	**182905000**	**31.50**				
	Total public unit holding (B) = (B) (1)+(B)(2)	**473365000**	**81.54**				
	Total units outstanding (C) = (A) + (B)	**580500000**	**100.00**				

* includes units held by Associates / Related Parties of the Investment Manager, Sponsor and Project Manager

Distributions

The Investment Manager on behalf of the Trust has made four distribution(s) aggregating to ₹ 10.00/- per unit for the period ended 31st March 2020 to the unitholders of the Trust (₹ 7.00/- per unit in the form of Interest and ₹ 3.00/- per unit in the form of Return of Capital). The distribution was paid to unitholders within the stipulated time period in InvIT Regulations. Until March 2020, the Trust has made ₹ 32.80/- per unit distribution since listing, out of which ₹ 23.50/- per unit paid as interest and remaining as return of capital.

Investor Complaints

The status of complaints is reported to the Board and the Trustee on a quarterly basis. During the period ended 31st March 2020, the investor complaints received by the Company were general in nature, which were responded in time to the unitholders. Details of unitholders' complaints on quarterly basis are also submitted to stock exchanges.

Status report on number of Investor's complaints/requests received and replied by the Trust for the financial year 2019-20:

Investor Grievance Table for FY 2019-20

Sr. No.	Complaints	Pending at the Beginning th Year (01.04.2019)	Received During the Year	Disposed of During the Year	Pending at the End of the Year (31.03.2020)
1	Complaint received through the SEBI	0	2	2	0
2	Status of applications lodged for public issue (s).	0	0	0	0
3	Non receipts for electronic credit	0	0	0	0
4	Non receipts of refund order	0	0	0	0
5	Non receipts of distribution	0	415	415	0
6	Non receipts of the Annual Report	0	0	0	0
	Total	0	417	417	0

SEBI Complaints Redress System (SCORES)

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

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

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

Green Initiative

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

In terms of the InvIT Regulations, the Investment Manager proposes to send documents such as the notice convening the general meetings, financial statements, Auditor's Report and other documents to the email address provided by you with the relevant depositories. The Trust had sent the necessary reminders to the unitholders.

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

Issue and Buyback of Units

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

Material Litigations and Regulatory Actions

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

Risk Factors

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

Risks Related to Our Organisation and the Structure of the Trust

1. The debt financing provided by the Trust to each of the Project SPVs comprises certain unsecured, interest-free and interest-bearing loans as well as loans that are secured by a subordinate charge on (i) the cash flows deposited in the escrow account and (ii) the escrow account of such Project SPVs. The payment obligations of the respective Project SPVs in relation to such debt financing will be subordinated to all existing and future obligations of the Project SPVs towards any secured senior lenders.

2. Any payment by the Project SPVs, including in an event of termination of the relevant concession agreement, is subject to a mandatory escrow arrangement that restricts their flexibility to utilise the available funds.

3. The regulatory framework governing infrastructure investment trusts in India is untested and the interpretation and enforcement thereof involve uncertainties, which may have a material, adverse effect on the ability of certain categories of investors to invest in the units, our business, financial condition and results of operations and our ability to make distributions to unitholders.

4. We must maintain certain investment ratios, which may present additional risks to us.

5. The Valuation Report, and any underlying reports, are not opinions on the commercial merits of the Trust or the Project SPVs, nor are they opinions, expressed or implied, as to the future trading price of the units or the financial condition of the Trust upon listing, and the valuation contained therein may not be indicative of the true value of the Project SPVs' assets.

6. Certain Project SPVs have experienced losses in the prior years and any losses in the future could adversely affect our business, financial condition and results of operations, our ability to make distributions to the unitholders and the trading price of our units.

7. We may not be able to make distributions to the unitholders or the level of distributions may fall.

8. We expect to derive a substantial amount of our revenues from the operation of the Surat–Dahisar NH 8 Project, the Tumkur–Chitradurga NH 4 Project and the Bharuch–Surat NH 8 Project. Any factors adversely affecting these projects could have a material, adverse effect on our business, financial condition and results of operations.

Risks Related to Our Business and Industry

9. Our failure to extend applicable concession agreements or our inability to identify and acquire new road assets that generate comparable or higher revenue, profits or cash flows than the Project SPVs may have a material adverse impact on our business, financial condition and results of operations and our ability to make distributions.

10. The Project SPVs' toll-road concessions may be terminated prematurely under certain circumstances.

11. A decline in traffic volumes would materially and adversely affect our business prospects, financial condition and results of operations and our ability to make distributions to unitholders.

12. Certain investigations are pending against the Related Parties of the Sponsor, the outcome of which may

materially and adversely affect the Sponsor / our reputation, business and financial condition.

13. IRB Tumkur Chitradurga Tollway Limited (ITCTL) and M.V.R. Infrastructure And Tollways Limited (MITL) are required to pay annual premiums / negative grants in consideration for being granted the right to build and operate their respective projects. Failure to make such payments could result in the termination of the relevant concession agreement by the NHAI.

14. Changes in the policies adopted by governmental entities or in the relationships of any member of the Trust Group with the government or state governments could materially and adversely affect our business, financial performance and results of operations.

15. Certain provisions of the standard form of concession agreement may be non-negotiable or untested, and the concession agreements may contain certain restrictive terms and conditions that may be subject to varying interpretations.

16. We may be subject to increases in costs, including O&M costs, which we cannot recover by increasing toll fees under the concession agreements.

17. Certain actions of the Project SPVs require the prior approval of the NHAI, and no assurance can be given that the NHAI will approve such actions in a timely manner or at all.

18. Leakage of the toll fees on the Project SPVs' roads may materially and adversely affect our revenues and financial condition.

19. We will depend on certain directors, executive officers and key employees of the Investment Manager, the Project Manager and the Project SPVs, and such entities may be unable to retain such personnel or to replace them with similarly qualified personnel, which could have a material, adverse effect on the business, financial condition, results of operations and prospects of the Trust Group.

20. There can be no assurance that we will be able to successfully undertake future acquisitions of road assets or efficiently manage the infrastructure road assets we have acquired or may acquire in the future.

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

22. The Project SPVs may be required to undertake certain development of the Road Assets owned by the Trust, which may present additional risks to us.

23. The Project SPVs may not be able to comply with their maintenance obligations under the concession agreements, which may result in the termination of the concession agreements, the suspension of the Project SPVs' rights to collect tolls or the requirement that the Project SPVs pay compensation or damages to the NHAI.

24. Our insurance policies may not provide adequate protection against various risks associated with our operations.

25. The Project SPVs, the Sponsor, the Investment Manager, the Project Manager and the Trustee are involved in certain legal and other proceedings, which may not be decided in their favour.

26. IRB Surat Dahisar Tollway Limited (ISDTL) has filed claims before the NHAI and governmental entities in relation to certain disputes arising out of the Surat–Dahisar NH 8 Project, which are still pending and may not be decided in ISDTL's favour.

27. We do not own the 'IRB' trademark and logo. Our license to use the 'IRB' trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired.

28. We will depend on various third parties to undertake certain activities in relation to the operation and maintenance of the Initial Road Assets. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to effectively operate or maintain the Initial Road Assets.

29. The Project SPVs may be held liable for the payment of wages to the contract labourers engaged indirectly in our operations.

30. Our contingent liabilities could adversely affect our results of operations, cash flows and financial condition.

31. Our actual results may be materially different from the expectations expressed or implied in the Revenue, Profit and Cash Flow Projections and the assumptions in the Final Offer Document are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those projected.

32. Our business will be subject to seasonal fluctuations that may affect our cash flows.

33. Certain Project SPVs' operations and revenue are, currently, geographically concentrated in Gujarat, Maharashtra and other Indian states and consequently we will be exposed to certain risks emanating therefrom.

34. The Initial Road Assets are concentrated in the infrastructure sector and toll-road industry in India, and our business could be adversely affected by an economic downturn in that sector or industry.

35. Political and other agitations against the collection of tolls may affect our ability to collect tolls over prolonged periods, which could have a material, adverse effect on our business, results of operation and financial condition.

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

37. We may be unable to renew or maintain the statutory and regulatory permits and approvals required to operate the Initial Road Assets.

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

39. The Project SPVs' financing agreements entail interest at variable rates, and any increases in interest rates may adversely affect our results of operations, financial condition and cash flows.

40. The Project SPVs are subject to restrictive covenants under their financing agreements that could limit our flexibility in managing our business or to use cash or other assets.

41. We have obtained a credit rating of IND AAA for the senior debt of the Trust from India Ratings and Research, assuming the Trust's consolidated 'external debt' (including debt availed by InvIT and the Project SPVs from banks and institutions but excluding debt infused by InvIT into the Project SPVs) as on 31st March 2017 would be up to ₹ 10 Billion. We have also obtained a credit rating of CARE AAA from CARE Ratings, assuming that the debt exposure of the Trust Group does not exceed ₹ 10 Billion after the Listing. Any downgrade of our credit rating may restrict our access to capital and materially and adversely affect our business, financial condition and results of operations.

42. We will enter into related-party transactions. There can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with third parties.

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

43. The Sponsor, whose interests may be different from the other unitholders, will be able to exercise significant influence over certain activities of the Trust.

44. The ROFO/ROFR Deed and the Future Assets Agreement will terminate in certain circumstances and shall be subject to the terms of the concession agreement and applicable law.

45. The Sponsor is a listed company and operates other road assets, and anything that impacts the business, results of operations and trading price of the Sponsor's equity shares may have a material, adverse effect on the Trust and the trading price of the units.

46. The Investment Manager may not be able to implement its investment or corporate strategies and the fees payable to the Project Manager are dependent on various factors.

47. Parties to the Trust are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. The Trust may not be able to ensure such ongoing compliance by the Sponsor, the Investment Manager, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Trust.

48. The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust. There can be no assurance that the Investment Manager will be able to comply with such requirements.

Risks Related to Tax

49. Changes in legislation or the rules relating to tax regimes could materially and adversely affect our business, prospects and results of operations.

50. Some of our roads assets enjoy certain benefits under Section 80-IA of the Income Tax Act and any change in these tax benefits applicable to us may materially and adversely affect our results of operations.

51. Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations.

52. Entities operating in India are subject to a variety of Government and State Government tax regimes and surcharges and changes in legislation or the rules relating to such tax regimes and surcharges could materially and adversely affect our business.

53. Investors may be subject to Indian taxes arising out of capital gains on the sale of Units.

Annexure A
Summary of the Valuation Report

I. Summary Of Valuation

I. a) Background and Scope

IRB Infrastructure Developers Limited (hereinafter referred to as 'IRB') is a listed infrastructure development company, undertaking development of various infrastructure projects via the Public Private Partnership ('PPP') model in the toll road sector. IRB has sponsored and floated an Infrastructure Investment Trust ('Trust') which has been registered as IRB InvIT Fund (hereinafter referred to as the 'InvIT') under the SEBI (Infrastructure Investment Trusts) Regulations, 2014 and subsequent amendment ('SEBI InvIT Regulations, 2014'). The units issued by the InvIT got listed on both the BSE Limited and the National Stock Exchange of India Limited on 18th May 2017.

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

For this purpose, the InvIT and IRB Infrastructure Private Limited ('Investment Manager') (hereinafter both together referred to as 'Client') has requested for the assistance of the Valuer to act as the 'valuer of the InvIT' and carry out fair valuation of the InvIT in accordance with the SEBI InvIT Regulations, 2014 as on 31st March 2020 ('Valuation Date').

The valuer declares that:

- It is competent to undertake the valuation.
- It is independent and has prepared the Report on a fair and unbiased basis.
- It has valued the SPVs based on the valuation standards as specified under Sub-regulation 10 of Regulation 21 of SEBI InvIT Regulation, 2014.

I. b) Valuation Approach and Assumptions

We have estimated the fair value of the InvIT using Sum of the Parts method by adding the individual Enterprise Value (EV) of each SPV and adjusting with below the line items of the consolidated unaudited financials of the InvIT as on 31st March 2020. The EV of each SPV has been estimated using Discounted Cash Flows (DCF) method under the Income Approach.

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

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

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

I. c) Conclusion of Value

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

Table 1.1: Fair Enterprise Value of All the Seven SPVs
as on the Valuation Date (₹ in Millions)

Name of the SPV	Fair Enterprise Value
IDAA Infrastructure Limited	3,761.0
IRB Surat Dahisar Tollway Limited	7,394.0
IRB Talegaon Amravati Tollway Limited	8,637.0
IRB Jaipur Deoli Tollway Limited	14,187.0
IRB Tumkur Chitradurga Tollway Limited	13,114.0
MVR Infrastructure & Tollways Limited	4,246.0
IRB Pathankot Amritsar Toll Road Limited	13,723.0
Total Fair Enterprise Value of All the Seven SPVs	**65,062.0**

The Fair EV of all the seven SPVs have further been adjusted for net debt, working capital, cash and bank balance and present value of IM and other expenses payable by the Trust based on the consolidated unaudited financial statements of the InvIT as on 31st March 2020 to arrive at the Fair Value of the InvIT as on the valuation date.

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

Particulars	Fair Equity Value
Total Fair EV of all the 7 SPVs	**65062**
Less: Net Debt	(14782)
Add/(Less): Cash and Bank Balance (consolidated)	1907
Add/(Less): Present value of IM and other expense payable by the Trust	(1233)
Add / (Less): Other working capital related adjustment (consolidated)	(76.2)
Fair Value of the InvIT	**50877.80**

Annexure B
Material Litigation and Regulatory Action

Except as stated in this Report and Annexures, there is no material litigation or regulatory action pending against (i) the Trust, the Sponsor, the Investment Manager, the Project Manager, the Trustee, and (ii) the Associates of the Trust, the Sponsor, the Project Manager and the Investment Manager. As per confirmation provided by the Sponsor, the Project Manager or their Associates, except as stated in this Report and Annexures, (i) there are no material updates on litigations and regulatory actions against them disclosed earlier and (ii) there are no additional material litigations or regulatory actions that may have a bearing on their activities or revenues or cash flows.

IRB Infrastructure Private Limited

Pending Civil Litigation against the IRB Infrastructure Private Limited

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

Pending Regulatory Action against the IRB Infrastructure Private Limited

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

2. The compliance officer at IRIPL received a notice from the SEBI in 2019 in relation to the change in the assignment of obligations under the project implementation agreements of the IRB InvIT Fund. IRIPL has responded to the letter stating that such assignment was in compliance with applicable law. No further correspondence has been received from the SEBI in relation to this matter.

Material Litigations against the Trustee

Pending Civil Litigations against the Trustee

1. Hubtown Limited (the **'Plaintiff'**) had filed a case before the High Court of Bombay against the Trustee and its Directors (the **'Defendants'**) for having informed the bankers of the Plaintiff regarding the defaults committed by the Plaintiff. The Trustee has stated that the Plaintiff is a guarantor for the debt for which the Trustee is acting as a debenture trustee and in case of defaults, the relevant documents authorise the Trustee to share information about such default to CIBIL/RBI and other creditors. The aggregate amount claimed is ₹ 3000 Million. The matter is currently pending in the Court for settlement.

2. SBI Cap Trustee (the **"Plaintiff"**) had filed a suit before the City Civil Court, Bangalore against the Trustee and others (the **"Defendants"**) requiring sale of pledged shares for a particular price by SREI Fund/Investors, for whom the Trustee was acting as the share pledge trustee. The Plaintiff was acting for a consortium of lenders and has residual interest. The aggregate claim amount is ₹ 1,550.3 Million. The matter is pending.

3. Balmer Lawrie and Company Limited and another (the **"Plaintiffs"**) had filed a petition before the Calcutta High Court against the Trustee and certain others (the **"Defendants"**) challenging the validity of the sale transaction of 1,48,20,000 shares in Transafe Services Limited by the Defendant to the Plaintiff. The Plaintiffs have inter alia sought (a) the recovery of consideration received by the Defendants for the allegedly void contract being ₹ 237.12 Million and (b) interest at the rate of 18% per annum on the decreetal amount. The matter is currently pending.

4. Reliance Project Ventures and Management Private Limited and another (the "Plantiffs") had filed a commercial suit before the Bombay High Court against the Trustee and ECL Finance Limited and others (the "Defendents") declaring the sale and transfer of pledged shares by Defendants to be illegal, null and void and to restore and restitute the said pledged shares by making the necessary purchases from the market. The aggregate claim amount is ₹ 27344.10 Million as against the Edelweiss entities and not against the Trustee. The single bench of the Bombay High Court has rejected the ad-interim reliefs of the Plaintiffs; therefore, the Plaintiffs

have now approached the Division Bench of the Bombay High Court with their pleas. The Plaintiffs/Appellants has withdrawn the said appeal filed before the Division Bench of the Bombay High Court. Hence, the said appeal stands dismissed as not pressed vide order dated 9th July 2019. The matter before the single bench of the Bombay High Court is currently pending.

IRB Jaipur Deoli Tollway Ltd. (IJDTL)

Pending Criminal Litigation against IJDTL

1. Pradeep Sogani, Shankar Lal Sharma and certain others (collectively the **"Complainants"**) have lodged 10 first information reports against Virendra Mhaiskar, Managing Director, IRB Infrastructure Developers Limited, Vivek Chouhan (the project manager and the authorised signatory of the Sponsor) and certain others (collectively the **"Accused"**) with the Chaksu Police Station. The aforesaid first information reports were lodged on the alleged ground that there was delay in the release of payments on the part of the Accused towards the purchase of various materials from the Complainants. The matter is currently pending.

Pending Civil Litigation against IJDTL

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

2. Girdhari Lal Jat had filed a writ petition against IRB Jaipur Deoli Tollway Ltd. and others in Rajasthan High Court, Jaipur Bench, with respect to the National Highway 12 (Jaipur – Tonk – Deoli section), praying that directions be given to respondents to take stern action in the matter of removal of illegal barricades in the villages Khajalpura, Dhar Mod, Barkheda and Bhadarwas, to do enquiry against the wrongdoers who have been involved in installing the said illegal barriers, etc. The matter is pending.

Taxation Proceedings Involving IJDTL

1. There is one direct tax proceeding pending against IJDTL for A.Y.2012-13, which involves an aggregate amount of ₹ 27.19 Million.

IRB Pathankot Amritsar Toll Road Limited (IPATRL)

Other Proceedings Involving IPATRL

1. IPATRL has initiated arbitration proceedings against the NHAI before Arbitration Tribunal consisting of Justice (Retd.) Ajit Prakash Shah, Presiding Arbitrator, Mr. S. S. Agarwal, Arbitrator and Mr. Navin Kumar, IAS (Retd.) The claim is for sum of ₹ 252.25 Crores and extension in concession period by 518 days. IPATRL requested the NHAI to extend the concession period by 518 days, as the NHAI has granted extension of time of 518 days for completion of construction due to the reasons not attributable to the IPATRL. IPATRL invoked arbitration against the NHAI. The NHAI had rejected the claim of IPATRL. IPATRL had submitted its claim on account of losses and requested the NHAI for appointment of other Arbitrator. The NHAI had refused the request for appointment of arbitrator. As per the provisions of Concession Agreement, IPATRL requested Indian Road Congress to appoint an Arbitrator on behalf of the NHAI. Subsequently, the NHAI had appointed Mr. Navin Kumar as the Arbitrator. Both the Arbitrators mutually appointed Justice (Retd) Ajit Prakash Shah as the Presiding Arbitrator. The matter is pending.

2. IPATRL has initiated arbitration proceedings against the NHAI Arbitration Tribunal, which consists of Mr. B. N. Singh, Presiding Arbitrator Mr. V. K. Agarwal, Arbitrator and Mr. Navin Kumar, IAS (Retd.) Arbitrator for a sum of ₹ 127.5 Crores (Change of Scope) and ₹ 22.842 Crore towards mining ban. IPATRL has submitted a claim on account of Change of Scope work executed by it. Change of Scope of ₹ 14.5 Crores has been approved by the NHAI and balance amount is under dispute. Both the parties have submitted admission and denial with respect to statement of claims. The matter is pending.

Pending Regulatory Action Involving IPATRL

1. Employees' State Insurance Corporation, sub-regional office Marol (**ESI**) issued a notice to IPATRL demanding payment of ₹ 83,637/- towards pending employers, contributions and employees' contributions required to be paid by IPATRL, in its capacity as the principal employer, under Section 40 read with Section 39 of the Employees' State Insurance Act, 1948. Further, ESI has also directed IPATRL to show cause as to why the assessment of an amount of ₹ 5.83 Million towards contributions payable in respect of the employees should not be recovered from IPATRL. IPATRL has replied to the aforementioned notice. No further communication has been received in this regard.

IRB Surat Dahisar Tollway Ltd. (ISDTL)

Pending Civil Litigation against ISDTL

1. Mr. Vasantrai Harilal Gohil and Mr. Vijay Vasantrai Gohil (the **"Plaintiffs"**) have filed a special civil suit before the Court of the Civil Judge (Senior Division) at Vasai, against the Sponsor, certain directors of the Sponsor and IRB Surat Dahisar Tollway Ltd. The Plaintiffs have alleged that on 5th January 2011, certain employees of the Sponsor acted violently and forcefully with them when they could not provide a money change at the toll plaza at Khanivade, Taluka Vasai. The Plaintiffs have alleged that they were chased, threatened and beaten by the employees of the Sponsor, which resulted in serious injuries. The Plaintiffs have sought a direction that the Sponsor and its directors be directed to pay the medical expenses of ₹ 0.5 Million incurred by the Plaintiffs along with damages of ₹ 50 Million with interest. The Plaintiffs have also sought a direction from the court requiring the Sponsor and the directors to disclose on oath, their respective movable and immovable property and to record charge of ₹ 50.5 Million over such property until the decretal amount is paid. The Plaintiffs have filed an application for adding ISDTL as a necessary party in the suit. The ISDTL, its directors and employees have filed their reply in the matter. The Civil Judge (Senior Division) at Vasai has vide its Judgement dated 9th July 2019 directed the respondents jointly and severally to pay ₹ 50 Lakhs with interest at the rate of 9% p.a. to the Plaintiffs. IRB Surat Dahisar Tollway Pvt. Ltd. has filed a writ petition in the Bombay High Court challenging the judgement of the Vasai Court Dated 9th July 2019. The matter is pending.

2. Jimmy Gonsalves and another (the **"Petitioners"**) have filed a public interest litigation before the High Court of Bombay against the MoRTH, NHAI, ISDTL and Ideal Road Builders Private Limited and certain others (the **"Respondents"**). The Petitioners have inter alia alleged that commuters are facing hardship and inconvenience due to traffic at Versova Creek bridge and that ISDTL has denied its duty to build a new bridge on Versova Creek, and have sought inter alia, that the MoRTH be directed to take steps for the construction of a third bridge on Versova Creek and that all vehicles travelling from Khaniwade toll on NH-8 and Ghodbunder Road toll on the state highway be exempt from toll till the completion of said new bridge. ISDTL and Ideal Road Builders Private Limited are yet to file their respective replies in this matter. The matter is currently pending.

3. IRB Surat Dahisar Tollway Limited had initiated arbitration proceedings against the NHAI, in the Arbitration Tribunal consisting of Mr. S. S. Agarwal, Presiding Arbitrator, Mr. M. K. Agarwal, Arbitrator and Mr. A B Desai Arbitrator. The Concession Agreement allows the Concessionaire (IRB Surat Dahisar Tollway Limited) to design optimally as per specifications. Accordingly, the concessionaire had designed the longitudinal drains to carry peak hours run-off. Hence, indicative typical cross-section shows covered drains. When the concessionaire had submitted his design to the Independent Engineer, there were no comments. Hence, the Concessionaire constructed the drains in accordance with the technical specifications. Subsequently, Independent Engineer / the NHAI claimed that the provision of earthen drains in lieu of covered drains (RCC type as interpreted by the Independent Engineer) amounted to negative Change Of Scope. This has been disputed and the matter is before the Arbitral Tribunal. The arbitral tribunal has vide its majority award dated 18th August 2018, rejected the claim of the Independent Engineer / NHAI. The NHAI had filed the writ petition in Delhi High Court challenging the arbitration award. The matter is pending.

4. IRB Surat Dahisar Tollway Limited had initiated arbitration proceedings against the NHAI, in the arbitration tribunal consisting of Shri A. B. Desai. Based on audit observation of the Central Government, the NHAI demanded recovery of ₹ 16.8 Crores on account of non-recovery of Premium during the period from August 2016 to October 2016 (subsequently the NHAI has revised its claim to ₹ 75.16 Crores plus applicable interest. ISDTL has submitted a counter claim of ₹ 204.85 Crores). However, ISDTL responded to the demand of the NHAI stating that there will be no additional fee beyond 'Realisable Fee' i.e. include fees that the Concessionaire has not been able to realise after due diligence and best efforts. ISDTL invoked arbitration proceedings and appointed Shri A. B. Desai. The matter is pending.

Pending Regulatory Action Involving ISDTL

1. ISDTL has received certain notices from the NHAI alleging short recovery of revenue share (annual traffic count) for the period between the years 2009 and 2013 and as per the latest notice a payment of ₹ 328.91 Million was demanded from ISDTL. Subsequently, an assessment was carried out by an Independent Engineer appointed by the NHAI and the liability of ISDTL was assessed to the extent of ₹ 8.38 Million. While ISDTL has paid such an amount under protest, it has invoked conciliation proceedings for an amicable settlement under the relevant provisions of the concession agreement entered into between ISDTL and NHAI. The matter is currently pending.

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

Pending Civil Litigation against MITL

1. Certain colleges in Salem (the **"Petitioners"**) have filed 25 writ petitions before the High Court of Madras, against MITL and others (collectively the **"Respondents"**) alleging the legality of act of collecting entry fee at increased rates from college buses. The Petitioners have sought the directions against Respondents to collect entry fee at the toll plaza for educational institution vehicles at

par with that of school buses. An order was passed by the High Court of Madras, which took into consideration various petitions filed against MITL regarding the above mentioned issue and held that the discounted rates were only applicable to school buses carrying school students and not to college buses. However, the High Court of Madras passed an order granting an interim stay and ordered MITL to collect entry fee from the college buses of the Petitioners at par with the rates applicable to school buses. The matter is currently pending.

Other Proceedings Involving MITL

1. MITL had initiated arbitration proceedings against the National Highways Authority of India (NHAI) before the Arbitration Tribunal Consisting of Dr. Justice Arijit Pasayat (Retd.), Presiding Arbitrator Mr. S.S. Agarwal (Retd.) and Arbitrator Mr. Navin Kumar, IAS (Retd.) for its claim to the tune of ₹ 5.14 Crores (towards positive Change of Scope for construction of an additional arm of flyover) and ₹ 0.26 Crore (negative Change of Scope on account of deletion of 19 hume pipe culverts). The conciliation meeting between the NHAI and MITL meeting was concluded. As the NHAI did not respond on the matter, MITL invoked arbitration proceedings against the NHAI. MITL had submitted its statement of claims against the NHAI. The NHAI had filed its counter claim. The matter is pending.

Taxation Proceedings Involving MITL

1. There are one direct tax proceeding pending against MITL, which involves an aggregate amount of ₹ 9.46 Million.

IDAA Infrastructure Ltd. (IDAAIL)

Taxation Proceedings Involving IDAAIL

1. There is one indirect tax proceeding pending against IDAAIL, which involves an aggregate amount of ₹ 9.37 Million.

IRB Tumkur Chitradurga Tollway Ltd

Other Proceedings involving IRB Tumkur Chitradurga Tollway Ltd

Due to a dispute on the deferred premium calculation of the previous years between the IRB Tumkur Chitradurga Tollway Limited (Subsidiary Company or concessionaire) and the NHAI, the concessionaire has filed an appeal with the Honorable High Court of Delhi for resolution against the NHAI's demand of advance premium of ₹ 16.98 Crores in aggregate and interest on it. As per the interim order of the Division Bench of Honorable High Court, withdrawals from Escrow Account are not permitted till final order in the matter. Currently, the matter is under appeal with the Honorable High Court.

Mhaiskar Infrastructure Private Limited (MIPL)

Other Proceedings involving MIPL

1. MIPL (the **"Petitioner"**) has filed a writ petition before the High Court of Bombay, against Maharashtra State Road Development Corporation (**MSRDC**). The Petitioner had entered into an agreement with MSRDC in the year 2004, wherein it was required to act as an agent of MSRDC for the purpose of expansion of roads and construction of bridges on NH 4. The Petitioner was required to pay MSRDC an upfront amount of ₹ 9,180 Million on or before 15th August 2008. The Collector of Stamps and other authorities called upon the Petitioner to pay the deficit stamp duty of ₹ 275.4 Million along with the penalty of ₹ 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. An order was passed by the High Court of Bombay wherein it placed the petition to be heard along with similar petitions before the Chief Justice for further appropriate orders. The High Court of Bombay has vide its order dated 3rd September 2019 dismissed the petition for non-prosecution. The Petitioner has filed application in this matter praying to set aside / recall its order dated 3rd September 2019 and restore the writ petition. The High Court of Bombay has allowed the application of the Petitioner and the writ petition is restored. The matter is pending.

MMK Toll Road Pvt. Ltd. (MMK)

Completed Civil Litigation against MMK

1. MMK Toll Road Pvt. Ltd. and others (the **"Petitioners"**) have filed a civil writ petition against the State of Maharashtra and others (the **"Respondents"**) before the Bombay High Court (**BHC**) against the notifications issued by the Respondents to cancel levy of toll during the concession period on the project for the improvement of the Mohol Kurul – Kamti – Mandrup Road to NH no. 13 road, state highway no. 149 km 66.000 to 99.000 in the Solapur district. The Petitioners stated that the notifications issued by the Respondents were arbitrary and unjust as they did not inform the Petitioners about the decision and the Petitioners came to know about the decision through various media reports. Subsequently, the Petitioners wrote to the Respondents stating the actions are against the principal of natural justice as the Petitioners will suffer grave loss and prejudice. The Respondents responded to the Petitioners informing them about the decision to cancel the levy of toll after the letters were written by the Petitioners. Hence, the Petitioners were compelled to handover the project to the Respondents. The Petitioners wrote numerous letters to the Respondents seeking compensation; however, no response was provided. The Petitioners, inter-alia, requested the Bombay High Court to pass a writs of certiorari and mandamus to quash the notification issued by the Respondents to cancel the levy of toll. The Bombay High Court has disposed the civil writ petition as withdrawn.

CG Tollway Limited (CGTL)

Completed Civil Litigation against CGTL

1. Mr. Azad Sharma and others (the **"Petitioners"**) filed a petition against the NHAI, CGTL and others (the **"Respondent"**) before the Lok Adalat, Bhilwara alleging that the toll collection by the Respondents is illegal. The Petitioners have alleged that the toll is being collected on an existing four-lane road by construction of additional toll booths on the pretext of construction of a six-lane highway, which has not yet started. The Petitioners have, inter-alia, requested the court

to pass an order directing the Respondents to stop collecting the tolls until the six laning work is completed. CGTL has filed its reply against the allegations made by the Petitioners whereby it has stated that the collection of toll is as per the concession agreement entered with the NHAI and the gazette notification for collection of toll user fee. CGTL has further stated that it is collecting only 75% of the toll fee which has been notified as the construction work on the six lane is ongoing and will be finished in phases as provided under the concession agreement. Hence, CGTL requested the court to dismiss the petition filed by the Petitioners. The Lok Adalat, Bhilwara has disposed the matter.

Ideal Road Builders Private Limited ("IRBPL")

Completed Civil Litigation against IRBPL

1. Mr. Pratap Sarnaik (the **"Petitioner"**) has filed a public interest litigation before the High Court of Bombay against IRBPL (the **"Respondent"**) and others, alleging that the action of the Respondents of collecting toll at the Thane-Ghodbunder Road (the **"Road"**) is illegal and against the provision of the Tolls Act, 1851. The Petitioner has sought a direction restraining the Respondent from collecting toll at the Road and to submit the accounts to the Court showing cost incurred in construction, repair and maintenance of the Road and account of total toll collected from the Road. The Respondent has filed its reply in the matter. The High Court of Bombay has disposed the public interest litigation.

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

Management Discussion and Analysis

1. Economy Review

1.1 Global Economy

A steep productivity growth slowdown has been underway in emerging and developing economies since the global financial crisis, despite the largest, fastest, and most broad-based accumulation of debt since the 1970s. These circumstances add urgency to the need to rebuild macroeconomic policy space and undertake reforms to rekindle productivity.

According to the International Monetary Fund (IMF), the global economy grew by 2.4% in 2019. The downward revision primarily reflects negative surprises to economic activity in a few emerging market economies, notably India, which led to a reassessment of growth prospects over the next two years. In a few cases, this reassessment also reflects the impact of increased social unrest.

As per the IMF's World Economic Outlook (WEO) (April 2020), FY 2020-21 is projected to experience the worst recession since the Great Depression, far worse than the Global Financial Crisis, with global growth contracting by 3%. Cumulative loss to global GDP over 2020 and 2021 is estimated at around US$ 9 Trillion.

Outlook

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by 3% in 2020, much worse than during the FY 2008-09 financial crisis. In a baseline scenario that assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound the global economy is projected to grow by 5.8% in 2021 as economic activity normalises, helped by policy support.

Global Growth Projections

The expansion of the Coronavirus (COVID-19) outbreak into a global pandemic in March 2020 has shifted the global economic outlook, with the 2020 recession expected to be the worst since the Great Depression. At the end of April, Euromonitor International downgraded the baseline global real GDP growth forecast for 2020 to a range of -4.0% to -1.5%, compared to 2.6-3.4% growth forecast in the last pre-COVID-19 pandemic forecast.

Social distancing restrictions have led to large declines in business revenues, employment and wages, with each month of strict quarantine/lockdown estimated to cause a 25-45% decline in economic activity relative to normal. The baseline forecasts assume that the strict social distancing measures successfully contain the pandemic. This would allow for a gradual relaxation of the quarantine/lockdown restrictions imposed in many countries in H2 2020.

Real GDP Growth Baseline Forecasts in Key Economies: 2019-2027 (%)

Country/Region	2019	2020	2021	2022	2023-2027	2020 Revision	2021 Revision
Advanced Economies	1.7	-5.9	4.2	3.2	1.7	-7.3	2.8
US	2.3	-5.8	4.5	3.2	1.7	-7.5	2.9
Canada	1.6	-6.0	4.2	3.0	1.8	-7.6	2.6
Eurozone	1.2	-7.2	4.6	3.5	1.4	-8.3	3.3
Germany	0.6	-6.3	4.5	4.4	1.3	-7.0	3.4
France	1.2	-6.7	4.3	3.1	1.5	-7.8	3.1
Italy	0.3	-9.0	4.6	2.8	0.8	-9.4	4.1
Spain	2.0	-8.0	4.7	3.2	1.5	-9.5	3.2
UK	1.4	-6.7	4.2	3.6	1.7	-7.8	2.9
Japan	0.8	-5.4	2.8	1.8	0.7	-6.0	2.1
South Korea	2.0	-1.0	3.2	3.0	2.3	-3.0	1.1

Country/Region	2019	2020	2021	2022	2023-2027	2020 Revision	2021 Revision
Developing Economies	4.1	-1.1	6.3	5.4	4.4	-5.3	1.8
China	6.3	0.5	8.3	6.4	4.9	-5.3	2.7
India	5.1	2.1	7.0	6.8	6.1	-3.7	0.6
Indonesia	5.0	0.8	6.5	6.3	5.0	-4.1	1.4
Brazil	1.1	-5.0	3.0	3.7	2.4	-7.1	0.7
Mexico	-0.1	-7.0	3.0	3.0	2.4	-7.9	1.5
Russia	1.3	-6.2	3.7	2.8	1.6	-7.9	2.1
Turkey	0.9	-5.0	4.5	4.0	3.3	-7.5	1.4

Source: Euromonitor International Macro Model, National Statistics.

Note: Global real GDP growth using Public-private Partnerships (PPP) weights. Revisions are relative to pre-pandemic January 2020 forecast. Figures for 2020 onwards are forecasts; updated on 27th April 2020. Yellow depicts a negative revision and blue a positive revision.

1.2 Indian Economy

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. Uptick in private sector investment, strong gross capital formation and improved exports catalysed acceleration in GDP growth in the first quarter of the year. Stronger momentum in private consumption that grew in high single digits for most part of the year and steady construction activity also facilitated economic growth during the year. Both headline Consumer Price Index (CPI) and Wholesale Price Index (WPI) inflation increased to 2.9% and 3.2%, respectively, in March 2019. However, while core CPI inflation fell to 4.7%, core WPI inflation marginally increased to 2.5% during the month.

The country has also moved up 14 places to rank 63 in the World Bank's Ease of Doing Business 2020 report. These positive developments happened in the areas of starting a business, dealing with construction permits, trading across borders and resolving insolvency

Outlook

Indian economy had begun to regain momentum with clear signs of uptick in consumption and investment towards the end of Q3 FY 2019-20, only to be halted by COVID-19 that made the government enforce country-wide lockdown in late March 2020.

The IMF has projected India's GDP growth in FY 2020-21 at 1.9% and 7.4% a year later. The government is aware of the severity of lockdown on economic activity in the country and is cautiously optimistic about the revival of growth later in the year.

2. Industry Review

2.1 India's Infrastructure Opportunity

Infrastructure sector is a key driver for the Indian economy. Growing urbanisation, demand for energy and financing needs for sustainable living pose a challenge for the infrastructural setup in the country. Infrastructure, and the lack of it, is envisaged as the primary growth constraint, while good infrastructure is widely recognised as an enabler of growth. In the coming era of supply chain disruptions, new technologies and reversal of financial deleveraging, infrastructure growth must keep pace with the need created for it. The sector is accountable for propelling India's overall development and garners intense focus from the government for introducing policies that would ensure time-bound formation of world-class infrastructure in the country. The opportunities in the sector have seen an incremental curve over the previous years and are growing to establish the sector as a key driver in India's development story at a high rate.

In December 2019, the Government launched the National Infrastructure Pipeline (NIP), an investment plan unveiled by the central government for enhancing infrastructure in identified sectors, is a first-of-its-kind exercise to provide world-class infrastructure in an efficient manner across the country and improve the quality of life for all citizens. NIP will enable a forward outlook on infrastructure projects which will 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.

It is envisaged that during the FY 2020-25, sectors such as energy (24%), roads (18%), urban (17%) and railways (12%) amount to 71% of the projected infrastructure investments in India, with a total capital expenditure projected at ₹ 111 Lakh Crores. The centre (39%) and states (40%) are expected to have an almost equal share in implementing the NIP in India, followed by the private sector (21%).

Out of the total expected capital expenditure of ₹ 111 Lakh Crores, projects worth ₹ 44 Lakh Crores (40% of NIP) are under implementation, projects worth ₹ 33 Lakh Crores (30%) are at conceptual stage and projects worth ₹ 22 Lakh Crores (20%) are under development. Information regarding the project stage is unavailable for projects worth ₹ 11 Lakh Crores (10%).

The Government of India has given a massive push to the infrastructure sector by allocating ₹ 1,69,637 Crores for the transport infrastructure. The highways sector has been one of the best performing areas of the government with the government expenditure rising from ₹ 34,345.20 Crores in FY 2014-15 to ₹ 91,823 Crores in FY 2020-21.

2.2 Roads and Highways Sector

As per the Ministry of Road Transport and Highways (MoRT&H), FY 2019-20 was the year of consolidation of the gains that accrued from major policy decisions taken in the previous five years, a time for monitoring of ongoing projects, tackling road blocks and adding to the already impressive pace of work achieved during the past years.

During the year, the MoRT&H and its associated organisations have carried forward the good work of the previous years, expanding the national highways network in the country, taking various steps to make these highways safe for the commuters and making best efforts to minimise adverse impact on the environment. As a result, the length of the National Highways (NHs) has increased from 91,287 km in April 2014 to about 1,32,500 km. as on 31st December 2019.

The MoRT&H has envisaged an ambitious highway development programme Bharatmala Pariyojana, which includes the development of about 65,000 km of NHs. Under Phase-I of Bharatmala Pariyojana, the MoRT&H has approved implementation of 34,800 km of NHs in five years with an outlay of ₹ 5,35,000 Crores (US$ 76.55 Billion). The NHAI has been mandated development of about 27,500 km of NHs under Bharatmal Pariyojna Phase-I.

The MoRT&H had taken up detailed review of the NH network and has given investment approval for Bharatmala Pariyojana Phase I Scheme for development of about 34,800 km (including 10,000 km residual NHDP stretches) at an estimated outlay of ₹ 5,35,000 Crores. Development of major highways will be done under this scheme including the development of economic corridors, inter-corridors and feeder roads, national corridors efficiency improvements, border and international connectivity roads, coastal and port connectivity roads and expressways. Total 246 projects in a length of 10,100 km have been awarded until February, 2020. Further 1,255 km has been constructed under Bharatmala Project in FY 2019-20.

The MoRT&H has also taken up the Connectivity Improvement Programme for Char-Dham (Kedarnath, Badrinath, Yamunotri and Gangotri) in Uttarakhand. The programme includes projects of improvement /development of 889 km length of NHs at total estimated cost of about ₹ 11,700 Crores. Out of 889 km, 1.1 km has been completed and 646 km length is under construction. Total length of 6,940 km of NHs has been constructed in the country during FY 2019-20 until December 2019, whereas 1,522 km of NHs has been constructed during FY 2019-20 under Bharatmala the project.

Details of NH Length Constructed Per Day During the Last Five Years and during FY 2019-20 up to December:

Year	Length in Km	Pace (Km Per Day)
FY 2014-15	4,410	12.08
FY 2015-16	6,061	16.56
FY 2016-17	8,231	22.55
FY 2017-18	9,829	26.93
FY 2018-19	10,855	29.74
FY 2019-20 Up to December)	6,940	25.23

The NHAI has accomplished the construction of 3,979 km of NHs in FY 2019-20. This is the highest ever highway construction achieved in a financial year by the NHAI. The construction pace, as noticed in the last few years, has seen a steady growth with 3,380 km construction in FY 2018-19. Continuing the same trend with the development of 3,979 km of national highways during FY 2019-20, the NHAI has achieved an all-time high construction since its inception in 1995.

2.3 Growth Drivers

To accelerate the pace of construction, several initiatives have been taken to revive the stalled projects and expedite the completion of new projects :

- Identification of Model National Highway in the state for development by the government
- Streamlining of land acquisition and acquisition of major portion of land prior to invitation of bids.
- Award of projects after adequate project preparation in terms of land acquisition, clearances, etc.
- Disposal of cases in respect of Change of Scope (CoS) and Extension of Time (EoT) in a time bound manner
- Procedure for approval of General Arrangement Drawing for ROBs simplified and made online.
- Close coordination with other Ministries and State Governments
- One-time fund infusion
- Regular review at various levels and identification/ removal of bottlenecks in project execution.
- Proposed exit for equity investors.
- Securitisation of road sector loans.
- Disputes resolution mechanism revamped to avoid delays in completion of projects.

Massive infrastructure push: The Government of India has given a massive push to the infrastructure sector by allocating ₹ 1,69,637 Crores for the transport infrastructure.

NH expansion: The MoRT&H proposes to develop additional 60,000 km of NHs in the next five years, of which 2,500 km are express ways / access-controlled highways, 9,000 km economic corridors, 2,000 km for coastal and port connectivity highways and 2,000 km border roads / strategic highways. The MoRT&H also intends to improve connectivity for 100 tourist destinations and construct bypasses for 45 towns/cities during this period.

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

Government initiatives: The Government of India is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport.

Increasing budget allocations: The government plans to allot higher budgets to Smart City Mission, Pradhan Mantri Awas Yojana, new metro rail policy, Housing for All and North East Special Infrastructure.

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

2.4 Opportunities

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

Electronic toll collection: National Electronic Toll Collection (FASTag) programme, the flagship initiative of MoRT&H and NHAI, has been implemented on a pan-India basis 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.

Different models: The type of PPP models used in road projects BOT toll, TOT and HAM. The government has already started developing new, flexible policies to create investor-friendly highway development initiatives by monetising highway assets under TOT mode. The next fiscal year is likely to witness an increase in the award of contracts under the TOT and HAM model is.

FDI in roads: Cumulative FDI inflows into the construction development sector, including roads and highways, stood at US$ 25.37 Billion between April 2000 and December 2019. This is expected to grow as the MoRT&H has come out with business-friendly initiatives.

National Infrastructure Pipeline: The final report of NIP Task Force has projected total infrastructure investment of ₹111 lakh crore during the period FY 2020-25. The sectors such as energy (24 per cent), roads (18 per cent), urban (17 per cent) and railways (12 per cent) amount to around 71 per cent of the projected infrastructure investments in India.

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

2.5 2020-21 Budget Highlights

- The government has given a massive push to the infrastructure sector by allocating ₹ 1,69,637 Crores (US$ 24.27 Billion) for the transport infrastructure.
- The government has allocated ₹ 91,823 Crores (US$ 13.14 Billion) to the Ministry of Road Transport and Highways.
- The government has set a target to complete one road project every two days as part of its 100-day plan.
- The government plans to invest ₹ 15 Lakh Crores (US$ 214.62 Billion) in the next five years.
- The government has allocated ₹ 19,500 Crores (US$ 2.79 Billion) under the Pradhan Mantri Gram Sadak Yojana (PMGSY).
- An accelerated development of highways to include development of 2,500-km access control highways, 9,000 km of economic corridors, 2,000 km of coastal and land port roads and 2,000 km of strategic highways.
- The Delhi-Mumbai Expressway and two other packages will be completed by 2023. Construction of the Chennai-Bengaluru Expressway will also begin.
- The government has proposed to monetise at least 12 lots of highway bundles of over 6,000 km before 2024.

2.6 Bharatmala Pariyojana: Phase-I

This is the umbrella programme for the highways sector unrolled in FY 2017-18. The programme that aims to optimise the efficiency of road traffic movement across the country by bridging critical infrastructure gaps. The MoRT&H has done a detailed review of NH network with a view to develop the road connectivity to border areas and coastal roads, including road connectivity for non-major ports, improvement in the efficiency of national corridors, development of economic corridors, inter-corridors and feeder routes, along with integration of Sagarmala, etc., under Bharatmala Pariyojana.

The Bharatmala Pariyojana envisages the development of about 26,000 km length of economic corridors, which along with the GQ project and North-South and East-West (NS-EW) corridors, are expected to carry majority of the freight traffic on roads. Further, about 8,000 km of inter-corridors and about 7,500 km of feeder routes have been identified for improving the effectiveness of economic corridors, GQ and NS-EW corridors. The programme envisages the development of ring roads / bypasses and elevated corridors to decongest the traffic passing through cities and enhances logistic efficiency, 28 cities have been identified for ring roads, and 125 choke points and 66 congestion points have been identified for their improvements. Further, to reduce congestion on the proposed corridors, enhance logistic efficiency and reduce logistics costs of freight movements, 35 locations have been identified for the development of multimodal logistics parks.

The Bharatmala (approved for estimated cost of ₹ 6,92,324 Crores including other ongoing schemes) is to be funded from cess (₹ 2,37,024 Crores) collected form petrol and diesel (as per the Central Road & Infrastructure Fund Act, 2000, erstwhile CRF Act, 2000), amount collected from toll (₹ 46,048 Crores) apart from additional budgetary support (₹ 59,973 Crores), expected monetisation of NHs through TOT (₹ 34,000 Crores), Internal & extra Budgetary Resources (IEBR) (₹ 2,09,279 Crores) and Private Sector Investment (₹ 1,06,000 Crores) as per the Financing Plan upto FY 2021-22.

Development of Phase-I of Bharatmala Pariyojana

Sr. No.	Scheme	Length (Km)	Cost (₹ Crores)
1	Economic corridors	9,000	1,20,000
2	Inter-corridors and feeder roads	6,000	80,000
3	National Corridor Efficiency Improvement Programme	5,000	1,00,000
4	Border and international connectivity roads	2,000	25,000
5	Coastal and port connectivity roads	2,000	20,000
6	Expressways	800	40,000
	Sub Total	**24,800**	**3,85,000**
7	Ongoing projects, including NHDP	10,000	1,50,000
	Total	**34,800**	**5,35,000**

Outlook

The roads and highways sector is expected to take a mighty blow from the nationwide lockdown to contain the COVID-19 pandemic. This has pushed back a much-anticipated economic recovery this fiscal by bringing the movement of people, goods and all major industries to a standstill. The Union Minister for Road Transport & Highways and MSMEs, Shri Nitin Gadkari, in his communication dated 7th May 2020, has set a target of constructing roads worth ₹ 15 Lakh Crores in the next two years.

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

3. Trust Overview

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

The Sponsor of the Trust, i.e. IRB Infrastructure Developers Ltd., is one of the largest infrastructure development and construction companies in India in terms of net worth in the roads and highways sector. The Sponsor has been listed on the Stock Exchanges since 2008. As of 31st March 2020, the Sponsor has 21 road projects, under various stages of development and operations.

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

Distribution

The InvIT regulations require the Trust to distribute minimum 90% of the cash flow, once in half year. The InvIT Regulations provide that not less than 90% of net distributable cash flows of each project SPV is required to be distributed to the Trust in proportion to its holding in each of the project SPVs, subject to applicable provisions of the Companies Act, 2013. Further, not less than 90% of net distributable cash flows of the Trust shall be distributed to the unitholders. Such distributions shall be declared and made not less than once in every six months in every financial year and shall be made not later than 15 days from the date of such declaration.

For FY 2019-20, the Net Distributable Cash Flow (NDCF) of the Trust was ₹ 606.81 Crores, out of which the Trust has distributed 96%. The total pay-out from the NDCF for FY 2019-20 was ₹ 10.00 per unit to the unitholders.

Statement of NDCFs of IRB InvIT

(₹ in Lakhs)

Sr. No.	Particulars	Year Ended 31st March 2020	Year Ended 31st March 2019
	Cash flows received from Project SPVs in the form of interest	59,426.29	61,725.95
	Cash flows received from Project SPVs in the form of dividend	-	-
	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	628.16	1,117.14
	Cash flows received from the project SPVs towards the repayment of the debt issued to the Project SPVs by the Trust	18,054.58	31,109.52
	Total cash inflow at the Trust level (A)	**78,109.03**	**93,952.61**
	Less:		
	Any payment of fees, interest and expense incurred at the Trust level, including but not limited to the fees of the Investment Manager	(13,949.35)	(14,252.99)
	Income tax (if applicable) at the Standalone Trust Level	-	-
	Repayment of external debt	(3,478.35)	(3,311.69)
	Total cash outflows / retention at the Trust level (B)	**(17,427.70)**	**(17,564.68)**
	Net Distributable Cash Flows (C) = (A+B)	**60,681.33**	**76,387.93**

Factors Affecting Operations

The business of Project SPVs' prospects and results of operations and financial condition are affected by a number of factors, including the following:

Terms of the Concession Agreements for Tariff Revision

Toll fees are pre-determined by the relevant government entities and cannot be modified to reflect the prevailing circumstances other than the annual adjustments to account for inflation as specified in the Concession Agreements.

For the seven current projects, the tariff revision structure and details of the last revision are as follows:

Co. Name	Tariff Rate Revision	Revision Date	FY 2019-20 (%)
IRB Surat Dahisar Tollway Limited (IRBSD)	Linked to WPI (as an average for preceding year)	1st September, every year	4.26
IDAA Infrastructure Limited (IDAA)	Linked to WPI	1st July, every year	3.10
M.V.R. Infrastructure & Tollways Limited (MVR)	Linked to WPI	1st September, every year	3.10
IRB Jaipur Deoli Tollway Limited (IRBJD)	3% + 40% of WPI	1st April, every year	4.38
IRB Tumkur Chitradurga Tollway Limited (IRBTC)	3% + 40% of WPI	1st April, every year	4.38
IRB Talegaon Amravati Tollway Limited (IRBTA)	3% + 40% of WPI	1st April, every year	4.38
IRB Pathankot Amritsar Toll Road Limited (IRBPA)	3% + 40% of WPI	1st April, every year	4.38

Growth in Traffic Volumes

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

Operating and Maintenance Cost

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

The O&M of seven Project SPVs is managed by the IRB Infrastructure Developers Limited, (Sponsor and Project Manager) (w.e.f. 16th May 2019) and Modern Road Makers Private Limited (Till 15th May 2019), as per the fixed price agreements/contracts executed by the respective Project SPVs. The O&M cost covers routine and periodic maintenance. Details for FY 2019-20 and FY 2018-19 are as follows:

(₹ in Lakhs)

Project Name	Maintenance Cost FY 2019-20	Maintenance Cost FY 2018-19
IDAA	5,434	3,100
IRBSD	6,307	6,212
IRBJD	4,522	534
IRBTA	1,499	853
IRBTC	3,013	18
MVR	1,757	1,684
IRBPA	4,336	1,536
Total	**26,868**	**13,937**

Regulatory Commitments

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

Tumkur – Chitradurga is obligated to pay fixed amount of premium to NHAI. As per the deferred premium agreement, in the case of Tumkur – Chitradurga project, part of the premium obligation is shown as premium deferment and the balance amount is paid to the NHAI during the year.

In case of the Surat – Dahisar project, revenue share is paid to the NHAI, which was 48.12% for FY 2019-20 and is set to increase by 1% every year.

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

Interest Rates Scenario

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

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

General Economic Conditions in India - Level of Investment and Activity in the Infrastructure Development Sector

The central and state governments have renewed their focus on infrastructure that is evident from the fact that the budgetary allocations for construction and augmentation of roads and highways in India have increased significantly. This increased budgetary allocation, when complemented by the private sector participation, would generally result in large infrastructure projects in India.

Innovative bidding structures like HAM and TOT provide scopes for increase the portfolio of highway developers. This would provide huge scope for future acquisitions for the Trust and thereby enhance stakeholder value.

4. Financial Review

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

The total consolidated income for FY 2019-20 has marginally increased to ₹ 1,270 Crores from ₹ 1,233 Crores in FY 2018-19.

The consolidated toll revenues for FY 2019-20 has increased to ₹ 1,236 Crores from ₹ 1,196 Crores for FY 2018-19.

Critical Accounting Policies

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

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

Intangible Assets

Toll Collection Rights

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

Cost includes

- Toll collection rights awarded by the grantor against construction service rendered by the Project SPV on Design, Build, Finance, Operate, Transfer (DBFOT) basis, which consists of direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.

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

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

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

Premium Obligation

As per the service concession agreement, some of the SPVs are obligated to pay the annual fixed amount of premium to NHAI. This premium obligation has been capitalised as an intangible asset since it is paid towards getting the right to earn revenue by constructing and operating the roads during the concession period. Hence, the total premium payable as per the service concession agreement is upfront, capitalised at fair value of the obligation at the date of transition.

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

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

Amortisation

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

Premium Deferment

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

Provisions

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

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

Principal Components in the Consolidated Profit and Loss

Income Items

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

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

Expense Items

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

Road Work and Site Expenses

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

Employee Benefits Expenses

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

Depreciation and Amortisation

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

Finance Costs

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

Other Expenses

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

5. Human Resources

At IRB InvIT, the focus on human resource development is a continuous process and is demonstrated through various employee engagement initiatives and regular talent management reviews. The key highlights for last year were preparation and implementation of a detailed career path for high-potential employees, filling vacancies through internal talent resourcing, skip-level meetings across the organisation for creating a transparent working environment. We have also undertaken an initiative to optimise the manpower cost for better productivity and improved accountability, thereby creating a performance-oriented career model among all its members.

6. Risk Management

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

7. Internal Control and Systems

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

8. Cautionary Statement

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

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

All forward-looking statements and projections are subject to risks, uncertainties and assumptions. Actual results may differ materially from those suggested by forward-looking statements or projections due to risks or uncertainties associated without expectations with respect to, but not limited to, regulatory changes pertaining to the infrastructure sector in India and the Trust's ability to respond to them, the Trust's ability to successfully implement its strategy and objectives, the Trust's growth and expansion plans, technological changes, the Trust's exposure to market risks, general economic and political conditions in India that have an impact on the Trust's business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the infrastructure sector. Certain important factors that could cause the Trust's actual results to differ materially from expectations include, but are not limited to, the following:

- The business and investment strategy of the Trust.

- Expiry or termination of the Project SPVs' respective concession agreements.
- Future earnings, cash flow and liquidity.
- Potential growth opportunities.
- Financing plans.
- The competitive position and the effects of competition on the Trust's investments.
- The general transportation industry environment and traffic growth.
- Regulatory changes and future government policy relating to the transportation industry in India.

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

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

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

Independent Auditors' Report

To,
The Unit holders of IRB InvIT Fund
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of IRB InvIT Fund (hereinafter referred to as "the Fund") and its subsidiaries (the Fund and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Unit Holders' Equity and the consolidated Statement of cash flows for the year then ended, and the consolidated Statement of Net Assets at fair value as at March 31, 2020, the consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the Fund and each of its subsidiaries for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder, in the manner so required and give a true and fair view in conformity with Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in the Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rule, 2015 and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated profit including other comprehensive income, its consolidated cash flows and its consolidated movement of the unit holders' funds for the year ended March 31, 2020, its consolidated net assets at fair value as at March 31, 2020, its consolidated total returns at fair value and the net distributable cash flows of the Fund and each of its subsidiaries for the year ended March 31, 2020.

Basis of Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional 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.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	**Assessing Impairment of Intangible assets (note 3.21 and 4)** The Group operates toll assets which is constructed on Build Operate and Transfer (BOT) basis. The carrying value of the toll collection rights as at March 31, 2020 is ₹1, 228,882.50 Lakhs. In accordance with its accounting policy and requirements under Ind AS 36 "Impairment of Assets", the Management has performed an impairment assessment by comparing the carrying value of the toll collection rights to their recoverable amount. For impairment testing, value in use has been determined by forecasting and discounting future cash flows. Further, the value in use is highly sensitive to changes in critical variable used for forecasting the future cash flows including traffic projection and discounting rate. The determination of the recoverable amount of the toll collection right involves significant judgment and accordingly, the evaluation of impairment of toll collection rights has been determined as a key audit matter. Also, refer Note 4 to the Consolidated Financial Statements	Our audit procedures included the following: • Assessed the appropriateness of the Fund's valuation methodology applied in determining the recoverable amount. In making this assessment, we also evaluated the objectivity, independence and competency of specialists involved in the process; • Assessed, based on the report of external expert, the assumptions around the key drivers of the cash flow forecasts, discount rates, revenue projection based on the independent experts traffic study report after considering the impact on account of COVID-19 scenario, etc. • Assessed the appropriateness of the weighted average cost of capital used in the determining recoverable amount by engaging valuation expert; • Tested the arithmetical accuracy of the model.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
		• Discussed/Evaluated potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable, including considerations due to current economic and market conditions including effects of COVID- 19 pandemic.
2	**Toll revenue in respect of toll collection under the Service Concession Agreement** The Group's right to collect toll under the concession agreement with National Highway (NHAI) Authority of India falls within the scope of Appendix C of Ind AS 115, "Service Concession Arrangements". The Group operates and earns revenue by collecting toll on the road constructed. This involves large volume of cash collection and use of customized equipment installed at the toll plaza for correctly identifying vehicle type, calculating fare and for appropriate billing and collection on information technology systems for the related automated and IT dependent controls. Refer Note 3.8 and Note 21 to the Consolidated Financial Statements	Our audit procedures include the following- • Obtained an understanding of the processes and control placed for toll collection and evaluating the key controls around such process and testing those controls for the operating effectiveness • Tested a selection of Information Technology General Controls (ITGCs) supporting the integrity of the tolling system operation, including access, operations and change management controls; • Verified the reconciliation of toll collection as per transaction report (generated from toll system) with cash deposited in bank and revenue recorded in the books; • Reviewed the management rationalization, by multiplying that toll rate charged for each category of vehicle as per NHAI's notification with the number of vehicles (as per Schedule M submitted with NHAI) and its reconciliation with the revenue recorded in accounts. • On test check basis, traced the daily collection from bank statement to daily cash toll collected and the revenue recorded in the books. • Performed analytics procedures on transactions to detect unusual transactions for further examination
3	**Unused tax credits (MAT credit Entitlement)** One of the subsidiary company have unused tax credits of ₹ 3,257.84 lakhs as at 31 March 2020 (MAT Credit Entitlement). Since the subsidiary Company has incurred losses in the last two financial years, the utilization of unused tax credits in the remaining tenure of the Concession period has been determined to be a key audit matter. Refer Note 3.12 and Note 8 to the consolidated financial statements.	Our audit procedures included the following: • We have obtained the estimates and projections from the management • Discussed with the management the key drivers in the projections • Assessed the assumptions used in the projections • Checked the mathematical accuracy of the projections
4	**Provisioning for resurfacing expense** As per the Concession Agreement, the Group is obligated to carry out resurfacing of the roads. The Group estimates the provision required towards resurfacing in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets. The estimate made by the Group over the concession period, involves detailed calculation and judgment. In view of the nature of provision and amount involved, the provision for resurfacing expense is considered to be a key audit matter. Refer Note 3.17, Note 18 and Note 38 to the consolidated financial statements	Our audit procedures included the following: • Understood the Group's process associated with the estimation of resurfacing obligation; • Verified the requirement under Concession Agreement and Group's policies; • Tested the assumption used in determining the resurfacing provisions; • Tested the arithmetical accuracy and also verified the disclosure in the consolidated financial statements.
5	**Computation and disclosures as prescribed in the InvIT regulations relating to Statement of Net Assets and Total Returns at Fair Value** (as described in note 38 and in Statement of Net assets at fair value and Statement of total returns at fair value of the consolidated financial statements) As per the provisions of InvIT Regulations, the Fund is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets. For this purpose, fair value is determined by forecasting and discounting future cash flows. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates etc. Accordingly, the aforementioned computation and disclosures are determined to be a key audit matter in our audit of the consolidated financial statements.	Our audit procedures include the following- • Read the requirements of SEBI InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. • Assessed the appropriateness of independent valuer's and management's valuation methodology applied in determining the fair values. • Tested controls implemented by management to determine inputs for fair valuation as well as assumptions used in the fair valuation. • We involved valuation specialists to: a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
5		b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. • Tested the arithmetical accuracy of computation in the Statement of Net Assets and Total Returns at Fair Value • Read/Assessed the disclosures in the standalone financial statements for compliance with the relevant requirements of InvIT Regulations.

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

Investment Manager is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position as at March 31, 2020, consolidated financial performance including other comprehensive income, consolidated cash flows and the consolidated movement of the unit holders' funds for the year ended March 31, 2020, its consolidated net assets at fair value as at March 31, 2020, its consolidated total returns at fair value of the Fund and the net distributable cash flows of the Fund and each of its subsidiaries in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended read with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "InvIT Regulations").

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

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

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

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

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

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

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

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

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

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

Other matters

We did not audit the financial statements and other financial information of 7 subsidiaries, whose financial statements reflect total assets of ₹ 1,244,366.36 Lakhs and net assets of ₹ 118,326.19 Lakhs as at March 31, 2020, total revenues of ₹ 126,383.32 Lakhs and net cash inflows amounting to ₹ 8,017.05 Lakhs for the year ended on that date, as considered in the consolidated financial statements before giving effect to elimination of intra-group transactions. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of InvIT regulations, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

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

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

b) The Consolidated Balance Sheet, and the Consolidated Statement of Profit and Loss 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 Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

(Ramesh Gupta)
Partner
Membership No.:102306
UDIN: 20102306AAAAAT5141

Place: Mumbai
Dated: 5 June 2020

Consolidated Balance Sheet

as at March 31, 2020

(₹ in Lakhs)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	109.50	110.48
Intangible assets	4	1,228,882.50	1,297,401.64
Financial assets			
i) Investments	5	0.40	0.40
ii) Loans	6	-	1.72
Deferred tax assets (net)	8	3,220.33	3,223.02
Total non-current assets		**1,232,212.73**	**1,300,737.26**
Current assets			
Financial assets			
i) Investments	5	5,348.67	22,703.96
ii) Trade receivables	9	-	41.47
iii) Cash and cash equivalents	10	19,004.31	1,413.10
iv) Bank balances other than (iii) above	11	66.16	5,061.31
v) Loans	6	98.73	124.00
vi) Other financial assets	7	1,018.69	1,535.67
Income tax assets (net)	12	840.70	584.16
Other current assets	13	769.61	531.40
Total current assets		**27,146.87**	**31,995.07**
Total assets		**1,259,359.60**	**1,332,732.33**
EQUITY AND LIABILITIES			
Equity			
Initial settlement amount	14	0.10	0.10
Unit capital	14	542,767.50	560,763.00
Other equity	15	(80,227.27)	(49,911.00)
Total equity		**462,540.33**	**510,852.10**
Non-current liabilities			
Financial liabilities			
i) Borrowings	16	169,287.58	175,226.20
ii) Other financial liabilities	17	570,006.07	588,788.24
Provisions	18	4,313.83	4,672.88
Total non-current liabilities		**743,607.48**	**768,687.32**
Current liabilities			
Financial liabilities			
i) Trade payables	19		
a) total outstanding dues of micro enterprises and small enterprises		76.00	34.44
b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,134.88	1,856.00
ii) Other financial liabilities	17	39,544.04	32,618.50
Other current liabilities	20	126.38	170.78
Provisions	18	10,330.49	18,513.19
Total current liabilities		**53,211.79**	**53,192.91**
Total liabilities		**796,819.27**	**821,880.23**
Total equity and liabilities		**1,259,359.60**	**1,332,732.33**
Summary of significant accounting policies	3		

See accompanying notes to the consolidated financial statements.

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

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

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

Vinod Kumar Menon
CEO & Wholetime Director
DIN: 03075345

Sumit Banerjee
Director
DIN: 00213826

Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lakhs)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	21	124,057.25	121,285.06
Other income	22	2,951.94	2,055.53
Total income		**127,009.19**	**123,340.59**
Expenses			
Operating expenses	23	4,476.31	2,851.97
Project management fees		13,361.87	13,937.00
Employee benefits expense	24	2,726.82	2,524.24
Insurance and security expenses		1,209.31	1,231.04
Trustee fees		29.50	29.50
Annual listing fees		60.81	60.81
Investment management fees		1,220.49	1,246.79
Repairs and maintenance		319.98	396.43
Depreciation and amortisation expenses	25	68,537.89	64,054.29
Finance costs	26	16,361.32	15,908.69
Other expenses	27	1,422.21	1,172.56
Total expenses		**109,726.51**	**103,413.32**
Profit / (loss) before tax		**17,282.68**	**19,927.27**
Tax expenses			
Current tax (including tax adjustments related to earlier years)		10.05	150.77
Deferred tax		2.69	-
Total tax expenses		**12.74**	**150.77**
Profit/ (loss) after tax (A)		**17,269.94**	**19,776.50**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses) on defined benefit plans (net of tax)		14.79	(32.80)
Other comprehensive income/(loss) for the year, net of tax (B)		**14.79**	**(32.80)**
Total comprehensive income/ (loss) for the year, net of tax: (A+B)		**17,284.73**	**19,743.70**
Profit/(loss) for the year		17,269.94	19,776.50
Attributable to:			
Unit holders		17,269.94	19,776.50
Non-controlling interests		-	-
Total comprehensive income for the year		17,284.73	19,743.70
Attributable to:			
Equity holders of the parent		17,284.73	19,743.70
Non-controlling interests		-	-
Earnings per unit	28		
- Basic		2.98	3.41
- Diluted		2.98	3.41
Summary of significant accounting policies	3		

See accompanying notes to the consolidated financial statements.

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

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

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

Vinod Kumar Menon
CEO & Wholetime Director
DIN: 03075345

Sumit Banerjee
Director
DIN: 00213826

Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Profit / (loss) before tax	17,282.68	19,927.27
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	68,537.89	64,054.29
Movement in provision for resurfacing expenses	8,545.65	242.55
Gain on sale of property, plant and equipment (net)	-	(0.06)
Fair value gain on mutual funds	(295.75)	(52.92)
Gain on sale of Investments (net)	(481.42)	(1,348.71)
Finance costs	12,546.13	13,182.67
Interest income on fixed deposits	(52.26)	(308.42)
Operating profit before working capital changes	**106,082.92**	**95,696.67**
Movement in working capital:		
Increase/(decrease) in trade payables	1,320.44	(2,462.62)
Increase/(decrease) in provisions	(17,072.59)	21.49
Increase/(decrease) in other financial liabilities	(3,363.87)	281.23
Increase/(decrease) in other liabilities	(44.40)	98.99
Decrease/(increase) in trade receivables	41.47	13.94
Decrease/(increase) in loans	26.99	315.39
Decrease/(increase) in other financial assets	509.11	(272.91)
Decrease/(increase) in other current assets	(238.24)	262.21
Cash generated from/(used in) operations	**87,261.83**	**93,954.39**
Taxes paid (net)	(266.59)	95.92
Net cash flow from operating activities	**86,995.24**	**94,050.31**
Cash flows from investing activities		
Purchase of intangible assets	(12,003.26)	(9,666.84)
Proceeds from sale of intangible assets	3.53	-
Sale / (Purchase) of non-current investments (net)	-	5,027.28
Purchase of current investments	18,132.46	(4,869.53)
Acquisition / Redemption of bank deposits (having original maturity of more than three months) (net)	4,998.11	(4,972.70)
Interest received	60.13	302.02
Net cash flow (used in) investing activities	**11,190.97**	**(14,179.77)**
Cash flows from financing activities		
Repayment of unit capital to the unit holders	(17,995.50)	(19,156.50)
Distribution to unitholders	(47,601.00)	(51,374.25)
Repayment of non-current borrowings	(3,478.35)	(3,311.69)
Finance costs paid	(11,520.15)	(13,918.70)
Net cash flows from/(used in) financing activities	**(80,595.00)**	**(87,761.14)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	17,591.21	(7,890.60)
Cash and cash equivalents at the beginning of the year	1,413.10	9,303.70
Cash and cash equivalents at the end of the year (refer note 10)	**19,004.31**	**1,413.10**

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Components of cash and cash equivalents		
Balances with scheduled banks:		
- Trust retention and other escrow accounts	18,765.76	546.99
- Others	154.17	97.41
Cash on hand	84.38	768.70
Total Cash and Cash Equivalents (refer note 10)	**19,004.31**	**1,413.10**

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

(Rs. in Lakhs)

Particulars	Long term borrowings
31-Mar-18	184,490.11
Cash flow	
- Interest	(13,918.70)
- Proceeds / (Repayment)	2,620.31
Accrual for the year	15,908.69
31-Mar-19	**189,100.41**
Cash flow	
- Interest	(11,520.15)
- Proceeds / (Repayment)	(2,878.35)
Accrual for the year	15,458.46
31-Mar-20	**190,160.37**

Notes:

1. All figures in bracket are outflow.
2. The Consolidated cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows".
3. Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

Summary of Significant accounting policies (refer note 3)

See accompanying notes to the consolidated financial statements.

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

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

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

Vinod Kumar Menon
CEO & Wholetime Director
DIN: 03075345

Sumit Banerjee
Director
DIN: 00213826

Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

Disclosures pursuant to SEBI Circulars

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

A. Consolidated statement of net assets at fair value

(₹ in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Book value	Fair value	Book value	Fair value
A. Total assets	1,259,359.61	1,307,950.22	1,332,732.33	1,429,003.19
B. Total liabilities	796,819.27	799,171.52	821,880.23	823,726.05
C. Net Assets (A - B)	462,540.34	508,778.70	510,852.10	605,277.14
D. Number of units (in lakhs)	5,805	5,805	5,805	5,805
E. NAV (C/D)	**79.68**	**87.64**	**88.00**	**104.27**

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

(₹ in Lakhs)

Name of the project	As at March 31, 2020	As at March 31, 2019
IDAA Infrastructure Limited (IDAA)	40,969.37	57,464.35
IRB Talegaon Amravati Tollway Limited (IRBTA)	86,424.96	86,901.43
IRB Jaipur Deoli Tollway Limited (IRBJD)	142,538.44	162,840.24
IRB Surat Dahisar Tollway Limited (IRBSD)	90,764.71	125,154.87
IRB Tumkur Chitradurga Tollway Limited (IRBTC)	767,204.11	783,263.45
M.V.R Infrastructure and Tollways Limited (MVR)	57,941.36	45,072.50
IRB Pathankot Amritsar Toll Road Limited (IRBPA)	137,608.95	149,168.26
Subtotal	**1,323,451.90**	**1,409,865.10**
Assets in IRB InvIT Fund	(15,501.68)	19,138.09
Total assets	**1,307,950.22**	**1,429,003.19**

B. Consolidated statement of total returns at fair value

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Total comprehensive income (As per the statement of profit and loss)	17,284.73	19,743.70
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	46,238.37	94,425.04
Total Return	**63,523.10**	**114,168.74**

Note:

The fair value of investments in Project SPV's are computed on the basis of the fair value of the underlying Toll Collection Rights as at March 31,2020 along with the book values of other assets and liabilities accounted in respective Project SPV's financial statements as at March 31, 2020.

Fair value of assets as at March 31, 2020 and as at March 31, 2019 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.

Summary of Significant accounting policies (refer note 3)
See accompanying notes to the financial statements.

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration Number: 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

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

Vinod Kumar Menon
CEO & Wholetime Director
DIN: 03075345

Sumit Banerjee
Director
DIN: 00213826

Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

Disclosures pursuant to SEBI Circulars

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

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

(₹ in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Cash flows received from Project SPVs in the form of Interest	59,426.29	61,725.95
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	628.16	1,117.14
4	Cash flows received from the project SPVs towards the repayment (Net) of the debt issued to the Project SPVs by the Trust	18,054.58	31,109.52
5	**Total cash inflow at the Trust level (A)**	**78,109.03**	**93,952.61**
	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	(13,949.35)	(14,252.99)
7	Income tax (if applicable) at the Standalone Trust Level	-	-
8	Repayment of external debt	(3,478.35)	(3,311.69)
9	**Total cash outflows / retention at the Trust level (B)**	**(17,427.70)**	**(17,564.68)**
10	**Net Distributable Cash Flows (C) = (A+B)**	**60,681.33**	**76,387.93**

During the year, an amount of Rupees 65,596.50 lakhs (P.Y. Rs.75,503.75 Lakhs) has already been distributed to unit holders (Refer note 42) as appearing in standalone financial statements of InvIT Fund.

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

IDAA Infrastructure Limited (IDAA)

(₹ in Lakhs)

Sr. No.	Description	Year ended March 31, 2020	Year ended March 31, 2019
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(3,172.91)	(2,168.73)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	18,387.42	15,667.27
3	Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	3,518.35	5,182.05
5	Add :- Provision for Resurfacing Expenses (Net)	284.25	579.29
6	Add: Non-cash expenses	-	-
7	Less :- NHAI Premium	-	-
8	Less :- Principal repayment	-	-
9	**Total Adjustments (B)**	**22,190.02**	**21,428.61**
10	**Net Distributable Cash Flows (C) = (A+B)**	**19,017.11**	**19,259.88**

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

IRB Surat Dahisar Tollway Limited (IRBSD)

(₹ in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	**Profit after tax as per Statement of profit and loss/income and expenditure (A)**	(463.61)	(3,323.14)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	27,565.97	26,346.82
3	Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	5,293.49	7,302.20
5	Add :- Provision for Resurfacing Expenses	(2,411.45)	(2,481.00)
6	Add: Non-cash expenses	-	-
7	Less :- NHAI Premium	-	-
8	**Less :- Principal repayment**	-	-
9	**Total Adjustments (B)**	**30,448.01**	**31,168.02**
10	**Net Distributable Cash Flows (C) = (A+B)**	**29,984.40**	**27,844.88**

Disclosures pursuant to SEBI Circulars

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

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

IRB Talegaon Amravati Tollway Limited (IRBTA)

(₹ in Lakhs)

Sr. No.	Description	Year ended March 31, 2020	Year ended March 31, 2019
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(1,984.87)	(1,687.45)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	1,093.51	962.55
3	Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	6,015.80	5,987.71
5	Add :- Provision for Resurfacing Expenses	324.64	316.00
6	Add: Non-cash expenses	-	-
7	Less :- NHAI Premium	-	-
8	Less :- Principal repayment	-	-
9	**Total Adjustments (B)**	**7,433.95**	**7,266.26**
10	**Net Distributable Cash Flows (C) = (A+B)**	**5,449.08**	**5,578.81**

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

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

(₹ in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	120.53	274.03
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	2,943.92	2,063.41
3	Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add :- Interest paid to the Fund	4,101.31	3,290.22
5	Add :- Provision for Resurfacing Expenses	(1,275.00)	(427.00)
6	Add: Non-cash expenses	-	-
7	Less :- NHAI Premium	-	-
8	Less :- Principal repayment	-	-
9	**Total Adjustments (B)**	**5,770.23**	**4,926.63**
10	**Net Distributable Cash Flows (C) = (A+B)**	**5,890.76**	**5,200.65**

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

IRB Jaipur Deoli Tollway Limited (IRBJD)

(₹ in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(8,958.57)	(6,758.71)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	2,369.29	2,284.49
3	Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	12,697.06	12,450.03
5	Add :- Provision for Resurfacing Expenses	(752.69)	595.64
6	Add: Non-cash expenses	-	-
7	Less :- NHAI Premium	-	-
8	Less :- Principal repayment	-	-
9	**Total Adjustments (B)**	**14,313.66**	**15,330.16**
10	**Net Distributable Cash Flows (C) = (A+B)**	**5,355.09**	**8,571.45**

Disclosures pursuant to SEBI Circulars

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

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

IRB Pathankot Amritsar Toll Road Limited (IRBPA)

(₹ in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(8,328.26)	(10,018.95)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	3,138.16	5,008.30
3	Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	14,225.96	14,158.15
5	Add :- Provision for Resurfacing Expenses	(1,326.15)	992.64
6	Add: Non-cash expenses	-	-
7	Less :- NHAI Premium	-	-
8	Less :- Principal repayment	-	-
9	**Total Adjustments (B)**	**16,037.97**	**20,159.09**
10	**Net Distributable Cash Flows (C) = (A+B)**	**7,709.71**	**10,140.14**

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

IRB Tumkur Chitradurga Tollway Limited (IRBTC)

(₹ in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Profit after tax as per Statement of profit and loss/income and expenditure (A)	(6,836.56)	(5,414.53)
2	Add: Depreciation and amortisation as per Statement of profit and loss/income and expenditure	13,805.18	12,391.84
3	Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager	-	-
4	Add: Interest paid to the Fund	13,597.84	13,376.41
5	Add :- Provision for Resurfacing Expenses	(3,389.23)	666.98
6	Add: Non-cash expenses	2,912.33	-
7	Less :- NHAI Premium	(19,926.42)	(13,938.25)
8	Less :- Principal repayment	-	-
9	**Total Adjustments (B)**	**6,999.70**	**12,496.98**
10	**Net Distributable Cash Flows (C) = (A+B)**	**163.14**	**7,082.45**

Consolidated Statement of changes in unit holders equity

for the year ended March 31, 2020

(₹ in Lakhs)

	No. of units	As at March 31, 2020	No. of units	As at March 31, 2019
a. Unit capital:				
At the beginning of the year	580,500,000	560,763.00	580,500,000	579,919.50
Issued during the year	-	-	-	-
Less: Capital reduction during the year (refer note 42)	-	(17,995.50)	-	(19,156.50)
At the end of the year	**580,500,000**	**542,767.50**	**580,500,000**	**560,763.00**

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
b. Initial settlement amount		
At the beginning of the year	0.10	0.10
Received during the year	-	-
At the end of the year	**0.10**	**0.10**

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
c. Other equity		
Retained earnings		
At the beginning of the year	(49,911.00)	(18,280.44)
Profit/(loss) for the year	17,269.94	19,776.50
Other comprehensive income	14.79	(32.80)
Interest distribution* (refer note 42)	(47,601.00)	(51,374.25)
At the end of the year	**(80,227.27)**	**(49,911.00)**

* Pertains to the distributions made during the financial year along with the distribution related to the last quarter of FY 2018-19 and does not include the distribution relating to the last quarter of FY 2019-20 which will be paid after March 31, 2020.

Summary of Significant accounting policies (refer note 3)

See accompanying notes to the consolidated financial statements.

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration Number: 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

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

Vinod Kumar Menon
CEO & Wholetime Director
DIN: 03075345

Sumit Banerjee
Director
DIN: 00213826

Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

1. Nature of Operations

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

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

The consolidated financial statements comprise of financial statement of IRB InvIT Fund and its seven subsidiaries (collectively, "the Group") for the year ended March 31, 2020.

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

Sr. No.	Subsidiary Name	Principal Nature of activity	Country of Incorporation	Extent of Control as at March 31, 2020	Extent of Control as at March 31, 2019
1	IDAA Infrastructure Limited (IDAA)	Infrastructure	India	100%	100%
2	IRB Talegaon Amravati Tollway Limited (IRBTA)	Infrastructure	India	100%	100%
3	IRB Jaipur Deoli Tollway Limited (IRBJD)	Infrastructure	India	100%	100%
4	IRB Surat Dahisar Tollway Limited (IRBSD)	Infrastructure	India	100%	100%
5	IRB Tumkur Chitradurga Tollway Limited (IRBTC)	Infrastructure	India	100%	100%
6	M.V.R Infrastructure and Tollways Limited (MVR)	Infrastructure	India	100%	100%
7	IRB Pathankot Amritsar Toll Road Limited (IRBPA)	Infrastructure	India	100%	100%

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

The consolidated financial statements were authorised for issue in accordance with resolution passed by the board of directors of the investment manager on June 05, 2020.

2. Basis of preparation

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

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

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

3. Summary of significant accounting policies

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Fund and its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Consolidation procedure:

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the Subsidiaries are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

iv. Non-controlling interests in the net assets of consolidated subsidiaries consists of:

a) The amount of equity attributed to non-controlling interests at the date on which investment in a Subsidiary came into existence;

b) The non-controlling interest share of movement in equity since the date parent relationship came into existence;

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

3.2 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at 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

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the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3.3 Asset acquisition

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

3.4 Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3.5 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

3.6 Foreign currencies

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

Transactions and balances

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

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

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

3.7 Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 33 and 38)
- Financial instruments (including those carried at amortised cost) (note 33)
- Quantitative disclosure of fair value measurement hierarchy (note 34)

3.8 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

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

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

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Toll revenue

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

Toll collection charges

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

Contract revenue (construction contracts)

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

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

Claim Revenue

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

Interest income

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

Dividends

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

3.9 Government Grants

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

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

3.10 Property, plant and equipment

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

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

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

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are

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reviewed at each financial year end and adjusted prospectively, if appropriate.

3.11 Intangible assets

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

Toll collection rights

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

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

Premium obligation

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

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

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

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

3.12 Taxes

Current income tax

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

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

- 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

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and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

-In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

Minimum Alternate Tax (MAT)

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

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.

3.13 Borrowing costs

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

3.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if 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 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 and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment 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 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of

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

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

3.16 Premium deferment

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

3.17 Resurfacing expenses

As per the Concession Agreement, the Group is obligated to carry out resurfacing of the roads under concession. Provision required for resurfacing expenses are measured at the present value of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

3.18 Contingent liabilities and Contingent assets

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

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

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

3.19 Retirement and other employee benefits

Defined contribution plan

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

Defined benefit plan

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

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

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Short-term benefits

Short-term employee benefit obligations are measured on an undisclosed basis and are expensed as the related services are provided. A liability is recognised for the amount expected to be paid i.e. under short-term cash bonus, if the Company has a present legal or constructive obligations to pay this amount as a result of past service provided by the employees, and the amount of obligation can be estimated reliably.

Leave encashment

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

3.20 Financial instrument

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instrument at FVTOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On de-recognition 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 FVTOCI, is classified as at FVTPL.

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

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

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Equity investments

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

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

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

De-recognition

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

- The rights to receive cash flows from the asset have expired, or

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

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

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

3.21. Impairment of assets

Impairment of financial assets

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

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

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

Trade receivable

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

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

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

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an

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individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Loans and borrowings

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 de-recognised as well as through the EIR amortisation process.

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

Financial guarantee contracts

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

Retention money payable

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

Reclassification of financial assets

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

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

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

De-recognition

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

Offsetting of financial instruments

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

3.22 Contributed Equity

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

3.23 Distribution to unit holders

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

3.24 Cash and cash equivalents

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

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

3.25 Asset 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

3.26 Earnings Per Unit (EPU)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

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

3.27 New pronouncements issued but not effective

Ind AS 116 and several other amendments and interpretations apply for the first time in the financial year ended 31 March 2020, but do not have an impact on the financial statements. The Group has not early adopted any standard amendment that has been issued but are not yet effective.

Ind AS 116 was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.The Company has applied Ind AS 116 with a date of initial application of April 1, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at April 1, 2019.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. As a lessee, the Company previously classified leases as an operating or a finance lease based on its assessment of whether the lease transferred significantly all of the risk and rewards incidental to the ownership of the underlying asset of the Company. Under Ind AS 116, the Company recognizes the right-of-use assets and lease liabilities as stated in the lease accounting policy.

The Group does not have any material lease under Ind AS 17. Hence, the application of Ind AS 116 does not have any material impact on the financial statements of the Group.

Other changes to Ind AS

Following changes of Ind AS have also become applicable from financial year beginning 1 April 2019. However, the adoption of these changes does not have any impact on the financial statements as there are no transactions covered under these amendments:

- Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- Amendments to Ind AS 109: Prepayment Features with Negative Compensation
- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
- Amendments to Ind AS 28: Long-term interests in associates and joint ventures
- Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
- Amendments to Ind AS 111: Joint Arrangements
- Amendments to Ind AS 12: Income Taxes
- Amendments to Ind AS 23: Borrowing Costs

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Land		Plant and machinery		Office equipments		Computer		Vehicles		Furniture and fixture		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Note 4 : Property, plant and equipment														
Gross Block														
Opening Balance	98.61	98.61	4.37	4.37	7.08	6.90	1.82	1.09	1.35	3.74	5.98	5.71	119.21	120.42
Additions	-	-	0.30	-	0.69	0.18	0.87	0.73	-	-	0.09	0.27	1.94	1.18
Deletion/Adjustment	-	-	-	-	-	-	-	-	-	2.39	-	-	-	2.39
Closing Balance	**98.61**	**98.61**	**4.67**	**4.37**	**7.77**	**7.08**	**2.69**	**1.82**	**1.35**	**1.35**	**6.07**	**5.98**	**121.15**	**119.21**
Depreciation														
Opening Balance	-	-	1.53	0.81	3.30	2.16	0.90	0.52	0.12	0.72	2.88	1.58	8.73	5.79
Additions	-	-	0.61	0.72	0.74	1.14	0.47	0.38	0.33	0.49	0.77	1.30	2.92	4.03
Deletion/Adjustment	-	-	-	-	-	-	-	-	-	1.09	-	-	-	1.09
Closing Balance	-	-	**2.14**	**1.53**	**4.04**	**3.30**	**1.37**	**0.90**	**0.45**	**0.12**	**3.65**	**2.88**	**11.65**	**8.73**
Net Block	**98.61**	**98.61**	**2.52**	**2.84**	**3.73**	**3.78**	**1.32**	**0.92**	**0.90**	**1.23**	**2.42**	**3.10**	**109.50**	**110.48**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(₹ in Lakhs)

	Toll Collection Rights		Premium to NHAI		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Gross Block						
Opening Balance	742,839.48	744,021.01	667,304.55	667,304.55	1,410,144.03	1,411,325.56
Additions	19.37	322.77	-	-	19.37	322.77
Deletion/Adjustment	5.54	1,504.30	-	-	5.54	1,504.30
Closing Balance	742,853.31	742,839.48	667,304.55	667,304.55	1,410,157.86	1,410,144.03
Depreciation						
Opening Balance	93,926.54	40,084.46	18,815.85	8,607.67	112,742.39	48,692.13
Additions	56,875.60	53,842.08	11,659.38	10,208.18	68,534.98	64,050.26
Deletion/Adjustment	2.01	-	-	-	2.01	-
Closing Balance	150,800.13	93,926.54	30,475.23	18,815.85	181,275.36	112,742.39
Net Block	592,053.18	648,912.94	636,829.32	648,488.70	1,228,882.50	1,297,401.64

Notes :

Toll Collection Rights includes toll equipments

(₹ in lakhs)

Capital Work-in-progress	As at March 31, 2020	As at March 31, 2019
Opening balance	-	278.16
Additions during the year / period	-	-
Capitalised during the year / period	-	278.16
Total	-	-

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
FINANCIAL ASSETS		
Note 5 : Investments		
A) Non - current investments		
Investments in Government or trust securities		
(unquoted) (at amortised cost)		
National saving certificates	0.40	0.40
Total (A)	**0.40**	**0.40**
B) Current investments		
Investments in mutual funds (quoted)		
(at fair value through profit and loss)		
IDBI Mutual Fund	-	692.82
Nil (March 31, 2019 : 34,589.4630 units @ ₹ 2,002.9905)		
Sundaram Mutual Fund	-	3,607.43
Nil (March 31, 2019 : 34,553,586.854 units @ 10.4401)		
Aditya Birla Sun Life Saving Fund	-	1,602.07
Nil (March 31, 2019 : 533,248.902 units @ ₹300.4362)		
Reliance Money Market Fund	-	3,607.08
Nil (March 31, 2019 - 127,040.226 units @ ₹ 2,839.3181)		
L&T Ultra Short Term Fund	-	3,606.58
Nil (March 31, 2019 - 11,582,079.949 units @ ₹31.1393)		
Reliance Liquid Fund	-	1,602.02
Nil (March 31, 2019 - 35,117.483 units @ ₹ 4,561.8889)		
SBI Magnum Low Duration Fund Direct Plan Growth	5,348.67	-
203,373.445 units @ ₹2,629.974 (March 31, 2019 : Nil Units)		
Mutual fund held for DSRA ₹ 5,348.67 Lakhs		
Canara Robeco Savings Fund	-	1,502.22
Nil (March 31, 2019 - 5,083,797.936 units @ ₹ 29.5491)		
SBI Liquid Fund	-	170.21

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Nil (March 31, 2019 - 5,812.176 units @ ₹ 2,928.5700)		
Aditya Birla Sun Life Money Manager Fund	-	6,313.53
Nil (March 31, 2019 - 2,508,356.210 units @ ₹ 251.7000)		
Total (B)	**5,348.67**	**22,703.96**
Total (A+B)	**5,349.07**	**22,704.36**
Aggregate book value of quoted investments	5,348.67	22,703.96
Market value of quoted investments	5,348.67	22,703.96
Aggregate amount of unquoted investments	0.40	0.40

(Rs. in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Note 6 : Loans				
(Unsecured, considered good, unless otherwise stated)				
Loans to employees	14.49	-	40.34	1.72
Security and other deposits	84.24	-	83.66	-
Total	**98.73**	-	**124.00**	**1.72**

(Rs. in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Note 7 : Other financial assets				
Receivable from government authorities	718.96	-	1,075.37	-
Interest accrued on fixed deposits	0.02	-	7.89	-
Retention money receivables	221.79	-	120.78	-
Other receivables	77.92	-	331.63	-
Total	**1,018.69**	-	**1,535.67**	-

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Note 8 : Deferred tax assets (net)		
Deferred Tax Liabilities (Net):		
Deferred tax assets:		
Unused Tax credit (MAT)	3,257.84	3,257.84
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years	-	2.69
Deferred tax assets (A)	**3,257.84**	**3,260.53**
Deferred tax liabilities:		
Difference in depreciation and other differences in block of Property, plant and equipment as per tax books & financial books	37.51	37.51
Deferred tax liabilities (B)	**37.51**	**37.51**
Deferred tax assets (net) (A-B)	**3,220.33**	**3,223.02**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 9: Trade receivables		
(Unsecured, considered good unless otherwise stated)		
Others	-	41.47
Total	**-**	**41.47**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 10: Cash and cash equivalents		
Cash and bank balances		
Balances with banks:		
- on current accounts	154.17	97.41
- on trust, retention and other escrow accounts*	18,765.76	546.99
Cash on hand	84.38	768.70
Total	**19,004.31**	**1,413.10**

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

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 11: Bank balances other than cash and cash equivalent		
- Unpaid distribution accounts	34.05	31.09
Deposits with banks		
- Original maturity of more than 3 months but less than 12 months	32.11	5,030.22
Total	**66.16**	**5,061.31**

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 12: Income tax assets (net)		
Advance income-tax (net of provision for tax)	840.70	584.16
Total	**840.70**	**584.16**

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 13: Other current assets		
Advance with suppliers	431.77	3.60
Work-in-progress	283.26	396.68
Prepaid expenses	9.07	5.29
Duties and taxes receivable	45.51	125.83
Total	**769.61**	**531.40**

Notes to Consolidated Financial Statements
for the year ended March 31, 2020

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 14: Equity		
I . Unit capital		
580,500,000 (March 31, 2019: 580,500,000) units (issue price : ₹ 102)	560,763.00	560,763.00
Issued, Subscribed and fully paid up unit capital		
At the beginning of the year/period	560,763.00	579,919.50
Less : Capital reduction during the period / year	(17,995.50)	(19,156.50)
	542,767.50	**560,763.00**
Initial settlement amount	0.10	0.10

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

a) right to receive income or distributions with respect to the units held;

b) right to attend the annual general meeting and other meetings of the unit holders of the Fund;

c) right to vote upon any matters/resolutions proposed in relation to the Fund;

d) right to receive periodic information having a bearing on the operations or performance of the Fund in accordance with the InvIT Regulations; and

e) right to apply to the Fund to take up certain issues at meetings for unit holders approval.

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

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

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

(₹ in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of units	Amount	No. of units	Amount
At the beginning of the year	580,500,000	560,763.00	580,500,000	579,919.50
Issued during the year	-	-	-	-
Less: Capital reduction during the year	-	17,995.50	-	19,156.50
At the end of the year	**580,500,000**	**542,767.50**	**580,500,000**	**560,763.00**

Details of unit holders holding more than 5% units :

(₹ in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of units	% of total unit capital	No. of units	% of total unit capital
IRB Infrastructure Developers Limited	92,705,000	15.97%	92,705,000	15.97%
Government Of Singapore	47,950,000	8.26%	47,555,000	8.19%
Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Equity Hybrid '95 Fund	37,100,000	6.40%	37,100,000	6.40%

Notes to Consolidated Financial Statements
for the year ended March 31, 2020

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 15: Other equity		
Retained earnings		
At the beginning of the year	(49,911.00)	(18,280.44)
Profit/(loss) for the year/period	17,269.94	19,776.50
Other comprehensive income/(loss) for the year/period		
Re-measurement gains/(losses) on defined benefit plans	14.79	(32.80)
Interest distribution	(47,601.00)	(51,374.25)
At the end of the year/period	**(80,227.27)**	**(49,911.00)**

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 16: Borrowings		
Non-current borrowings		
Term loans		
Indian rupee loan from banks (secured)	147,820.46	151,298.81
Less: current maturities expected to be settled within 12 month from balance sheet date	(6,584.46)	(4,637.81)
	141,236.00	146,661.00
Unamortised transaction cost	(1,119.87)	(1,206.25)
From other parties		
Deferred premium obligation (secured)	29,771.45	29,771.45
Less : current maturities expected to be settled within 12 month from balance sheet date	(600.00)	-
	29,171.45	**29,771.45**
Total	**169,287.58**	**175,226.20**

1. *Indian rupee loan from banks*

i) Secured by first charge on escrow account and on receivable of fund arising out of principal and interest payment of the loans by fund to subsidiaries.

ii) Pledge of shares held of 51% of share holding in the total paid-up equity share capital of IRB Jaipur Deoli Tollway Limited and IRB Pathankot Amritsar Toll Road Limited.

iii) Interest rates on Indian rupee loan from State Bank of India is MCLR + 0.15% and IDFC First Bank is 8.15%. The Indian rupee loans from banks is repayable in unstructured monthly instalment as per the repayment schedule specified in loan agreement with the Lenders.

iv) As per RBI Circular dated March 27, 2020 and May 22, 2020, the Group has availed moratorium from Mar 2020 to August 2020.

2. *Deferred premium obligation*

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(₹ in lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Note 17: Other financial liabilities				
Current maturities of long-term borrowings	6,584.46	-	4,637.81	-
Interest accrued on borrowings	1,036.88	-	10.90	-
Premium obligation/ negative grant to NHAI	26,880.25	551,235.06	20,166.42	572,929.56
Current maturities of deferred premium obligation	600.00	-	-	
Interest on premium deferment	-	10,931.60	-	8,019.27
Unclaimed distribution	34.05	-	31.09	-
Deposits	20.35	-	-	-
Retention money payable	189.46	-	3,953.81	-
Revenue share payable	3,767.84	-	3,543.43	-
Employee benefits payable	67.07	-	228.34	-
Other payable	363.68	-	46.70	-
Capital Creditors	-	7,839.41	-	7,839.41
Total	**39,544.04**	**570,006.07**	**32,618.50**	**588,788.24**

(₹ in lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Note 18: Provisions				
Provision for employee benefits				
- Leave encashment	6.60	-	4.94	-
- Gratuity (Refer Note 41)	15.61	161.51	14.42	160.47
Others				
Resurfacing expenses *	10,308.28	4,152.32	18,493.83	4,512.41
Total	**10,330.49**	**4,313.83**	**18,513.19**	**4,672.88**

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

The movement in resurfacing expenses is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	23,006.24	22,763.69
Add : Provision made during the year	6,023.03	5,558.55
Less: Utilised during the year	(14,568.67)	(5,316.00)
Total	**14,460.60**	**23,006.24**

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 19: Trade payables		
Total outstanding dues of micro enterprises and small enterprises	76.00	34.44
Total outstanding dues of creditors other than micro and small enterprises	3,134.88	1,856.00
Total	**3,210.88**	**1,890.44**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90 day terms.

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 20: Other liabilities		
Advance from customers	-	36.35
Duties and taxes payable	126.38	134.43
Total	**126.38**	**170.78**

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 21: Revenue from operations		
Contract revenue (Utility shifting)	459.37	1,604.32
Income arising out of toll collection (net of revenue share paid to NHAI)	123,503.83	119,504.61
Toll collection charges (net of additional revenue share paid to NHAI)	94.05	93.91
Other operating income	-	82.22
Total	**124,057.25**	**121,285.06**
Disaggregated revenue information		
The table below presents disaggregated revenue from contracts with customers		
Income from services (Revenue from contracts with Customers)		
Services transferred over time		
Income from toll collection	123,503.83	119,504.61
Contract revenue (Utility shifting)	459.37	1,604.32
Toll collection charges	94.05	93.91
Revenue from contracts with customers	**124,057.25**	**121,202.84**
Other operating revenue		
Other operating revenue	-	82.22
Total revenue from operation	**124,057.25**	**121,285.06**

Performance obligation

Income from toll collection

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

Contract revenue

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

Contract balances

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

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 22: Other income		
Interest income on		
- Bank deposits	52.26	308.42
- Others	435.66	79.30
Gain on sale of property, plant and equipment (net)	-	0.06
Profit on sale of investments (net)	481.42	1,348.71
Fair value gain on mutual funds	295.75	52.92
Other non operating income	1,686.85	266.12
Total	**2,951.94**	**2,055.53**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 23: Operating expenses		
Operation and maintenance expenses	3,346.12	242.55
Site and other direct expenses	1,130.19	2,609.42
Total	**4,476.31**	**2,851.97**

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 24: Employee benefits expense		
Salaries, wages and bonus	2,237.90	2,102.79
Contribution to provident and other funds	141.40	105.64
Gratuity expenses	33.97	24.57
Staff welfare expenses	313.55	291.24
Total	**2,726.82**	**2,524.24**

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 25: Depreciation and amortisation expenses		
Depreciation on property, plant and equipment	2.91	4.03
Amortisation on intangible assets	68,534.98	64,050.26
Total	**68,537.89**	**64,054.29**

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 26: Finance costs		
Interest expense		
- Banks and financial institutions	12,443.49	12,649.21
- Premium deferment	2,912.33	2,726.02
Unwinding of discount on provision of MMR	902.86	-
Other finance cost	102.64	533.46
Total	**16,361.32**	**15,908.69**

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 27: Other expenses		
Power and fuel	179.27	209.83
Rent	82.21	75.15
Rates and taxes	8.99	76.13
Travelling and conveyance	58.08	48.22
Vehicle expenses	76.34	71.30
Communication cost	7.60	9.81
Printing and stationery	108.13	162.52
Advertisement expenses	31.83	35.85
Directors sitting fees (including GST)	30.46	32.40
Legal and professional expenses	462.12	230.76
Payment to Auditor (including GST)	47.46	83.59
Bank charges	81.87	110.14
Donation	-	0.50
Miscellaneous expenses	247.85	26.36

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Total	1,422.21	1,172.56
Payment to auditor (including GST)		
As auditors:		
- Statutory audit fees	24.44	43.77
- Limited review fees	16.29	26.57
In other capacity:		
- Other services (certification fees)	2.34	10.88
Reimbursement of expenses	4.39	2.37
	47.46	**83.59**

Note 28: Earnings per unit (EPU)

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

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Profit / (loss) attributable to Unit holders for basic and diluted earnings	17,269.94	19,776.50
Weighted average number of Units in calculating basic and diluted EPU	580,500,000	580,500,000
Basic earning per Unit (Rupees/unit)	2.98	3.41
Diluted earning per Unit (Rupees/unit)	2.98	3.41

Note 29: Components of other comprehensive income

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

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Re-measurement gains/(losses) on defined benefit plans (Refer note 41)	14.79	(32.80)
Total	**14.79**	**(32.80)**

Note 30: Commitment and Contingencies

a. Commitments

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
a) Estimated value of contracts in capital account remaining to be executed	-	-
b) Commitment for acquisition of toll equipment & machineries	-	-
c) Other commitments	-	-
	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

b. Contingent liability

Contingent liabilities not provided for

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
NHAI claim for shortfall in Revenue share	3,289.08	3,289.08
Total	**3,289.08**	**3,289.08**

i) Future cash outflows, if any, in respect of above are determinable only on receipt of judgement/decisions pending at various forums/authorities.

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

iii) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident fund dated 28th February, 2019. Management believed and evaluated that the impact is not material. The company will update its provision, on receiving further clarity on the subject.

Note 31: 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 32: Details of dues to micro and small enterprises as per MSMED Act, 2006

The following details regarding Micro and small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the Group.

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid to any supplier as at the period end	76.00	34.44
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 Consolidated Financial Statements

for the year ended March 31, 2020

Note 33: Fair Values

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

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets				
Loans	98.73	98.73	125.72	125.72
Other financial assets	1,018.69	1,018.69	1,535.67	1,535.67
Trade receivable	-	-	41.47	41.47
Cash and cash equivalents	19,004.31	19,004.31	1,413.10	1,413.10
Bank balance other than cash and cash equivalents	66.16	66.16	5,061.31	5,061.31
Investments	5,349.07	5,349.07	22,704.36	22,704.36
Total	**25,536.96**	**25,536.96**	**30,881.63**	**30,881.63**
Financial liabilities				
Borrowings	169,287.58	170,407.45	175,226.20	176,432.45
Trade payables	3,210.88	3,210.88	1,890.44	1,890.44
Other financial liabilities	609,550.11	609,550.11	621,406.74	621,406.74
	782,048.57	**783,168.44**	**798,523.38**	**799,729.63**

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

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

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

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

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

Note 34: Fair Value Hierarchy

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

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

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

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

Notes to Consolidated Financial Statements
for the year ended March 31, 2020

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(₹ in lakhs)

	As at March 31, 2020	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments in mutual fund	5,348.67	5,348.67	-	-

(₹ in lakhs)

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

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

Note 35: Financial risk management objectives and policies

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

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

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

Market Risk

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

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Fund is exposed to credit risk from its investing activities including investments, trade receivables, loans, deposits with banks and other financial instruments. As at March 31, 2020, and As at March 31, 2019 the credit risk is considered low since substantial transactions of the Fund are with its subsidiaries.

Interest Rate Risk

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

Interest Rate Sensitivity

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

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Increase in basis points		
- INR	50	50
Effect on profit before tax		
- INR	926.75	939.74
Decrease in basis points		
- INR	50	50
Effect on profit before tax		
- INR	(926.75)	(939.74)

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

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 lakhs)

As at March 31, 2020	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	18,995.55	72,156.93	197,997.18	289,149.65
Other financial liabilities	32,959.58	106,019.80	463,986.27	602,965.65
Trade payables	3,210.88	-	-	3,210.88
Total	**55,166.01**	**178,176.72**	**661,983.45**	**895,326.18**

(₹ in lakhs)

As at March 31, 2019	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	12,595.01	67,580.14	223,779.86	303,955.01
Other financial liabilities	32,618.50	91,144.49	497,643.74	621,406.73
Trade payables	1,890.44	-	-	1,890.44
Total	**47,103.95**	**158,724.63**	**721,423.60**	**927,252.18**

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

Note 36: 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, 2020 and March 31, 2019. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings (Note 16)	177,591.91	181,070.26
Less: Cash and cash equivalents (Note 10)	(19,004.31)	(1,413.10)
Net debt	**158,587.60**	**179,657.16**
Equity (Note 14 & 15)	462,540.33	510,852.10
Total equity	**462,540.33**	**510,852.10**
Capital and net debt	**621,127.93**	**690,509.26**
Gearing ratio (%)	**25.53%**	**26.02%**

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 37 : Details of Project management fees and Investment management fees

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

i) Project management fees

In accordance with the Project Implementation Agreements, the fees and remuneration payable by the Project SPVs to the Project Manager has been worked

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out and agreed upon for the duration of current financial year, between the Project Manager, Investment Manager and the respective Project SPV, on an arm's length basis, after taking into account the extent of work to be done in respect of maintenance and other services to be provided by the Project Manager to such Project SPV.

ii) **Investment management fees**

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

Note 38 : Significant accounting judgement, estimates and assumptions

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

Estimates and assumptions

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

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

Classification of unit holders' funds

Under the provisions of the InvIT Regulations, the Group is required to distribute to unit holders not less than ninety percent of the net distributable cashflows of the Group for each financial year. Accordingly, a portion of the unit holders'funds contains a contractual obligation of the Fund to pay to its unit holders cash distributions. The unit holders' funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32- Financial Instruments: Presentation. However, in accordance with SEBI Circulars (No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016) issued under the InvIT Regulations, the unit holders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the dividend payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

Estimates and assumptions

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

i) **Major maintenance expenses / Resurfacing expenses**

As per the Service Concession Agreements, the 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 the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost, in the statement of profit and loss in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

ii) **Fair value and disclosures**

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (refer Statement of net assets at fair value and Statement of total returns at fair value). In estimating the fair value of road projects (which constitutes substantial portion of the total assets), the Group engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the road projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as Debt-equity ratio, WACC, Tax rates, Inflation rates, and uncertainties relating to COVID -19 etc.

iii) **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can

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be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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

iv) Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 41 for details of the key assumptions used in determining the accounting for these plans.

v) Amortization of intangible assets

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

vi) Impairment of intangible assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the intangible assets are based on value in use of the underlying projects. The value in use calculation is based on a DCF model. The cash flows are derived from budgets / forecasts over the life of the projects.

Note 39 : Revenue share/ Premium payment to NHAI

(a) During the year ended March 31, 2020, the Group has paid/accrued ₹ 36,976.84 lakhs (March 31, 2019 ₹ 34,066.84 lakhs) as Revenue Share to National Highways Authority of India ("NHAI") out of its toll collection in accordance with the Concession Agreements entered with NHAI. Income from Operations in the financials for the above periods is net off the above Revenue Share to NHAI.

(b) Subsidiary companies i.e. IRBTC and MVR have been awarded contracts on a DBFOT basis. As per the terms of the concession agreement, the group is obligated to pay NHAI as additional concession fee over the concession period. Accordingly, the liability for the entire amount of concession fee payable has been created and the corresponding amount is shown as Toll Collection Rights under the head Intangible Assets.

(c) Due to dispute on the deferred premium calculation of previous years between the concessionaire and the NHAI, the concessionaire has filed appeal with the Honorable High Court of Delhi for resolution against the NHAI's demand of advance premium of ₹ 16.98 crore in aggregate and interest on it. As per the interim order of the Division Bench of Honorable High Court, withdrawals from Escrow Account are not permitted till final order in the matter. Currently, the matter is under appeal with the Honorable High Court. Hence, the premium payable to NHAI remains unpaid and has been considered under the current liability as on 31st March 2020.

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for the year ended March 31, 2020

Note 40 :Statement of related party transactions :

i. List of Related Parties

a)	Parties to the Fund	IRB Infrastructure Developers Limited (IRBIDL) (Sponsor)
		IRB Infrastructure Private Limited (IRBFL) (Investment Manager)
		Modern Road Makers Private Limited (MRMPL) (Project Manager) (Up till 15th May 2019)
		IRB Infrastructure Developers Limited (IRBIDL) (Project Manager) (w.e.f. 16th May 2019)
		IDBI Trusteeship Services Limited (ITSL) (Trustee)

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

	Particulars	IRB Infrastructure Developers Limited (Sponsor and Project Manager)	IRB Infrastructure Private Limited (Investment Manager)	Modern Road Makers Private Limited (Project Manager)	IDBI Trusteeship Services Limited (Trustee of the IRB InvIT Fund)
b)	**Promoters**	Mr. Virendra D. Mhaiskar Mrs. Deepali V. Mhaiskar Virendra D. Mhaiskar HUF	IRB Infrastructure Developers Limited	IRB Infrastructure Developers Limited	IDBI Bank Limited Life Insurance Corporation of India General Insurance Corporation of India
	Directors	Mr. Virendra D. Mhaiskar Mrs. Deepali V. Mhaiskar Mr. Mukeshlal Gupta Mr. Sudhir Rao Hoshing **Independent Directors** Mr. Chandrashekhar S. Kaptan Mr. Sunil H. Talati Mr. Sandeep J. Shah Mrs. Heena Raja (w.e.f.30.03.2019)	Mr. Vinodkumar Menon **Independent Directors** Mr. R P Singh Mr. B L Gupta Mr. Sumit Banerjee	Mr. Mukeshlal Gupta Mr. Dhananjay K. Joshi Mr. Ajay P. Deshmukh Mr. Rajpaul S. Sharma Mrs. Arati Taskar (w.e.f. 25.02.2020) **Independent Directors** Mr. Chandrashekhar S. Kaptan (till 25.02.2020) Mrs. Heena Raja (till 25.02.2020) Mr. Sandeep J. Shah (w.e.f. 25.02.2020)	Mr. J.Samuel Joseph (w.e.f. 26.11.2019) Mr. Ravishankar G. Shinde Ms. Madhuri J. Kulkarni Mr. Satyajit Tripathy (w.e.f. 15.02.2020) Ms. Padma Betai (w.e.f. 19.03.2020) Mr. G.M. Yadwadkar (till 30.10.2019) Mr. Swapan Kumar Bagchi (till 03.03.2020) Mr. Saurabh Chandra (till 21.05.2019) Ms.Sashikala Muralidharan (till 16.01.2020)
c)	**Directors of Subsidiaries**	Mr. Vinodkumar Menon Mr. Tushar Kawedia Mr. Urmil Shah (resigned w.e.f. 26.06.2019) Mr. Bajrang Lal Gupta Mr. Sumit Banerjee Mr. Jitendra Sharma (resigned w.e.f. 16.10.2019) Mrs. Heena Raja			

iii. Statement of related party transactions

(₹ in lakhs)

Sr. No.	Particulars	Relation	Year ended March 31, 2020	Year ended March 31, 2019
1	**Project Manager Fees**		**26,868.03**	**13,937.00**
	MRMPL	Project Manager	3,879.25	13,937.00
	IRBIDL	Project Manager	22,988.78	-
2	**Investment Management fees paid (including indirect taxes)**		**1,220.49**	**1,246.79**
	IRBFL	Investment Manager	1,220.49	1,246.79
3	**Secured advance given**		**46,622.04**	**-**
	IRBIDL	Project Manager	46,622.04	-

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(₹ in lakhs)

Sr. No.	Particulars	Relation	Year ended March 31, 2020	Year ended March 31, 2019
4	**Secured advance recovered**		**46,194.06**	-
	IRBIDL	Project Manager	46,194.06	-
5	**Performance security repaid**		**2,950.00**	-
-	MRMPL	Project Manager	2,950.00	
6	**Interest income**		**418.15**	-
	IRBIDL	Project Manager	418.15	
7	**Director sitting fees**	Director	**24.53**	**27.46**
	Mr. Vinodkumar Menon		4.39	4.46
	Mr. Tushar Kawedia		2.41	2.10
	Mr. Urmil Shah		0.93	2.10
	Mr. Sumit Banerjee		6.85	6.70
	Mrs. Heena Raja		6.65	8.00
	Mr. Jitendra Sharma		0.80	1.40
	Mr. Bajrang Lal Gupta		2.50	2.70
8	**Trusteeship Fees**		**29.50**	**29.50**
	ITSL	Trustee	29.50	29.50
9	**Contract expenses**		-	**68.62**
	MRMPL	Project Manager	-	68.62
10	**Distribution in the form of interest**		**8,725.23**	**8,816.39**
	IRBIDL	Sponsor and Project Manager	7,601.81	8,204.39
	Mr. Virendra D. Mhaiskar	Director of Sponsor & Project Manager	959.40	520.36
	Mrs. Deepali V. Mhaiskar	Director of Sponsor & Project Manager	127.10	69.26
	Mr. Sudhir Rao Hoshing	Director of Sponsor & Project Manager	8.60	7.74
	Mr. Mukeshlal Gupta	Director of Sponsor & Project Manager	8.68	4.29
	Mr. Vinod Kumar Menon	Director of Investment Manager	2.46	1.32
	Mr. B.L.Gupta	Director of Investment Manager	0.41	0.44
	Mr. Sumit Banerjee	Director of Investment Manager	3.26	1.77
	Mr. Dhananjay K. Joshi	Director of Project Manager	1.23	0.66
	Mr. Ajay P. Deshmukh	Director of Project Manager	10.66	5.72
	Mr. Rajpaul S. Sharma	Director of Project Manager	0.82	0.44
	Mr. Sunil Talati	Director of Sponsor & Project Manager	0.20	-
	Mr. Chandrashekhar Kaptan	Director of Sponsor & Project Manager	0.60	-
11	**Distribution in the form of return of capital**		**3,298.58**	**3,295.47**
	IRBIDL	Sponsor and Project Manager	2,873.86	3,059.27
	Mr. Virendra D. Mhaiskar	Director of Sponsor & Project Manager	362.70	200.90
	Mrs. Deepali V. Mhaiskar	Director of Sponsor & Project Manager	48.05	26.71
	Mr. Sudhir Rao Hoshing	Director of Sponsor & Project Manager	3.24	2.90
	Mr. Mukeshlal Gupta	Director of Sponsor & Project Manager	3.36	1.70
	Mr. Vinod Kumar Menon	Director of Investment Manager	0.93	0.51
	Mr. B.L.Gupta	Director of Investment Manager	0.16	0.17
	Mr. Sumit Banerjee	Director of Investment Manager	1.22	0.67
	Mr. Dhananjay K. Joshi	Director of Project Manager	0.47	0.26
	Mr. Ajay P. Deshmukh	Director of Project Manager	4.03	2.21
	Mr. Rajpaul S. Sharma	Director of Project Manager	0.31	0.17
	Mr. Sunil Talati	Director of Sponsor & Project Manager	0.07	-
	Mr. Chandrashekhar Kaptan	Director of Sponsor & Project Manager	0.18	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

iv. Related party balances :

(₹ in lakhs)

Sr. No.	Particulars	Relation	As on March 31, 2020	As on March 31, 2019
1	**Trade Payables**		**2,519.48**	**9,291.09**
	MRMPL	Project Manager	-	8,999.60
	IRBFL	Investment Manager	816.06	291.49
	IRBIDL	Project Manager	1,703.42	-
2	**Secured Advance**		**427.98**	**-**
	IRBIDL	Project Manager	427.98	-
3	**Performance security**		-	**2,950.00**
	MRMPL	Project Manager	-	2,950.00
4	**Director sitting fees payable**	Director	**1.27**	**-**
	Mr. Vinodkumar Menon		0.23	-
	Mr. Tushar Kawedia		0.14	-
	Mrs. Heena Raja		0.45	-
	Mr. Bajrang Lal Gupta		0.45	-
5	**Retention money/Security Deposit**		-	**759.23**
	MRMPL	Project Manager	-	759.23

Note 41: Gratuity and other post employment benefit plans

(a) Defined contribution plan

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(₹ in lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 209
Contribution in defined plan	**141.40**	**105.64**

(b) Defined benefit plan

The Group has a unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the Gratuity plan.

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statement of profit and loss		
Net employee benefit expense recognised in the employee cost		
Current service cost	20.98	15.75
Past service cost	-	-
Interest cost on benefit obligation	12.99	9.01
(Gain) / losses on settlement	-	-
Net benefit expense recognised in statement of profit and loss (A) (before tax)	**33.97**	**24.76**
Amount recorded in Other comprehensive income (OCI)		
Remeasurement during the year due to:		
Actuarial loss / (gain) arising from change in financial assumptions	22.51	22.53
Actuarial loss / (gain) arising from change in Demographic Assumptions	(0.44)	(3.05)
Actuarial loss / (gain) arising on account of experience changes	(36.86)	13.32
Amount recognised in OCI during the year (B) (before tax)	**(14.79)**	**32.80**
Total charge recognised during the year in statement of profit and loss and OCI (A+B)	**19.18**	**57.56**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Reconciliation of net liability / asset		
Opening defined benefit liability / (assets)	174.89	121.72
Additions on acquisition of projects	-	-
Expense charged to profit & loss account	33.97	24.76
Amount recognised in outside profit and loss statement	(14.79)	32.80
Actual Benefits paid	(16.95)	(4.39)
Closing net defined benefit liability / (asset)	**177.12**	**174.89**
Balance sheet		
Benefit liability / (asset)		
Defined benefit obligation	177.12	174.89
Fair value of plan assets	-	-
Present value of unfunded obligations	**177.12**	**174.89**
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	174.89	121.72
Additions on acquisition of projects	-	-
Current service cost	20.98	15.75
Past service cost	-	-
Interest on defined benefit obligation	12.99	9.01
Remeasurement during the period due to :		
Actuarial loss / (gain) arising from change in financial assumptions	22.51	22.53
Actuarial loss / (gain) arising from change in Demographic Assumptions	(0.44)	(3.05)
Actuarial loss / (gain) arising on account of experience changes	(36.86)	13.32
Benefits paid	(16.95)	(4.39)
Closing defined benefit obligation	**177.12**	**174.89**
Net liability is bifurcated as follows :		
Current	15.61	14.42
Non-current	161.51	160.47
Net liability	**177.12**	**174.89**

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

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	6.05%	7.75%
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)	Indian Assured Lives Mortality (2012-14)

A quantitative analysis for significant assumption is as shown below:
Indian gratuity plan:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Assumptions -Discount rate		
Sensitivity Level	0.50%	0.50%
Impact of Increase in 50 bps on defined benefit obligation	(8.37)	(8.24)
Impact of Decrease in 50 bps on defined benefit obligation	4.50	8.96
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	6.35	7.89
Impact of Decrease in 50 bps on defined benefit obligation	(6.00)	(7.25)

Notes to Consolidated Financial Statements
for the year ended March 31, 2020

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The gratuity liabilities of the Company are unfunded and hence there are no assets held to meet the liabilities.

The following payments are expected contributions to the defined benefit plan in future years

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Within the next 12 months (next annual reporting period)	15.61	14.42
Between 2 and 5 years	53.46	54.61
Between 6 and 10 years	66.49	68.73
Total expected payments	**135.56**	**137.76**
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	9.07 -9.94 years	9.93 - 10.56 years

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Note 42: Distribution made		
Distributed during the year as :		
Interest	47,601.00	51,374.25
Return on capital	17,995.50	19,156.50
	65,596.50	**70,530.75**

Note 43: Income tax

The major components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current income tax:		
Current income tax charge	10.05	150.77
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Reversal of temporary differences	2.69	
Income tax expense reported in the statement of profit or loss	**12.74**	**150.77**

Reconciliation of tax expenses and the accounting of profit multiplied by Indian domestic tax rate for March 31, 2020 and March 31, 2019 are:

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) before tax	17,282.68	19,927.27
Tax rate	25.47%	34.61%
Expected income tax at India's statutory rate	(4,401.90)	(6,896.43)
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	4,401.90	6,896.43
MAT liability on book profit	10.05	150.77
Deferred tax	2.69	-
Income tax expense reported in the statement of profit and loss	**12.74**	**150.77**

Notes to Consolidated Financial Statements

for the year ended March 31, 2020

Note 44 : NHAI Claim

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

Note 45: Estimation of uncertainties relating to the global health pandemic from 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 Company 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 that this is temporary and expects that 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 Company is eligible for extension of concession period with NHAI towards loss of revenue due to COVID-19 pandemic situation and NHAI is also extending COVID-19 loan to the Concessionaire for shortfall in cash flow.

The management has considered internal and external information up to the date of approval of these consolidated financial statements including communication from the aforesaid regulatory agencies. 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 Group's financial position as at March 31, 2020. The management will continue to monitor and assess impact of economic conditions arising due to COVID 19. The impact of COVID 19 may differ from that expected at the date of approval of these consolidated financial statements.

Note 46: Previous year comparatives

Previous year's figures have been regrouped/reclassified, wherever necessary, to confirm to current year's classification.

Note 47: Subsequent events

The Board of Directors of the Investment Manager have approved 4th Distribution of ₹ 1.80 per unit which comprises of Re. 1.00 per unit as interest and Re. 0.80 per unit as return of capital in their meeting held on June 05, 2020.

As per our report of even date

For Suresh Surana & Associates LLP
Chartered Accountants
Firm's Registration Number: 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

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

Vinod Kumar Menon
CEO & Wholetime Director
DIN: 03075345

Sumit Banerjee
Director
DIN: 00213826

Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

Independent Auditors' Report

To,
The Unit holders of IRB InvIT Fund
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of IRB InvIT Fund ("the Fund"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including the Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Unit Holders' Equity for the year then ended and the Statement of Net Assets at fair value as at March 31, 2020 and the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder in the manner so required and give a true and fair view in conformity with Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in the Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rule, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Fund as at March 31, 2020, its profit including other comprehensive income, its cash flows and movement of the unit holders' funds for the year ended March 31, 2020, its net assets at fair value as at March 31, 2020, its total returns at fair value and the net distributable cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1	**Assessing Impairment of investments and loans in subsidiary companies (note 3.9, 4.1, 4.2 and 5.4)** As at March 31, 2020, the carrying values of Fund's investment in subsidiaries amounted to ₹ 226,936.48 Lakhs. Further, the Fund has granted loans to its subsidiaries amounting to ₹ 442,924.40 Lakhs. Management reviews regularly whether there are any indicators of impairment of such investments/ loans by reference to the requirements under Ind AS. Management performs its impairment assessment by comparing the carrying value of these investments/ loans made to their recoverable amount to determine whether an impairment needs to be recognized. For impairment testing, value in use has been determined by forecasting and discounting future cash flows of subsidiary companies. Further, the value in use is highly sensitive to changes in critical variable used for forecasting the future cash flows including traffic projection for revenues and discounting rate. The determination of the recoverable amount from subsidiary companies involves significant judgment and accordingly, the evaluation of impairment of investments/loans in subsidiary companies has been determined as a key audit matter.	Our audit procedures included the following: • Assessed the appropriateness of the Fund's valuation methodology applied in determining the recoverable amount. In making this assessment, we also evaluated the objectivity, independence and competency of specialists involved in the process; • Assessed the assumptions around the key drivers of the cash flow forecasts, discount rates, revenue projection based on the independent experts traffic study report, etc. by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic; -• Assessed the appropriateness of the weighted average cost of capital used in the determining recoverable amount by engaging valuation expert; Discussed/Evaluated potential changes in key drivers as compared to previous year / actual performance with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. • Assessed the recoverable value headroom by performing sensitivity analysis of key assumptions used.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
		• Tested the arithmetical accuracy of the model. • As regards loans granted to subsidiary companies, we have obtained and considered management evaluations of recoverability of loans granted to its subsidiary companies.
2	**Computation and disclosures as prescribed in the InvIT regulations relating to Statement of Net Assets and Total Returns at Fair Value** (as described in note 28 and in Statement of Net assets at fair value and Statement of total returns at fair value of the standalone financial statements) As per the provisions of InvIT Regulations, the Fund is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value which requires fair valuation of assets. For this purpose, fair value is determined by forecasting and discounting future cash flows. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates etc. Accordingly, the aforementioned computation and disclosures are determined to be a key audit matter in our audit of the standalone financial statements.	Our audit procedures include the following- • Read the requirements of SEBI InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. • Assessed the appropriateness of independent valuer's and management's valuation methodology applied in determining the fair values. • Tested controls implemented by management to determine inputs for fair valuation as well as assumptions used in the fair valuation. • We involved valuation specialists to: a) Assess the valuation reports issued by the independent valuer engaged by the management and compared key property related data used as input with actual data. b) Assess the key assumptions included in the cash flow forecasts by management and independent valuer, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. c) Discussed changes in key drivers as compared to actual performance with management in order to evaluate whether the inputs and assumptions used in the valuation models by management and independent valuer were reasonable, including considerations due to current economic and market conditions including effects of COVID-19 pandemic. • Tested the arithmetical accuracy of computation in the Statement of Net Assets and Total Returns at Fair Value • Read/Assessed the disclosures in the standalone financial statements for compliance with the relevant requirements of InvIT Regulations.
3	**Related party transactions and disclosures** (as described in note 22 of the standalone financial statements) The Fund has undertaken transactions with its related parties in the normal course of business. These include making new loans to SPVs, interest on such loans, fees for services provided by related parties to Fund etc. as disclosed in Note 22 of the standalone financial statements. We identified the accuracy and completeness of related party transactions and its disclosure as set out in respective notes to the standalone financial statements as a key audit matter due to the significance of transactions with related parties during the year ended March 31, 2020 and regulatory compliance thereon.	Our audit procedures, included the following: • Obtained, read and assessed the Fund's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with InvIT regulations. • We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions. • We read minutes of Unit holder meetings, Board and its relevant committee meetings and minutes of meetings of those charged with governance of the Manager in connection with transactions with related parties effected during the year and Fund's assessment of related party transactions being in the ordinary course of business at arm's length and in accordance with the InvIT regulations. • Assessed and tested the disclosures made in accordance with the requirements of Ind AS and InvIT regulations.

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Management of IRB Infrastructure Private Limited ('Investment Manager'), is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position as at March 31, 2020, financial performance including other comprehensive income, cash flows and the movement of the unit holders' funds for the year ended March 31, 2020, its net assets at fair value as at March 31, 2020, its total returns at fair value and the net distributable cash flows of the Fund for the year ended March 31, 2020, in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended read with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "InvIT Regulations"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions InvIT Regulations for safeguarding of the assets of the Fund and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and

whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period 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.

Report on Other Legal and Regulatory Requirements

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

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

b) The balance sheet, and statement of profit and loss including other comprehensive income dealt with by this report are in agreement with the books of account of the Fund; and

c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

(Ramesh Gupta)
Partner
Membership No.:102306
UDIN: 20102306AAAAAS4669

Place: Mumbai
Dated: 5 June 2020

Balance Sheet
as at March 31, 2020

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I ASSETS			
(1) Non-current assets			
Financial assets	4		
i) Investments	4.1	226,936.48	226,936.48
ii) Loans	4.2	387,024.37	415,785.51
Total non-current assets		**613,960.85**	**642,721.99**
(2) Current assets			
Financial assets	5		
i) Investments	5.1	5,348.67	22,703.96
ii) Cash and cash equivalents	5.2	9,578.44	4.30
iii) Bank balance other than (ii) above	5.3	34.05	5,031.09
iv) Loans	5.4	56,262.63	40,434.28
v) Other financial assets	5.5	4,402.40	7.68
Current tax assets (net)	6	35.34	29.54
Other current assets	7	0.28	-
Total current assets		**75,661.81**	**68,210.85**
Total Assets		**689,622.66**	**710,932.84**
II EQUITY AND LIABILITIES			
Equity			
Unit capital	8	542,767.60	560,763.10
Other equity	9	(1,787.04)	(291.14)
Total unit holder's equity		**540,980.56**	**560,471.96**
(1) Non-current liabilities			
Financial liabilities			
Borrowings	10	140,116.13	145,454.75
Total non- current liabilities		**140,116.13**	**145,454.75**
(2) Current liabilities			
Financial liabilities			
i) Trade payables	11.1		
a) total outstanding dues of micro enterprises and small enterprises		8.20	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		834.98	322.93
ii) Other financial liabilities	11.2	7,655.39	4,679.80
Other current liabilities	12	27.40	3.40
Total current liabilities		**8,525.97**	**5,006.13**
Total liabilities		**148,642.10**	**150,460.88**
Total Equity and Liabilities		**689,622.66**	**710,932.84**
Summary of significant accounting policies	3		

See accompanying notes to the financial statements.

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

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

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

Vinod Kumar Menon
CEO & Wholetime Director
DIN: 03075345

Sumit Banerjee
Director
DIN: 00213826

Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	13	59,426.29	61,725.95
Other income	14	628.16	1,117.14
Total Income		**60,054.45**	**62,843.09**
Expenses			
Finance costs	15	12,544.91	12,775.74
Investment Manager fees		1,220.49	1,246.79
Annual listing fees		60.81	60.81
Trustee fees		29.50	29.50
Other expenses	16	93.64	140.15
Total Expenses		**13,949.35**	**14,252.99**
Profit before tax		**46,105.10**	**48,590.10**
Tax expenses			
Current tax		-	-
Deferred tax		-	-
Total Tax Expenses		-	-
Profit for the year (A)		**46,105.10**	**48,590.10**
Other comprehensive income/(loss) for the year (net of tax) (B)		-	-
Total comprehensive loss for the year, net of tax : (A+B)		**46,105.10**	**48,590.10**
Earnings per unit	17		
Basic		7.94	8.37
Diluted		7.94	8.37
Summary of significant accounting policies	3		

See accompanying notes to the financial statements.

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

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

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

Vinod Kumar Menon
CEO & Wholetime Director
DIN: 03075345

Sumit Banerjee
Director
DIN: 00213826

Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

Cash Flow Statement

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax	46,105.10	48,590.10
Adjustments to reconcile profit before tax to net cash flows:		
Finance costs	12,544.91	12,775.74
Fair value gain on investments	(295.75)	(52.92)
Profit on sale of investments	(282.08)	(761.88)
Interest income on		
- Fixed deposits	(50.33)	(302.34)
Transaction cost on loan given	23.51	20.83
Operating profit/(loss) before working capital changes	**58,045.36**	**60,269.53**
Movement in working capital:		
Decrease/(increase) in others financial assets	(4,402.40)	-
Decrease/(increase) in other assets	(0.28)	-
Increase/(decrease) in trade payables	520.25	33.38
Increase/(decrease) in other financial liabilities	2.96	(13.21)
Increase/(decrease) in other current liabilities	24.00	14.06
Cash generated from/(used in) operations	**54,189.89**	**60,303.76**
Direct taxes paid (net of refunds)	(5.80)	(29.54)
Net cash flows from/(used in) operating activities	**54,184.09**	**60,274.22**
B. Cash flows from investing activities		
Purchase of units of mutual fund	(84,001.59)	(110,998.07)
Proceeds on sales of units of mutual fund	101,934.71	107,745.26
Long term loan given to subsidiaries	(15,662.50)	-
Short term loan given to subsidiaries	(55,874.30)	(2,110.00)
Repayment of long term loan given to subsidiaries	33,717.08	31,109.52
Repayment of short loan given to subsidiaries	50,729.00	20.00
Bank deposits placed (having original maturity of more than three months)	4,997.04	(5,000.00)
Interest received on fixed deposit	58.01	295.44
Net cash flows from/(used in) investing activities	**35,897.45**	**21,062.15**
C. Cash flow from financing activities		
Other Equity		
Repayment of unit capital to the unit holders	(17,995.50)	(19,156.50)
Distribution to unit holders	(47,601.00)	(51,374.25)
Repayment of long term borrowings	(3,478.35)	(3,311.69)
Finance cost paid	(11,432.54)	(13,415.85)
Net cash flows from/(used in) financing activities	**(80,507.39)**	**(87,258.29)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**9,574.15**	**(5,921.92)**
Cash and cash equivalents at the beginning of the year	4.30	5,926.22
Cash and cash equivalents at the end of the year (refer 5.2)	**9,578.45**	**4.30**

Summary of significant accounting policies 3

See accompanying notes to the financial statements.

Notes:

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

Cash Flow Statement

for the year ended March 31, 2020

(₹ in lakhs)

Particular	Long-term borrowing
April1, 2018	**154,055.25**
Cash flow	
- Interest	(13,415.85)
- Net of proceeds and repayment of long-term borrowings	(3,311.69)
Accrual for the year	12,775.74
March 31, 2019	**150,103.45**
Cash flow	
- Interest	(11,432.54)
- Net of proceeds and repayment of long-term borrowings	(3,478.35)
Accrual for the year	12,544.91
March 31, 2020	**147,737.47**

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

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

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

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

Vinod Kumar Menon
CEO & Wholetime Director
DIN: 03075345

Sumit Banerjee
Director
DIN: 00213826

Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

Disclosures pursuant to SEBI Circulars

SEBI Circular No. CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016

A. Statement of Net Asset at Fair Value

(₹ in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Book value	Fair value	Book value	Fair value
A. Assets	689,622.66	657,419.80	710,932.84	755,738.02
B. Liabilities (at book value)	148,642.10	148,642.10	150,460.88	150,460.88
C. Net Assets (A-B)	540,980.56	508,777.70	560,471.96	605,277.14
D. Number of units (in Lakhs)	5,805.00	5,805.00	5,805.00	5,805.00
E. NAV (C/D) (Amount in ₹)	**93.19**	**87.64***	**96.55**	**104.27**

B. Statement of total returns at Fair Value

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Comprehensive Income	46,105.10	48,590.10
Add/(less): Other Changes in Fair Value	(32,202.86)	44,805.18
Comprehensive Income -	**13,902.24**	**93,395.29**

Notes:

* The fair value of investments in Project SPV's are computed on the basis of the fair value of the underlying Toll Collection Rights as at March 31,2020 along with the book values of other assets and liabilities accounted in respective Project SPV's financial statements as at March 31,2020. The independent valuer has considered the effect of COVID-19 till the end of concession period for the of purpose fair valuation. Further, the Trust has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets as reflected in the balance sheet as at 31 March 2020 will be recovered. Management believes that impact of COVID 19 is temporary and its impact will not be there till the end of concession agreement. Considering the impact of Covid -19 being transient, the fair value of the asset would be ₹ 698,090 Lakhs which is higher than book value. Hence, no impairment in the value of investments is considered necessary in the financial results at this stage. The management will continue to monitor and assess impact of economic conditions arising due to COVID 19. The impact of COVID 19 may differ from that expected at the date of approval of these standalone financial statement.

Fair value of assets as at March 31, 2020 and as at March 31, 2019 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 Regulation 21of the InvIT Regulations.

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

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

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

Vinod Kumar Menon
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DIN: 03075345

Sumit Banerjee
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Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

Statement of Net Distributable Cash Flows (NDCFs)

(₹ in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Cash flows received from Project SPVs in the form of Interest	59,426.29	61,725.95
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	628.16	1,117.14
4	Cash flows received from the project SPVs towards the repayment of the debt issued to the Project SPVs by the Trust	18,054.58	31,109.52
5	**Total cash inflow at the Trust level (A)**	**78,109.03**	**93,952.61**
	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	(13,949.35)	(14,252.99)
7	Income tax (if applicable) at the Standalone Trust Level	-	-
8	Repayment of external debt	(3,478.35)	(3,311.69)
9	Total cash outflows / retention at the Trust level (B)	**(17,427.70)**	**(17,564.68)**
10	**Net Distributable Cash Flows (C) = (A+B)**	**60,681.33**	**76,387.93**

During the year, an amount of ₹ 65,596.50 lakhs (P.Y. ₹ 70,530.75 lakhs) has already been distributed to unit holders. (Refer note27)

Statement of changes in unit holders equity

for the year ended March 31, 2020

(₹ in lakhs)

		As at March 31, 2020	As at March 31, 2019
a)	**Unit Capital**		
	At the beginning of the year	560,763.00	579,919.50
	Issued during the year	-	-
	Less: Capital reduction during the year (Refer Note 27)	(17,995.50)	(19,156.50)
	At the end of the year	**542,767.50**	**560,763.00**
b)	**Initial settlement amount**		
	At the beginning of the year	0.10	0.10
	Received during the year	-	-
	At the end of the year	**0.10**	**0.10**
c)	**Other Equity**		
	At the beginning of the year	(291.14)	2,493.01
	Profit/(loss) for the year	46,105.10	48,590.10
	Interest distribution (Refer Note 27)	(47,601.00)	(51,374.25)
	At the end of the year	**(1,787.04)**	**(291.14)**
	Summary of Significant Policies (refer note no.3)		

See accompanying notes to the financial statements.

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

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

For and on behalf of IRB Infrastructure Private Limited
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Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

Notes to Financial Statements

for the year ended March 31, 2020

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2020

1. Nature of Operations

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

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

Fund had acquired the following projects from the Sponsor which are road infrastructure projects developed on DBFOT basis.

Sr. No.	Project SPV Name
1	IDAA Infrastructure Limited (IDAA)
2	IRB Talegaon Amravati Tollway Limited (IRBTA)
3	IRB Jaipur Deoli Tollway Limited (IRBJD)
4	IRB Surat Dahisar Tollway Limited (IRBSD)
5	IRB Tumkur Chitradurga Tollway Limited (IRBTC)
6	M.V.R Infrastructure and Tollways Limited (MVR)
7	IRB Pathankot Toll Road Limited (IRBPA)

The registered office of the Investment Manager is IRB Complex, Chandivali Farm, Chandivali village, Andheri-East, Mumbai-400072.

The financial statements were authorised for issue in accordance with resolution passed by the board of directors of the Investment manager on June 5, 2020.

2. Basis of preparation

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

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

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

3. Summary of significant accounting policies

3.1 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

3.2 Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

Notes to Financial Statements

for the year ended March 31, 2020

3.3 Revenue recognition

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

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

Interest income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rates applicable. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

Dividends

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

3.4 Taxes

Current income tax

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

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

Deferred tax

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

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

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

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.

Notes to Financial Statements

for the year ended March 31, 2020

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

3.5 Borrowing costs

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

3.6 Provisions

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

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

3.7 Contingent liabilities and contingent assets

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

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

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

3.8 Financial instrument

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial Assets at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Fund. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

Financial Assets at Fair Value through Statement of Profit and Loss/Other comprehensive income

All investments in scope of Ind AS 109 are measured at fair value. The Fund has investment in Debt oriented mutual fund which are held for trading, are classified as at FVTPL. The Fund makes such election on an instrument

Notes to Financial Statements

for the year ended March 31, 2020

by instrument basis. The classification is made on initial recognition and is irrevocable. The gain/ loss on sale of investments are recognised in the Statement of Profit and Loss. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

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

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

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

3.9 Impairment of assets

Impairment of financial assets

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

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

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

Impairment of non-financial assets

The Fund assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Fund estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or Fund's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Loans and borrowings

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

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

Notes to Financial Statements

for the year ended March 31, 2020

De-recognition

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

Offsetting of financial instruments

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

3.10 Investment in subsidiaries

Investments (equity instruments as well as subordinate debt) in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

3.11 Foreign currencies

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

Transactions and balances

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

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

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

3.12 Fair value measurement

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

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

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

Notes to Financial Statements

for the year ended March 31, 2020

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Fund's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (note 27)
- Financial instruments (including those carried at amortised cost) (note 22 and 23)
- Quantitative disclosure of fair value measurement hierarchy (note 22 and 23)

3.13 Contributed Equity

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

3.14 Distribution to unit holders

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

3.15 Cash and cash equivalents

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

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

3.16 Earnings Per Unit (EPU)

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

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

3.17 New pronouncements issued but not effective

Ind AS 116 and several other amendments and interpretations apply for the first time in year ended 31 March 2020, but do not have an impact on the financial statements. The Fund has not early adopted any standard amendment that has been issued but are not yet effective.

Ind AS 116 was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.The Company has applied Ind AS 116 with a date of initial application of April 1, 2019 using modified retrospective approach, under which the cumulative effect of initial application is recognized as at April 1, 2019.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. As a lessee, the Company previously classified leases as an operating or a finance lease based on its assessment of whether the lease transferred significantly all of the risk and rewards incidental to the ownership of the underlying asset of the Company. Under Ind AS 116, the Company recognizes the right-of-use assets and lease liabilities as stated in the lease accounting policy.

The Fund does not have any material lease under Ind AS 17. Hence, the application of Ind AS 116 does not have any material impact on the financial statements of the Fund.

Other changes to Ind AS

Following changes of Ind AS have also become applicable from financial year beginning 1 April 2019. However, the adoption of these changes does not have any impact on the financial statements as there are no transactions covered under these amendments:

- Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- Amendments to Ind AS 109: Prepayment Features with Negative Compensation
- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
- Amendments to Ind AS 28: Long-term interests in associates and joint ventures
- Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
- Amendments to Ind AS 111: Joint Arrangements
- Amendments to Ind AS 12: Income Taxes
- Amendments to Ind AS 23 : Borrowing Costs

Notes to Financial Statements
for the year ended March 31, 2020

(₹. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 4: Financial assets (Non-current)		
4.1 Investments		
A) Investments at cost		
Investments in equity instruments of subsidiaries (unqoated)		
510,842,000 (March 31,2019 - 510,842,000) equity shares of IRB Surat Dahisar Tollway Limited	53,232.48	53,232.48
131,750,000 (March 31, 2019 - 131,750,000) equity shares of IRB Jaipur Deoli Tollway Limited *	13,175.00	13,175.00
198,120,003 (March 31, 2019 - 198,120,003) equity shares of IDAA Infrastructure Limited	19,812.00	19,812.00
98,600,000 (March 31, 2019 - 98,600,000) equity shares of IRB Pathankot Amritsar Toll Road Limited **	9,909.00	9,909.00
49,250,000 (March 31, 2019 - 49,250,000) equity shares IRB Talegaon Amravati Tollway Limited	4,925.00	4,925.00
155,500,002 (March 31, 2019 - 155,500,002) equity shares IRB Tumkur Chitradurga Tollway Limited	15,550.00	15,550.00
6,910,170 (March 31, 2019 - 6,910,170) equity shares M.V.R. Infrastructure & Tollways Limited	10,902.00	10,902.00
Investment in equity instruments of related parties (unquoted)	**127,505.48**	**127,505.48**
B) Investments at cost		
Investments in sub debt of subsidiaries (unquoted)		
IRB Jaipur Deoli Tollway Limited	39,525.00	39,525.00
IRB Pathankot Amritsar Toll Road Limited	29,581.00	29,581.00
IRB Talegaon Amravati Tollway Limited	14,775.00	14,775.00
IRB Tumkur Chitradurga Tollway Limited	15,550.00	15,550.00
Subordinated debt to related parties (interest free)	**99,431.00**	**99,431.00**
Total non-current investments (A + B)	**226,936.48**	**226,936.48**
* 6,71,92,500 equity shares have been pledged with banks for availing term loan.		
** 5,02,86,000 equity shares have been pledged with banks for availing term loan.		
Aggregate book value of quoted investments	-	-
Aggregate amount of unquoted investments	**226,936.48**	**226,936.48**
4.2 Loans		
(Secured, considered good, unless otherwise stated)		
Loans to related parties (Refer note no 22)		
- Interest bearing	348,049.38	375,858.01
Less: Current maturities of loan to related parties	(17,701.57)	(27,808.63)
Total - (A)	**330,347.81**	**348,049.38**
(Unsecured, considered good, unless otherwise stated)		
Loans to related parties (Refer note no 22)		
- Interest bearing	83,012.52	73,258.47
Less: Current maturities of loan to related parties	(26,698.56)	(5,908.45)
Total - (B)	**56,313.96**	**67,350.02**
Add : Unamortised transaction cost **(C)**	362.60	386.11
Total (A+B+C)	**387,024.37**	**415,785.51**

Notes to Financial Statements
for the year ended March 31, 2020

(₹. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 5: Financial assets (current)		
5.1 Investments		
Investments at fair value through Profit & Loss		
Investments in mutual fund (quoted)		
IDBI Liquid Fund March 31, 2020 - Unit nil (March 31, 2019 - 34,589.4630 units @ ₹2,002.9905)	-	692.82
Aditya Birla Sun Life Money Manager Fund March 31, 2020 - Unit nil (March 31, 2019 - 2,508,356.210 units @ ₹ 251.7000)	-	6,313.53
Sundaram Money Market Fund March 31, 2020 - Unit nil (March 31, 2019 - 34,553,586.854 units @ ₹ 10.4401)	-	3,607.43
Reliance Money Market Fund March 31, 2020 - Unit nil (March 31, 2019 - 127,040.226 units @ ₹2,839.3181)	-	3,607.08
L&T Ultra Short Term Fund March 31, 2020 - Unit nil (March 31, 2019 - 11,582,079.949 units @ ₹31.1393)	-	3,606.58
Aditya Birla Sun Life Liquid Fund March 31, 2020 - Unit nil (March 31, 2019 - 533,248.902 units @ ₹300.4362)	-	1,602.07
Reliance Liquid Fund March 31, 2020 - Unit nil (March 31, 2019 - 35,117.483 units @ ₹ 4,561.8889)	-	1,602.02
Canara Robeco Savings Fund March 31, 2020 - Unit nil (March 31, 2019 - 5,083,797.936 units @ ₹ 29.5491)	-	1,502.22
SBI Liquid Fund March 31, 2020 - Unit nil (March 31, 2019 - 5,812.176 units @ ₹ 2,928.5700)	-	170.21
SBI Magnum Low Duration Fund Direct Fund March 31, 2020 - 203,373.445 units @ ₹ 2629.9735 (March 31,2019 - Unit nil)	5,348.67	-
[(Mutual fund held for DSRA ₹ 5,348.67 lakhs (March 31 , 2019 : Nil)]		
	5,348.67	**22,703.96**
Aggregate book value of quoted investments	5,348.67	22,703.96
Aggregate market value of quoted investments	5,348.67	22,703.96
5.2 Cash and cash equivalents		
Cash on hand	0.05	0.04
Balances with banks:		
- In current accounts	8.21	2.17
- In escrow accounts	9,570.18	2.09
	9,578.44	**4.30**
Escrow account as hypothecated against secured loan.		
5.3 Other bank balances		
Debt service reserve account with banks /earmarked balance		
- Maturity more than 3 months but less than 12 month	-	5,000.00
Unpaid distribution accounts	34.05	31.09
	34.05	**5,031.09**
5.4 Loans		
(Secured, considered good, unless otherwise stated)		
Current maturities of long term loans to related parties	17,701.57	27,808.63
(Unsecured, considered good, unless otherwise stated)		
Loans to related parties	11,862.50	6,717.20
Current maturities of long term loan to related parties	26,698.56	5,908.45
	56,262.63	**40,434.28**
5.5 Other financial assets		
(Unsecured, considered good, unless otherwise stated)		
Interest accrued on fixed deposits	-	7.68
Interest receivable from related parties	4,402.40	-
	4,402.40	**7.68**

Notes to Financial Statements

for the year ended March 31, 2020

(₹. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 6: Current tax assets (net)		
Advance income tax (net of provision for tax ₹ Nil) (March 31, 2019: ₹ Nil)	35.34	29.54
	35.34	**29.54**

(₹. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 7: Other current assets		
(Unsecured, considered good unless otherwise stated)		
Prepaid expenses	0.28	-
	0.28	**-**

(₹. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 8: Equity		
I. Unit capital		
a. Issued, subscribed and fully paid up unit capital		
580,500,000 (March 31, 2019 - 580,500,000)	542,767.50	560,763.00
b. Initial settlement amount	0.10	0.10
At the end of the year	**542,767.60**	**560,763.10**

c. Terms / rights attached to units

Rights of unit holders

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

a) right to receive income or distributions with respect to the units held;

b) right to attend the annual general meeting and other meetings of the unit holders of the Fund;

c) right to vote upon any matters/resolutions proposed in relation to the Fund;

d) right to receive periodic information having a bearing on the operations or performance of the Fund in accordance with the InvIT Regulations; and

e) right to apply to the Fund to take up certain issues at meetings for unit holders approval.

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

Limitation to the Liability of the unit holders

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

Notes to Financial Statements

for the year ended March 31, 2020

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

	As at March 31, 2020		As at March 31, 2019	
	No. of units in lakhs	Amount ₹ in lakhs	No. of units in lakhs	Amount ₹ in lakhs
At the beginning of the year	5,805.00	560,763.00	5,805.00	579,919.50
Issued during the year	-	-	-	-
Less: Capital reduction during the year (Refer note 27)	-	17,995.50	-	19,156.50
At the end of the year	**5,805.00**	**542,767.50**	**5,805.00**	**560,763.00**

Details of unit holding more than 5% units :

	As at March 31, 2020		As at March 31, 2019	
	No. of units in lakhs	Amount ₹ in lakhs	No. of units in lakhs	Amount ₹ in lakhs
IRB Infrastructure Developers Limited	927.05	15.97%	927.05	15.97%
Government Of Singapore	479.50	8.26%	477.55	8.19%
Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Equity Hybrid '95 Fund	371.00	6.40%	371.00	6.40%

(₹. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 9: Other Equity		
Retained earnings		
At the beginning of the year	(291.14)	2,493.01
Profit / (loss) for the year	46,105.10	48,590.10
Interest distribution (Refer Note 27)	(47,601.00)	(51,374.25)
Total Other Equity	**(1,787.04)**	**(291.14)**

Retained earnings

Retained earnings are the profits that the Fund has earned till date, less any transfers to general reserve, dividends or other distributions paid to unit holders.

(₹. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 10: Non-current financial liabilities		
Borrowings		
Secured		
Term loans		
Indian rupee loan from banks	147,820.46	151,298.81
Less: Current maturities	(6,584.46)	(4,637.81)
	141,236.00	**146,661.00**
Less : Unamortised transaction cost	1,119.87	1,206.25
	140,116.13	**145,454.75**

1. Secured Term loans

i) Secured by first charge on escrow account and on receivable of fund arising out of principal and interest payment of the loans by Fund to subsidiaries.

ii) Pledge of shares held of 51% of share holding in the total paid-up equity share capital of IRB Jaipur Deoli Tollway Limited and IRB Pathankot Amritsar Tollway Limited.

Notes to Financial Statements

for the year ended March 31, 2020

iii) Interest rates on Indian rupee loan from State Bank of India is MCLR + 0.15% & IDFC First Bank is 8.15%. The Indian rupee loan from banks is repayable in unstructured monthly instalment as per the repayment schedule specified in loan agreement with the Lenders.

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

v) As per RBI Circular dated March 27, 2020 and May 22, 2020, the Fund has availed moratorium from Mar 2020 to August 2020.

(₹. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 11: Current financial liabilities		
11.1 Trade Payables		
a) Outstanding dues of micro enterprises and small enterprises	8.20	-
b) Total outstanding dues of creditors other than micro and small enterprises	834.98	322.93
	843.18	**322.93**
11.2 Other financial liabilities		
Current maturities of long-term borrowings		
- Indian rupee loan from banks	6,584.46	4,637.81
Interest accrued but not due on borrowings	1,036.88	10.90
Unpaid distribution	34.05	31.09
	7,655.39	**4,679.80**

(₹. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Note 12: Other current liabilities		
Statutory dues payable	27.40	3.40
	27.40	**3.40**

(₹. in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 13: Revenue from operations		
Operating income		
Interest income	59,426.29	61,725.95
	59,426.29	**61,725.95**

(₹. in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 14: Other income		
Interest income on bank deposits	50.33	302.34
Profit on sale of investments	282.08	761.88
Fair value gain on investments	295.75	52.92
	628.16	**1,117.14**

Notes to Financial Statements

for the year ended March 31, 2020

(₹. in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 15: Finance costs		
Interest expense		
- Term loan from banks	12,443.49	12,649.21
Other borrowing cost		
Other finance costs	101.42	126.53
	12,544.91	**12,775.74**

(₹. in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 16: Other expenses		
Legal and professional fees	61.13	107.93
Payment to auditor (refer note below)	12.92	12.69
Miscellaneous expenses	19.59	19.53
	93.64	**140.15**
Payment to auditor (including GST)		
As auditors:		
- Statutory audit fees	7.08	7.08
- Limited review fees	3.54	3.54
- Tax audit fees	1.18	1.18
In other capacity:		
- Other services (certification fees)	0.53	0.47
Reimbursement of expenses	0.59	0.42
	12.92	**12.69**

(₹. in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Note 17: Earnings per unit (EPU)		
The following reflects the income and unit data used in the basic and diluted EPU computations:		
Profit attributable to unit holders of the Fund for basic & diluted earnings	46,105.10	48,590.10
Weighted average number of unit for basic & diluted EPU (in lakhs)	5,805.00	5,805.00
Basic earning per unit (Amount in ₹)	7.94	8.37
Diluted earning per unit (Amount in ₹)	7.94	8.37

Note 18: Capital and other commitments

There are no capital and other commitments as at March 31, 2020 (March 31, 2019 : ₹ NIL).

Note 19: Contingent liabilities

There are no contingent liabilities as at March 31, 2020 (March 31, 2019 : ₹ NIL).

Notes to Financial Statements

for the year ended March 31, 2020

Note 20: Details of dues to micro and small enterprises as per SMED Act, 2006

The following details regarding Micro and small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the Fund.

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount remaining unpaid to any supplier as at the period end	8.20	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Note 21: Operating segment

The Fund is engaged in to invest in infrastructure assets primarily being in the road sector in India which in the context of Ind AS 108 - Operating Segments is considered as the only segment. The Fund's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

Note 22: Related party transaction

I. List of Related Parties	
i. Subsidiaries/SPVs	IDAA Infrastructure Limited (IDAAIL) IRB Jaipur Deoli Tollway Limited (IJDTL) IRB Pathankot Amritsar Toll Road Limited (IPATRL) IRB Surat Dahisar Tollway Limited (ISDTL) IRB Talegaon Amravati Tollway Limited (ITATL) IRB Tumkur Chitradurga Tollway Limited (ITCTL) M.V.R. Infrastructure & Tollways Limited (MITL)
ii. Parties to the Fund *	IRB Infrastructure Developers Limited (IRBIDL) (Sponsor) IRB Infrastructure Private Limited (IRBFL) (Investment Manager) Modern Road Makers Private Limited (MRMPL) (Project Manager) (Up till 15th May 2019) IRB Infrastructure Developers Limited (IRBIDL) (Project Manager) (w.e.f. 16th May 2019) IDBI Trusteeship Services Limited (ITSL) (Trustee)

* As per InvIT regulations

Notes to Financial Statements

for the year ended March 31, 2020

iii. Promoters/Directors of the parties to the Fund specified in (ii) above

Particulars	IRB Infrastructure Developers Limited (Sponsor & Project Manager)	IRB Infrastructure Private Limited (Investment manager)	Modern Road Makers Private Limited (Project manager)	IDBI Trusteeship Services Limited (Trustee of the IRB InvIT Fund)
Promoters	Mr. Virendra D. Mhaiskar Mrs. Deepali V. Mhaiskar Virendra D. Mhaiskar HUF	IRB Infrastructure Developers Limited	IRB Infrastructure Developers Limited	IDBI Bank Limited Life Insurance Corporation of India General Insurance Corporation of India
Directors	Mr. Virendra D. Mhaiskar	Mr. Vinodkumar Menon	Mr. Mukeshlal Gupta	Mr. J.Samuel Joseph (w.e.f. 26.11.2019)
	Mrs. Deepali V. Mhaiskar		Mr. Dhananjay K. Joshi	Mr. Ravishankar G. Shinde
	Mr. Mukeshlal Gupta		Mr. Ajay P. Deshmukh	Ms. Madhuri J. Kulkarni
	Mr. Sudhir Rao Hoshing		Mr. Rajpaul S. Sharma	Mr. Satyajit Tripathy (w.e.f. 15.02.2020)
			Mrs. Arati Taskar (w.e.f. 25.02.2020)	Ms. Padma Betai (w.e.f. 19.03.2020)
				Mr. G.M. Yadwadkar (till 30.10.2019)
				Mr. Swapan Kumar Bagchi (till 03.03.2020)
				Mr. Saurabh Chandra (till 21.05.2019)
				Ms.Sashikala Muralidharan (till 16.01.2020)
	Independent directors	**Independent directors**	**Independent directors**	
	Mr. Chandrashekhar S. Kaptan	Mr. R. P. Singh	Mr. Chandrashekhar S. Kaptan (till 25.02.2020)	
	Mr. Sunil H. Talati	Mr. B L Gupta	Mrs. Heena Raja (till 25.02.2020)	
	Mr. Sandeep J. Shah	Mr. Sumit Banerjee	Mr. Sandeep J. Shah (w.e.f. 25.02.2020)	
	Mrs. Heena Raja (w.e.f.30.03.2019)			

II. Related party transactions during the year

(₹ in lakhs)

Sr. No.	Particulars	Relation	Year ended March 31, 2020	Year ended March 31, 2019
1	**Repayment of secured loan (Long term)**		**27,808.63**	**31,109.52**
	IRB Surat Dahisar Tollway Limited (ISDTL)	Subsidiary	19,457.52	18,172.90
	IDAA Infrastructure Limited (IDAAIL)	Subsidiary	6,402.00	11,326.75
	IRB Pathankot Amritsar Toll Road Limited (IPATRL)	Subsidiary	196.57	149.77
	M.V.R. Infrastructure & Tollways Limited (MITL)	Subsidiary	1,752.54	1,460.10
2	**Unsecured loan given (Long term)**		**15,662.50**	**-**
	IRB Jaipur Deoli Tollway Limited (IJDTL)	Subsidiary	9,800.00	-
	M.V.R. Infrastructure & Tollways Limited (MITL)	Subsidiary	5,862.50	-
3	**Repayment of unsecured loan (Long term)**		**5,908.46**	**-**
	IDAA Infrastructure Limited (IDAAIL)	Subsidiary	5,908.46	-
4	**Unsecured loans given (Short term)**		**55,874.30**	**2,110.00**
	IRB Surat Dahisar Tollway Limited (ISDTL)	Subsidiary	9,897.00	-
	IRB Jaipur Deoli Tollway Limited (IJDTL)	Subsidiary	7,552.00	-
	IRB Pathankot Amritsar Toll Road Limited (IPATRL)	Subsidiary	2,700.00	-
	IRB Talegaon Amravati Tollway Limited (ITATL)	Subsidiary	800.00	-
	IRB Tumkur Chitradurga Tollway Limited (ITCTL)	Subsidiary	11,173.00	2,110.00
	M.V.R. Infrastructure & Tollways Limited (MITL)	Subsidiary	23,752.30	-

Notes to Financial Statements

for the year ended March 31, 2020

(₹ in lakhs)

Sr. No.	Particulars	Relation	Year ended March 31, 2020	Year ended March 31, 2019
5	**Repayment of unsecured loan given (Short term)**		**50,729.00**	**20.00**
	IRB Surat Dahisar Tollway Limited (ISDTL)	Subsidiary	9,897.00	-
	IRB Jaipur Deoli Tollway Limited (IJDTL)	Subsidiary	7,552.00	-
	IRB Pathankot Amritsar Toll Road Limited (IPATRL)	Subsidiary	2,700.00	-
	IRB Talegaon Amravati Tollway Limited (ITATL)	Subsidiary	800.00	-
	IRB Tumkur Chitradurga Tollway Limited (ITCTL)	Subsidiary	13,850.00	20.00
	M.V.R. Infrastructure & Tollways Limited (MITL)	Subsidiary	15,930.00	-
6	**Interest income**		**59,449.81**	**61,746.77**
	IRB Surat Dahisar Tollway Limited (ISDTL)	Subsidiary	5,293.49	7,302.20
	IRB Jaipur Deoli Tollway Limited (IJDTL)	Subsidiary	12,697.06	12,450.03
	IDAA Infrastructure Limited (IDAAIL)	Subsidiary	3,518.35	5,182.05
	IRB Pathankot Amritsar Toll Road Limited (IPATRL)	Subsidiary	14,225.96	14,158.15
	IRB Talegaon Amravati Tollway Limited (ITATL)	Subsidiary	6,015.80	5,987.71
	IRB Tumkur Chitradurga Tollway Limited (ITCTL)	Subsidiary	13,597.84	13,376.41
	M.V.R. Infrastructure & Tollways Limited (MITL)	Subsidiary	4,101.31	3,290.22
7	**Investment Management fees (including indirect taxes)**		**1,220.49**	**1,246.79**
	IRB Infrastructure Private Limited (IRBFL)	Investment Manager	1,220.49	1,246.79
8	**Distribution in the form of interest**		**8,725.23**	**8,816.39**
	IRB Infrastructure Developers Limited (IRBIDL)	Sponsor & Project Manager	7,601.81	8,204.39
	Mr. Virendra D. Mhaiskar	Director of Sponsor & Project Manager	959.40	520.36
	Mrs. Deepali V. Mhaiskar	Director of Sponsor & Project Manager	127.10	69.26
	Mr. Sudhir Rao Hoshing	Director of Sponsor & Project Manager	8.60	7.74
	Mr. Mukeshlal Gupta	Director of Sponsor & Project Manager	8.68	4.29
	Mr. Sunil Talati	Director of Sponsor & Project Manager	0.20	-
	Mr. Chandrashekhar Kaptan	Director of Sponsor & Project Manager	0.60	-
	Mr. Vinod Kumar Menon	Director of Investment Manager	2.46	1.32
	Mr. B.L. Gupta	Director of Investment Manager	0.41	0.44
	Mr. Sumit Banerjee	Director of Investment Manager	3.26	1.77
	Mr. Dhananjay K. Joshi	Director of Project Manager	1.23	0.66
	Mr. Ajay P. Deshmukh	Director of Project Manager	10.66	5.72
	Mr. Rajpaul S. Sharma	Director of Project Manager	0.82	0.44
9	**Distribution in form of capital**		**3,298.58**	**3,295.47**
	IRB Infrastructure Developers Limited (IRBIDL)	Sponsor & Project Manager	2,873.86	3,059.27
	Mr. Virendra D. Mhaiskar	Director of Sponsor & Project Manager	362.70	200.90
	Mrs. Deepali V. Mhaiskar	Director of Sponsor & Project Manager	48.05	26.71
	Mr. Sudhir Rao Hoshing	Director of Sponsor & Project Manager	3.24	2.90
	Mr. Mukeshlal Gupta	Director of Sponsor & Project Manager	3.36	1.70
	Mr. Sunil Talati	Director of Sponsor & Project Manager	0.07	-
	Mr. Chandrashekhar Kaptan	Director of Sponsor & Project Manager	0.18	-
	Mr. Vinod Kumar Menon	Director of Investment Manager	0.93	0.51
	Mr. B.L. Gupta	Director of Investment Manager	0.16	0.17
	Mr. Sumit Banerjee	Director of Investment Manager	1.22	0.67
	Mr. Dhananjay K. Joshi	Director of Project Manager	0.47	0.26
	Mr. Ajay P. Deshmukh	Director of Project Manager	4.03	2.21
	Mr. Rajpaul S. Sharma	Director of Project Manager	0.31	0.17
10	**Trustee fee**		**29.50**	**29.50**
	IDBI Trusteeship Services Limited (ITSL)	Trustee	29.50	29.50

Notes to Financial Statements
for the year ended March 31, 2020

III. Related party outstanding balances

(₹ in lakhs)

Sr. No.	Particulars	Relation	As on March 31, 2020	As on March 31, 2019
1	**Equity Investment**		**127,505.48**	**127,505.48**
	IRB Surat Dahisar Tollway Limited (ISDTL)	Subsidiary	53,232.48	53,232.48
	IRB Jaipur Deoli Tollway Limited (IJDTL)	Subsidiary	13,175.00	13,175.00
	IDAA Infrastructure Limited (IDAAIL)	Subsidiary	19,812.00	19,812.00
	IRB Pathankot Amritsar Toll Road Limited (IPATRL)	Subsidiary	9,909.00	9,909.00
	IRB Talegaon Amravati Tollway Limited (ITATL)	Subsidiary	4,925.00	4,925.00
	IRB Tumkur Chitradurga Tollway Limited (ITCTL)	Subsidiary	15,550.00	15,550.00
	M.V.R. Infrastructure & Tollways Limited (MITL)	Subsidiary	10,902.00	10,902.00
2	**Subordinated debt**		**99,431.00**	**99,431.00**
	IRB Jaipur Deoli Tollway Limited (IJDTL)	Subsidiary	39,525.00	39,525.00
	IRB Pathankot Amritsar Toll Road Limited (IPATRL)	Subsidiary	29,581.00	29,581.00
	IRB Talegaon Amravati Tollway Limited (ITATL)	Subsidiary	14,775.00	14,775.00
	IRB Tumkur Chitradurga Tollway Limited (ITCTL)	Subsidiary	15,550.00	15,550.00
3	**Secured loan receivable (Long term)**		**348,049.38**	**375,858.01**
	IRB Surat Dahisar Tollway Limited (ISDTL)	Subsidiary	14,129.87	33,587.39
	IRB Jaipur Deoli Tollway Limited (IJDTL)	Subsidiary	92,661.77	92,661.77
	IDAA Infrastructure Limited (IDAAIL)	Subsidiary	-	6,402.00
	IRB Pathankot Amritsar Toll Road Limited (IPATRL)	Subsidiary	93,154.14	93,350.71
	IRB Talegaon Amravati Tollway Limited (ITATL)	Subsidiary	37,153.84	37,153.84
	IRB Tumkur Chitradurga Tollway Limited (ITCTL)	Subsidiary	93,712.76	93,712.76
	M.V.R. Infrastructure & Tollways Limited (MITL)	Subsidiary	17,237.00	18,989.54
4	**Unsecured loan receivable (Long term)**		**83,012.52**	**73,258.47**
	IRB Surat Dahisar Tollway Limited (ISDTL)	Subsidiary	11,006.23	11,006.23
	IRB Jaipur Deoli Tollway Limited (IJDTL)	Subsidiary	12,907.71	3,107.71
	IDAA Infrastructure Limited (IDAAIL)	Subsidiary	19,858.91	25,767.36
	IRB Pathankot Amritsar Toll Road Limited (IPATRL)	Subsidiary	15,490.04	15,490.04
	IRB Talegaon Amravati Tollway Limited (ITATL)	Subsidiary	8,905.47	8,905.47
	IRB Tumkur Chitradurga Tollway Limited (ITCTL)	Subsidiary	7,338.07	7,338.07
	M.V.R. Infrastructure & Tollways Limited (MITL)	Subsidiary	7,506.09	1,643.59
5	**Unsecured loan receivable (Short term)**		**11,862.50**	**6,717.20**
	IRB Tumkur Chitradurga Tollway Limited (ITCTL)	Subsidiary	265.20	2,942.20
	M.V.R. Infrastructure & Tollways Limited (MITL)	Subsidiary	11,597.30	3,775.00
6	**Interest receivable**		**4,402.40**	**-**
	IRB Tumkur Chitradurga Tollway Limited (ITCTL)	Subsidiary	4,402.39	-
	M.V.R. Infrastructure & Tollways Limited (MITL)	Subsidiary	0.01	-
7	**Trade payables**		**816.06**	**291.49**
	IRB Infrastructure Private Limited (IRBFL)	Investment Manager	816.06	291.49

Notes to Financial Statements
for the year ended March 31, 2020

Note 23: Fair Values
Financial assets and liabilities
The carrying values of financials instruments of the Fund are reasonable and approximations of fair values.

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

(₹ in lakhs)

	Carrying amount		Fair Value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets				
Loans	443,287.00	456,219.79	443,287.00	456,219.79
Other financial assets	4,402.40	7.68	4,402.40	7.68
Investments in mutual funds	5,348.67	22,703.96	5,348.67	22,703.96
Cash and cash equivalents	9,578.44	4.30	9,578.44	4.30
Other Bank balances	34.05	5,031.09	34.05	5,031.09
Financial liabilities				
Trade payables	843.18	322.93	843.18	322.93
Borrowings	146,700.59	150,092.55	146,700.59	150,092.55
Other financial liabilities	1,070.93	41.99	1,070.93	41.99

The management assessed that the fair value of cash and cash equivalents, trade payables 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 Company has determined that market participants would take into account when pricing the investments.

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

Note 24: Fair Value Hierarchy
All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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

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

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

Notes to Financial Statements

for the year ended March 31, 2020

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

(₹ in lakhs)

	As at March 31, 2020	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in mutual funds(Quoted)	5,348.67	5,348.67	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019:

(₹ in lakhs)

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

There has been no transfer between Level1, Level 2 & Level 3 during the year.

Note 25: Financial risk management objectives and policies

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

The Board of Directors of Investment Manager have overall responsibility for the establishment and oversight of the fund's risk management framework.

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

Market Risk

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

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Fund is exposed to credit risk from its investing activities including loans to subsidiaries, deposits with banks and other financial instruments. As at March 31, 2020, the credit risk is considered low since substantial transactions of the Fund are with its subsidiaries.

Interest Rate Risk

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

Notes to Financial Statements
for the year ended March 31, 2020

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

(₹ in lakhs)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Increase in basis points		
- INR	50	50
Effect on profit before tax		
- INR	724.61	747.84
Decrease in basis points		
- INR	50	50
Effect on profit before tax		
- INR	(724.61)	(747.84)

Liquidity risk
Liquidity risk is the risk that the Fund may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Fund's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.

The Fund closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 to 90 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analyses financial liabilities by remaining contractual maturities:

(₹ in lakhs)

March 31, 2020	On demand	Less than 3 months	Less than 1 year	1 to 5 years	> 5 years	Total
Borrowings	-	5,519.30	12,876.24	64,456.93	176,525.73	**259,378.20**
Other financial liabilities	34.05	1,036.88	-	-	-	**1,070.93**
Trade payables	-	843.18	-	-	-	**843.18**
Total	**34.05**	**7,399.36**	**12,876.24**	**64,456.93**	**176,525.73**	**261,292.31**

(₹ in lakhs)

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

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

Note 26: 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 Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital

Notes to Financial Statements
for the year ended March 31, 2020

structure, the Company 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, 2020 and March 31, 2019.

The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

(₹ in lakhs)

Particulars	As at March 31,20	As at March 31, 2019
Borrowings (Secured)	147,820.46	151,298.81
Trade and other payables	843.18	322.93
Other financial liabilities	1,070.93	41.99
Less: cash and cash equivalents (including unpaid dividend account)	(9,612.49)	(35.39)
Net debt (A)	**140,122.08**	**151,628.33**
Unit capital	542,767.50	560,763.00
Initial settlement amount	0.10	0.10
Total equity (B)	**542,767.60**	**560,763.10**
Capital and net debt C = A + B	**682,889.68**	**712,391.43**
Gearing ratio (%) (C/A)	**20.52%**	**21.28%**

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

Note 27: Distribution made

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Distributed during the year as:		
Interest *	47,601.00	51,374.25
Return on capital*	17,995.50	19,156.50
	65,596.50	**70,530.75**

* Pertains to the distributions made during the financial year along with the distribution related to the last quarter of FY 2018-19 and does not include the distribution relating to the last quarter of FY 2019-20 which will be paid after March 31, 2020.

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

Note 28: Estimation of uncertainties relating to the global health pandemic from COVID-19

The Trust has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its investments in SPVs including loans and other receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Trust, as at the date of approval of these financial results has used internal and external sources of information including reports from Independent Traffic Consultants and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Trust.

Note 29:

Due to dispute on the deferred premium calculation of previous years between the IRB Tumkur Chitradurga Tollway Limited ("Subsidiary Company or concessionaire") and the NHAI, the concessionaire has filed appeal with the Honorable High Court of Delhi for resolution against the NHAI's demand of advance premium of ₹ 16.98 crore in aggregate and interest on it. As per the interim order of the Division Bench of Honorable High Court, withdrawals from Escrow Account are not permitted till final

Notes to Financial Statements

for the year ended March 31, 2020

order in the matter. Currently, the matter is under appeal with the Honorable High Court. Hence, the subsidiary company could not paid the interest on loans from December 2019 to 31 March 2020 amounting to ₹ 4,402.39 Lakhs to the Fund.

Note 30: Significant accounting judgement, estimates and assumptions

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

Judgement

In the process of applying the Fund’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Classification of unit holders Funds

Under the provisions of the InvIT Regulations, Fund is required to distribute to Unit holders not less than ninety percent of the net distributable cash flows of Fund for each financial year. Accordingly, a portion of the unit holders’ Funds contains a contractual obligation of the Fund to pay to its Unit holders cash distributions. The Unit holder's Funds could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32-Financial Instruments: Presentation.

However, in accordance with SEBI Circulars(No.CIR/IMD/DF/114/2016 dated 20-Oct-2016 and No.CIR/IMD/DF/127/2016 dated 29-Nov-2016) issued under the InvIT Regulations, the unit holders’ Funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20-Oct-2016 dealing with the minimum disclosures for key financial statements. In line with the above, the income distribution payable to unit holders is recognized as liability when the same is approved by the Investment Manager.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities or fair value disclosures within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Fund. Such charges are reflected in the assumptions when they occur.

Fair valuation and disclosures

SEBI Circulars issued under the InvIT Regulations required is diclosures relating to net assets at fair value and total returns at fair value. In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Fund engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the road projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates etc. Changes in assumptions about these factors could affect the fair value. (refer note 23 for details).

Notes to Financial Statements
for the year ended March 31, 2020

Impairment of investments and loans in subsidiaries

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the investments in subsidiaries are based on value in use of the underlying projects. The value in use calculation is based on a DCF model. The cash flows are derived from budgets / forecasts over the life of the projects.

Note 31: Taxes

In accordance with section 10 (23FC) of the Income Tax Act, the income of business Fund in the form of interest received or receivable from Project SPV is exempt from tax. Accordingly, the Fund is not required to provide any current tax liability. Further, deferred tax assets on carry forward losses is not being created since there is no virtual certainty of reversal of the same in the near future.

Note 32: Subsequent events

On June 05, 2020, the Board of directors of the Investment Manager approved a distribution of ₹1.80 per unit for the period January 01, 2020 to March 31, 2020 to be paid on or before 15 days from the date of declaration.

Note 33: Previous year comparatives

Previous year's figures have been regrouped/reclassified, wherever necessary to conform to the current year's presentation.

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

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: June 05, 2020

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

Vinod Kumar Menon
CEO & Wholetime Director
DIN: 03075345

Sumit Banerjee
Director
DIN: 00213826

Tushar Kawedia
Chief Financial Officer

Swapna Vengurlekar
Company Secretary
Membership No: A32376

Place: Mumbai
Date: June 05, 2020

IRB INVIT FUND

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