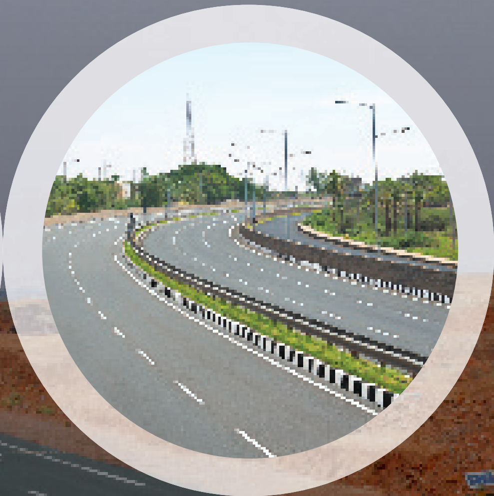

IRB
INFRASTRUCTURE DEVELOPERS LTD

20 YEARS OF **STEADFAST GROWTH**

DELIVERING VALUE
THE B. E. S. T. WAY FORWARD

2017-18 ANNUAL REPORT

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Statutory Reports

Financial Statements

Advisor to the Board
Mr. Rajkamal R. Bajaj

Bankers/Lenders to the IRB Group
State Bank of India
Canara Bank
IDFC Bank
Union Bank of India
Indian Overseas Bank
Indian Bank
Bank of India
IDBI Bank
HDFC Ltd
Andhra Bank
Corporation Bank
Punjab National Bank
Bank of Baroda
Bank of Maharashtra
IIFCL
ICICI Bank
Allahabad Bank
YES Bank
Oriental Bank of Commerce
IFCI Limited
UCO Bank
HDFC Bank Limited
Aditya Birla Finance Limited

Auditors
B S R & Co. LLP
Gokhale & Sathe

Internal Auditors
Suresh Surana & Associates LLP

Auditors of Subsidiaries
B S R & Co. LLP
Gokhale & Sathe
S R Batliboi & Co. LLP
MKPS & Associates
A. J. Kotwal & Co.
R. K. Dhupia & Associates
Pawar Kuvadia and Associates

Registrar & Transfer Agent
Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B,
Plot 31-32,
Gachibowli Financial District,
Nanakramguda,
Hyderabad - 500 032
Tel.: +91-40-6716 1500
Fax: +91-40-2300 1153

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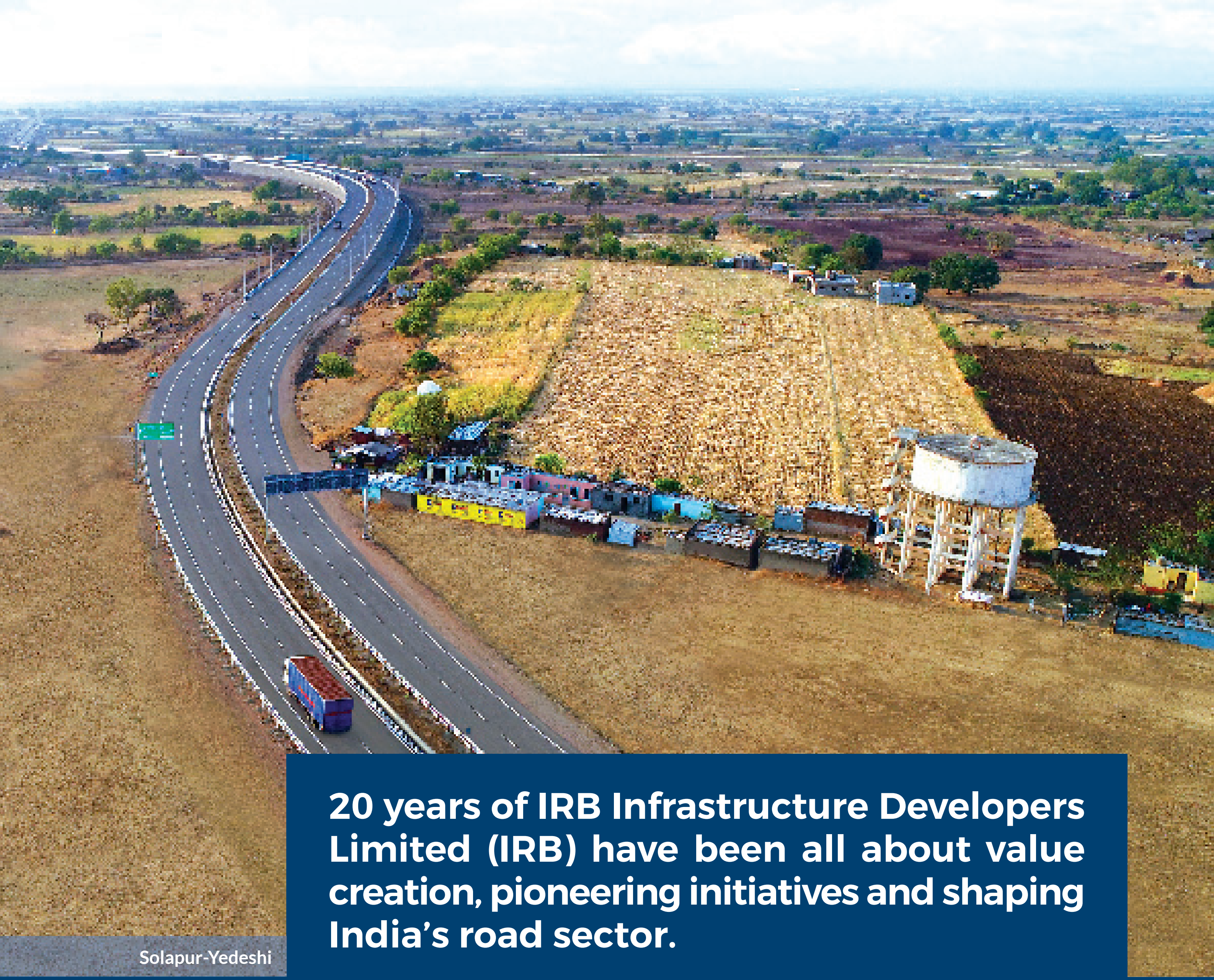
Technology Street, Hill Side Avenue,
Opp. Hiranandani Hospital, Powai,
Mumbai - 400 076
Tel.: +91-22-6733 6400
Fax: +91-22-4053 6699
E: info@irb.co.in
www.irb.co.in

Corporate Office
3rd Floor, IRB Complex,
Chandivali Farm,
Chandivali Village,
Andheri (E),
Mumbai - 400 072
Tel.: +91-22-6640 4220
Fax: +91-22-6675 1024



Solapur-Yedeshi

20 years of IRB Infrastructure Developers Limited (IRB) have been all about value creation, pioneering initiatives and shaping India's road sector.

In these 2 decades, we have delivered world-class highway projects, including a part of the prestigious Golden Quadrilateral project, setting new benchmarks of quality and execution excellence in every project. We also pioneered the country's first BOT, mega and ultra-mega highway projects, thereby creating value for shareholders and setting the stage for the evolution of infrastructure in the country. With multiple quality projects delivered, we have contributed towards strengthening India's highway network and help it move forward.

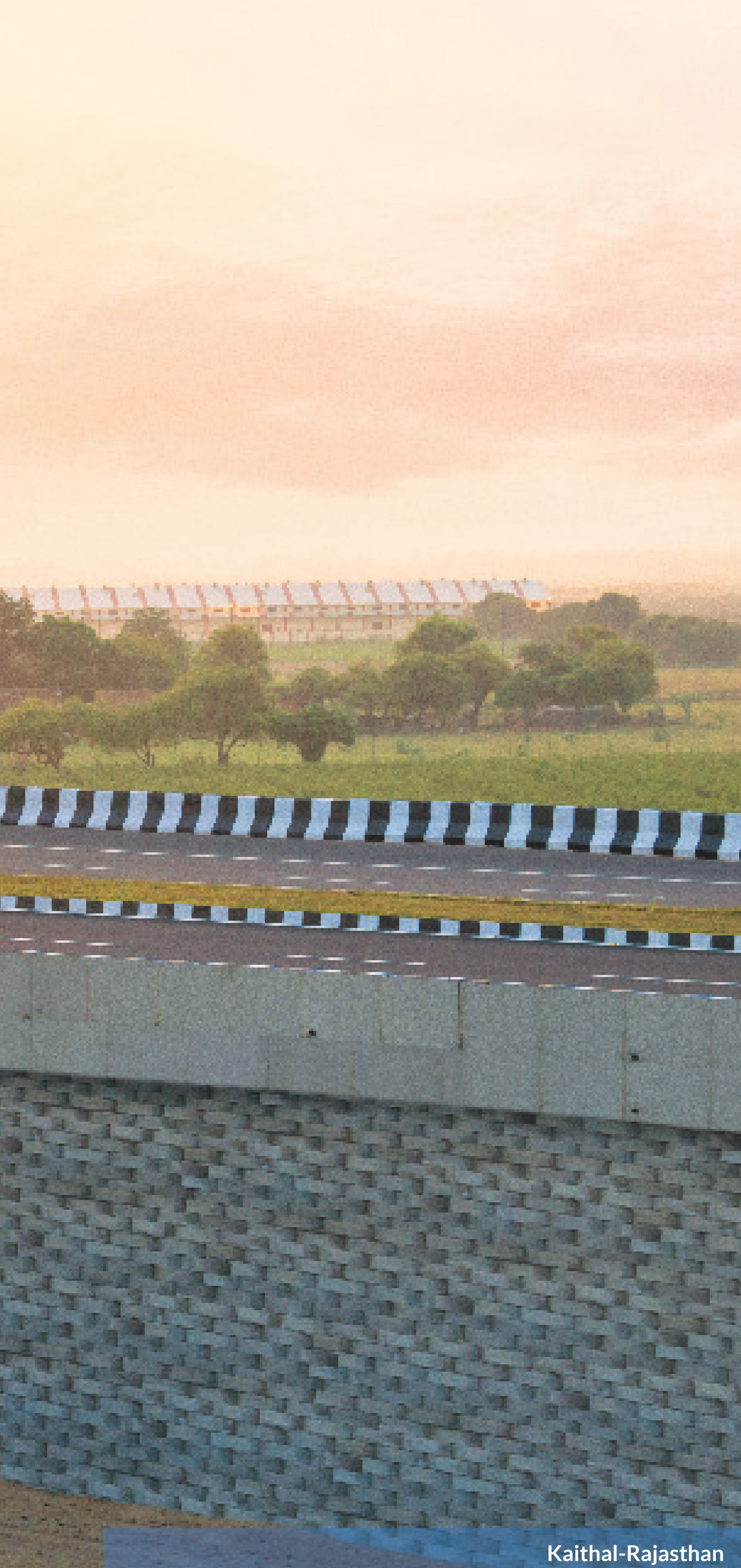
Most importantly, we strengthened our business model with our B.E.S.T. (Bid. Execute. Stabilise. Transfer.) strategy, which we believe, is the best way forward to deliver value for the stakeholders. To achieve this, we set up and listed the country's first Infrastructure Investment Trust (InvIT). This will enable us to monetise long-gestation BOT assets, deleverage balance sheet, reduce risks and interest costs, and improve credit rating. Besides, with higher funds availability, we can take up more projects, enhance revenue visibility and further improve margins with optimal capital structure and improved financial efficiency.

SPEEDING AHEAD ON THE PATH OF VALUE CREATION

We are a young, steady and focussed organisation with two decades of incredible track record. Within the first 10 years, we steadied the organisation with our focused strategy and got it listed on the capital markets to kickstart the next phase of growth. And since then, there has been no looking back. In a decade of our listing, we transformed into one of India's leading and path-defining road infrastructure company, while delivering robust growth for all stakeholders.

Comparison of key performance parameters in 11 years of listing

Revenue growth	EBITDA growth	PAT growth	Net worth growth
7.47x	6.14x	7.26x	3.51x
FY 2007-08	FY 2007-08	FY 2007-08	FY 2007-08
₹ 7,847 Million	₹ 4,639 Million	₹ 1,266 Million	₹ 16,207 Million
FY 2017-18	FY 2017-18	FY 2017-18	FY 2017-18
₹ 58,628 Million	₹ 28,480 Million	₹ 9,197 Million	₹ 56,925 Million



Kaithal-Rajasthan

Key achievements in 10 years

13,400 Lane Km
of tolled road projects completed/ under operations or development

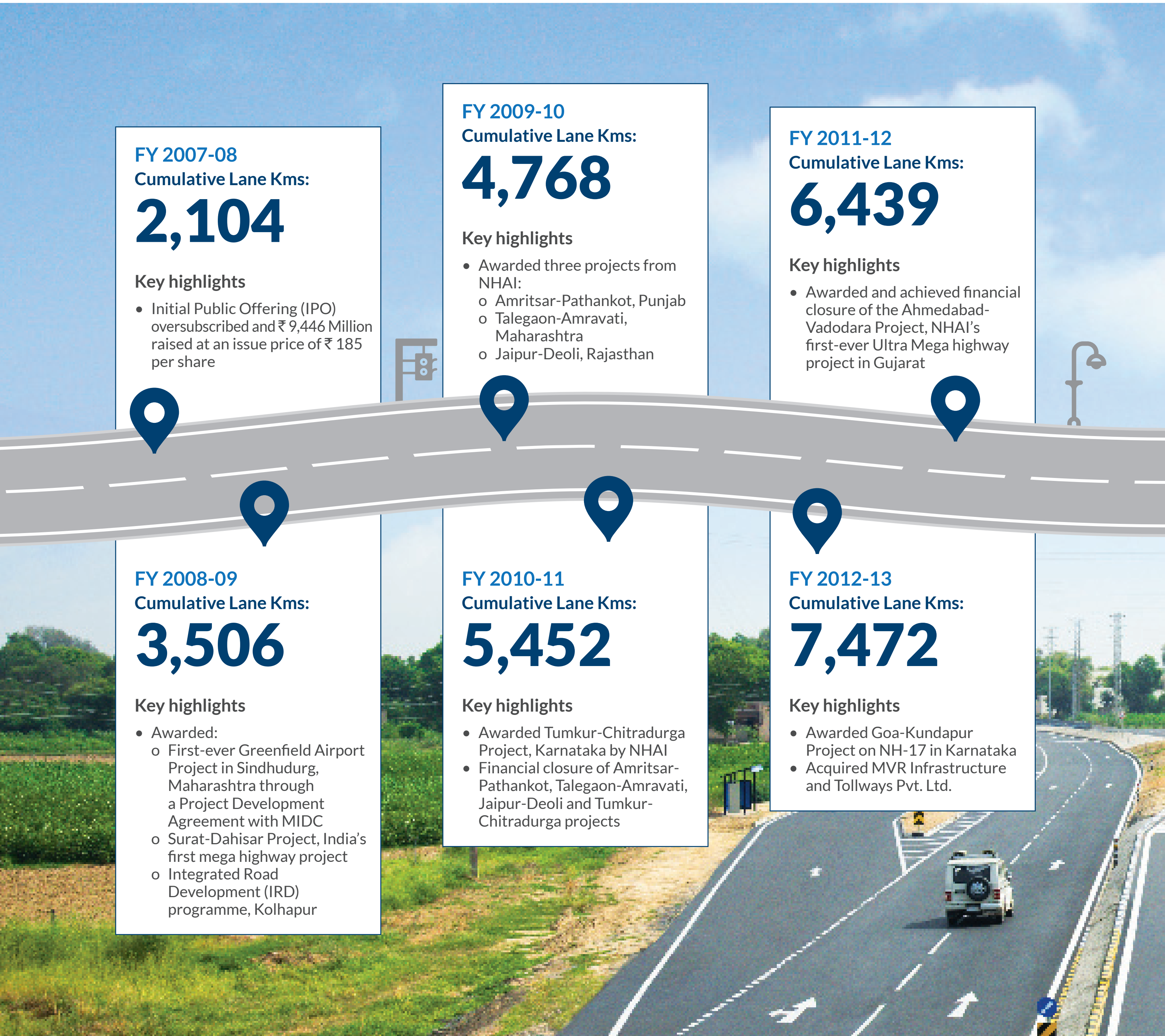
3,700 Km
of total Golden Quadrilateral road projects executed with 20% share

₹ 11,041 Million
of cumulative dividends paid-out to shareholders

IRB InvIT Fund
created the country's first InvIT and transferred seven assets worth ₹ 74,904 Million, reducing debt by ₹ 42,917 Million and freeing up ₹ 22,693 Million worth of capital

₹ 5,015 Million
of taxes paid to the exchequer

10 YEARS AND 12,000 PLUS LANE KMS, A JOURNEY WORTH CHERISHING



FY 2007-08
Cumulative Lane Kms:
2,104

Key highlights
- Initial Public Offering (IPO) oversubscribed and ₹ 9,446 Million raised at an issue price of ₹ 185 per share

FY 2008-09
Cumulative Lane Kms:
3,506

Key highlights
- Awarded:
  - o First-ever Greenfield Airport Project in Sindhudurg, Maharashtra through a Project Development Agreement with MIDC
  - o Surat-Dahisar Project, India's first mega highway project
  - o Integrated Road Development (IRD) programme, Kolhapur

FY 2009-10
Cumulative Lane Kms:
4,768

Key highlights
- Awarded three projects from NHAI:
  - o Amritsar-Pathankot, Punjab
  - o Talegaon-Amravati, Maharashtra
  - o Jaipur-Deoli, Rajasthan

FY 2010-11
Cumulative Lane Kms:
5,452

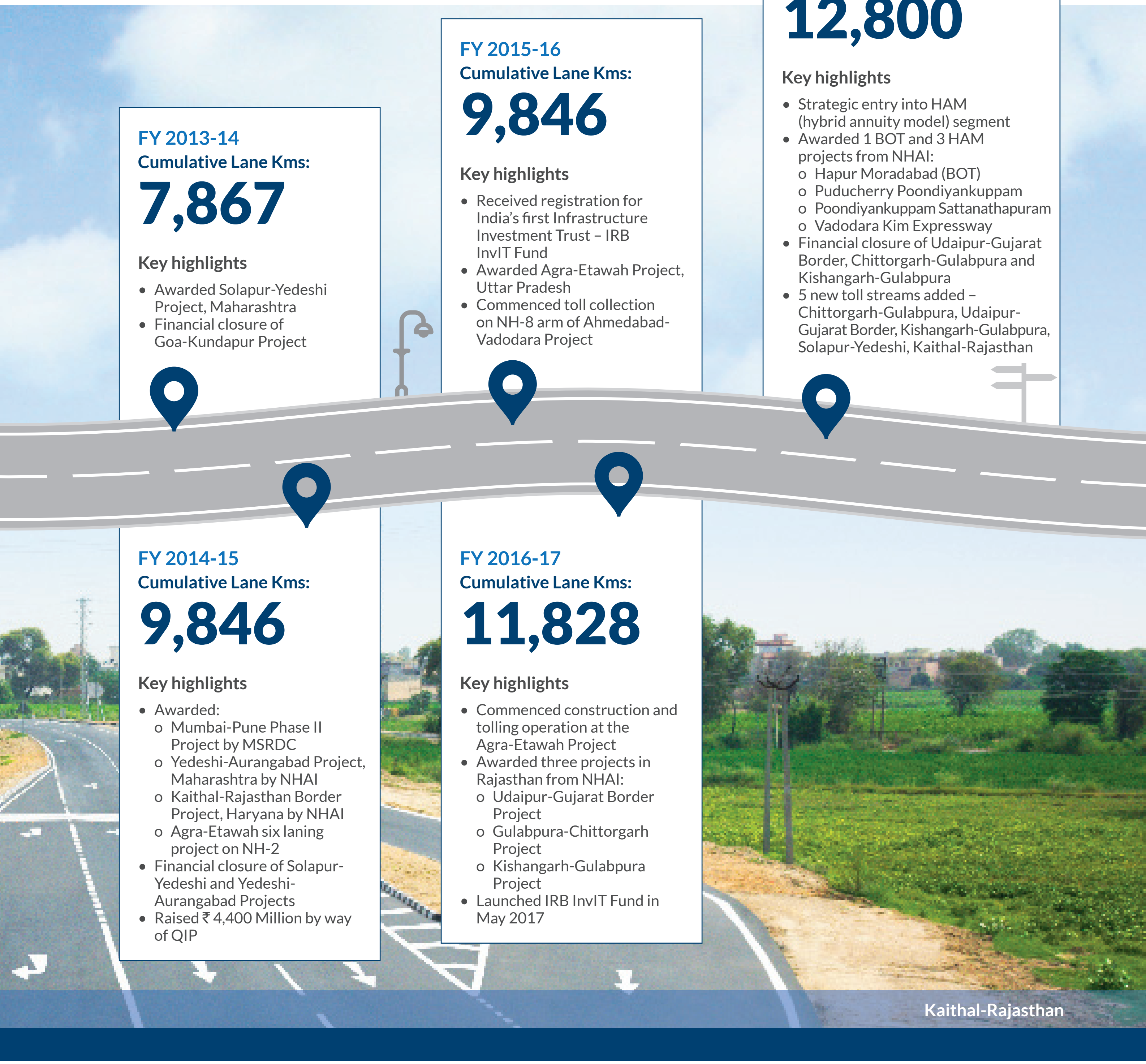
Key highlights
- Awarded Tumkur-Chitradurga Project, Karnataka by NHAI
- Financial closure of Amritsar-Pathankot, Talegaon-Amravati, Jaipur-Deoli and Tumkur-Chitradurga projects

FY 2011-12
Cumulative Lane Kms:
6,439

Key highlights
- Awarded and achieved financial closure of the Ahmedabad-Vadodara Project, NHAI's first-ever Ultra Mega highway project in Gujarat

FY 2012-13
Cumulative Lane Kms:
7,472

Key highlights
- Awarded Goa-Kundapur Project on NH-17 in Karnataka
- Acquired MVR Infrastructure and Tollways Pvt. Ltd.



FY 2013-14
Cumulative Lane Kms:
7,867

Key highlights
- Awarded Solapur-Yedeshi Project, Maharashtra
- Financial closure of Goa-Kundapur Project

FY 2014-15
Cumulative Lane Kms:
9,846

Key highlights
- Awarded:
  - o Mumbai-Pune Phase II Project by MSRDC
  - o Yedeshi-Aurangabad Project, Maharashtra by NHAI
  - o Kaithal-Rajasthan Border Project, Haryana by NHAI
  - o Agra-Etawah six laning project on NH-2
- Financial closure of Solapur-Yedeshi and Yedeshi-Aurangabad Projects
- Raised ₹ 4,400 Million by way of QIP

FY 2015-16
Cumulative Lane Kms:
9,846

Key highlights
- Received registration for India's first Infrastructure Investment Trust – IRB InvIT Fund
- Awarded Agra-Etawah Project, Uttar Pradesh
- Commenced toll collection on NH-8 arm of Ahmedabad-Vadodara Project

FY 2016-17
Cumulative Lane Kms:
11,828

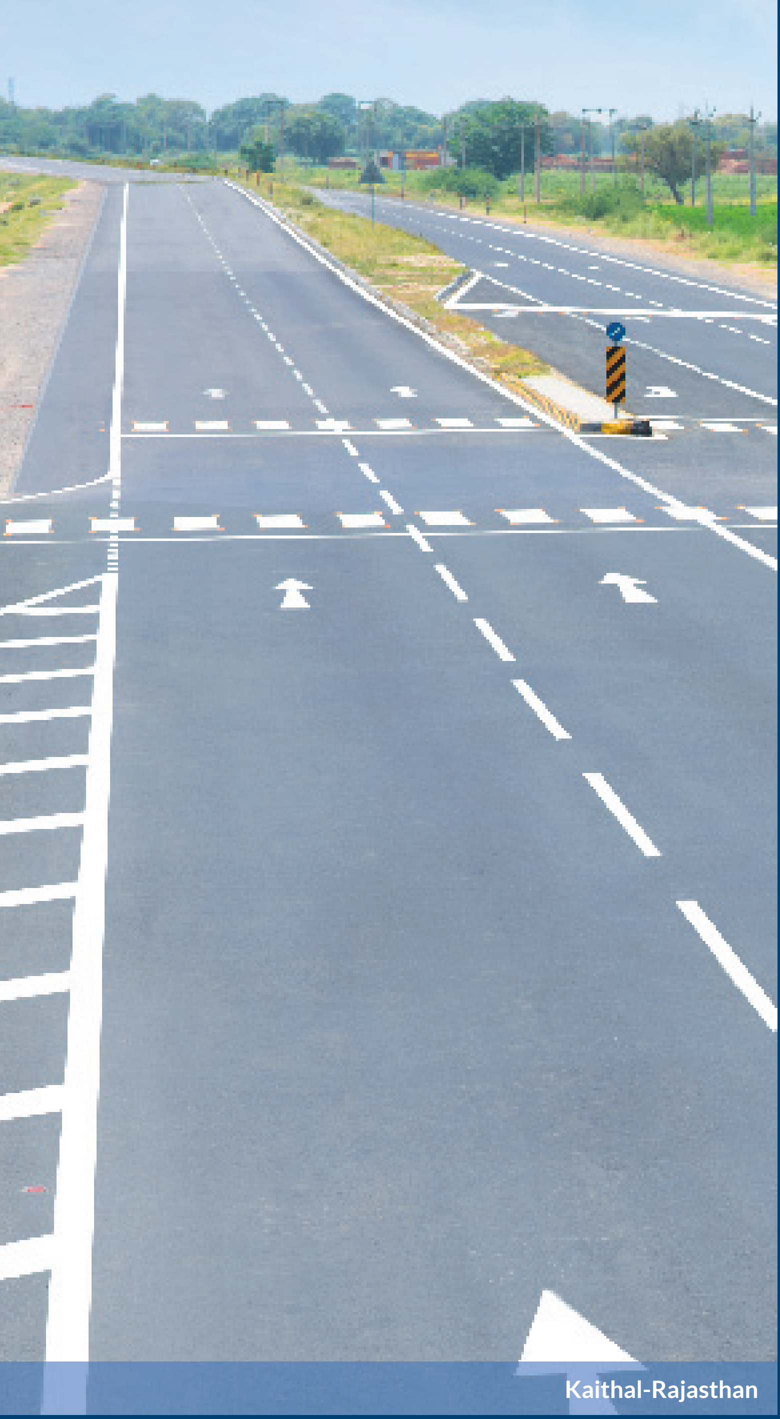
Key highlights
- Commenced construction and tolling operation at the Agra-Etawah Project
- Awarded three projects in Rajasthan from NHAI:
  - o Udaipur-Gujarat Border Project
  - o Gulabpura-Chittorgarh Project
  - o Kishangarh-Gulabpura Project
- Launched IRB InvIT Fund in May 2017

FY 2017-18
Cumulative Lane Kms:
12,800

Key highlights
- Strategic entry into HAM (hybrid annuity model) segment
- Awarded 1 BOT and 3 HAM projects from NHAI:
  - o Hapur Moradabad (BOT)
  - o Puducherry Poondiyankuppam
  - o Poondiyankuppam Sattanathapuram
  - o Vadodara Kim Expressway
- Financial closure of Udaipur-Gujarat Border, Chittorgarh-Gulabpura and Kishangarh-Gulabpura
- 5 new toll streams added – Chittorgarh-Gulabpura, Udaipur-Gujarat Border, Kishangarh-Gulabpura, Solapur-Yedeshi, Kaithal-Rajasthan

Kaithal-Rajasthan

A COMPANY. A PATH-DEFINER. A NATION-BUILDER.



Kaithal-Rajasthan

IRB is one of India's leading and most respectable road infrastructure companies.

With strong competencies in road construction, project management and engineering, and interests in 14 BOT and 3 HAM projects, it is a proxy of India's road infrastructure sector.

It contributes to the nation's socio-economic development, while building value for stakeholders.

Legacy

IRB, incorporated in 1998, has a legacy of constructing India's first BOT project and mega and ultra-mega highway projects. Over the years, we have developed core competence in BOT segment and are credited with having one of the largest BOT portfolios in the country with a cumulative length of 12,800 Lane Kms, including operational and under implementation projects.

We are the first Indian Company to set up an InvIT, IRB InvIT Fund, and have transferred seven operational assets worth ₹ 74,904 Million to it. The Trust is listed in the BSE Ltd and National Stock Exchange of India Ltd. (NSE).

Clientele

- National Highway Authority of India (NHAI)
- Ministry of Shipping, Road Transport and Highways (MoSRT&H)
- Maharashtra State Road Development Corporation Limited (MSRDC)
- Public Works Departments
- Maharashtra Industrial Development Corporation

The IRB differentiator

- Amongst the largest road infrastructure BOT portfolio with 17 BOT/HAM projects (11 tolled and 6 under various phases of development)
- Strong balance sheet position and relationship with leading financial institutions
- High credit rating facilitating low debt costs
- Integrated and efficient project execution capabilities with experienced engineering team
- Professionally managed company with skilled employee base
- Perpetual opportunity to recycle capital and monetise assets with IRB InvIT Fund

Steadfast focus reflected in track record (as on March 31, 2018)

17
BOT/HAM projects in portfolio

₹ 339,722
Million
Total value of assets in operation/under implementation

158*
Flyovers

74*
Toll plazas

11
BOT projects in operation

18.79%
Share in the Golden Quadrilateral

775*
Bridges (includes railway over bridges, major and minor bridges)

708*
Toll lanes

₹ 150,800
Million
Total Order Book

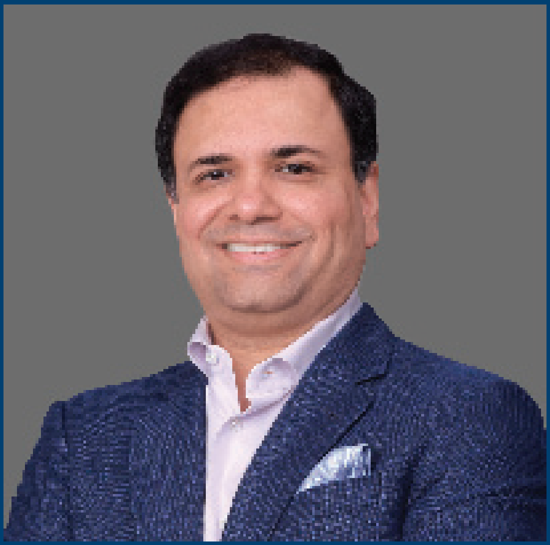
12,800
Cumulative lane Kms in BOT/HAM portfolio

216*
Vehicle underpasses

664*
Toll booths

*Includes projects under construction

A MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR



In the 10 years since our listing, our revenues have grown 7 times, EBITDA 6 times and PAT 7 times. During this period, we completed a total of 12,800 Lane Kms of road projects and to our shareholders, we paid-out a cumulative ₹ 11,041 Million in dividends.

Dear Shareholders,

FY 2017-18 was a milestone year for us. It marks the completion of 20 years of operations and the 10 years of listing on national exchanges. It is most satisfying to see the phenomenal growth that we have achieved during this period. In the 10 years since our listing, our revenues have grown 7 times, EBITDA 6 times and PAT 7 times. During this period, we completed a total of 12,800 Lane Kms of road projects and to our shareholders, we paid-out a cumulative ₹ 11,041 Million in dividends. Effectively, our planned growth and control on leverage has helped us in rewarding our shareholders with dividends every single year irrespective of the ongoing market and industry scenario.

The year also marks the successful listing of IRB InvIT Fund. Despite, a temporary slowdown due to Goods and Services Tax (GST), each of our transferred BOT assets to the Fund has shown a healthy growth in toll collections. Moreover, the Fund has delivered a resounding performance by generating high IRR (internal rate of return) of 12.1%, which is 10 basis points above the guidance given. On operational front, we expanded our presence to Hybrid Annuity Model (HAM) segment, adding 3 projects at good margins and returns totalling to ₹ 55,080 Million, other than one BOT project win of ₹ 34,200 Million.

Performance review FY 2017-18

Our performance this year reflects the success of our evolution and future readiness, as we strengthened our business model with the formation of InvIT. We transferred seven operating assets to IRB InvIT and received upfront cash amounting to ~₹ 22 Billion and 15% stake in the trust. This strategic initiative has strengthened us in multiple ways.

First, it enabled us to deleverage balance sheet (by paying off debt totalling up to ~₹ 43 Billion) and release blocked capital, because of which we could target bidding and winning record orders worth ₹ 89.3 Billion. With these wins, the EPC segment gets strong visibility over the next three years, while building a promising Toll and Annuity pipeline over subsequent years. Comfortable net debt position, surplus cash available and successful execution of these projects will enable us to fund the equity requirement for the new wins through internal accruals itself.

Second, it improved our net profit margins. In effect the cost of debt, in capital structure of the seven assets, has reduced from 10.5%-11% (at IRB) to 8.15% (at IRB InvIT) through InvIT structure and it is this arbitrage that creates additional value for investors. Corresponding to the ~15% stake in the InvIT, we will continue to receive quarterly pay-outs, which amounted to a total of ₹ 674 Million in FY 2017-18 – of which ₹ 487 Million was interest income (reported as other income in P&L) and ₹ 187 Million capital reduction (adjusted against the investment value).