CIN : L65910MH1998PLC115967
Registered Office :
3rd Floor, IRB Complex, Chandivli Farm, Chandivli Village, Andheri (E), Mumbai - 400 072.
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IRB
INFRASTRUCTURE DEVELOPERS LTD

March 19, 2015

Corporate Relationship Department,	National Stock Exchange of India Limited
The Bombay Stock Exchange Ltd	Exchange Plaza
P.J. Towers, 1st Floor,	Bandra – Kurla Complex, Bandra (East)
Dalal Street, Mumbai - 400 023.	Mumbai – 400 051
Fax No: 22722037/ 39/ 41	*Fax No: 66418125/ 26*

Dear Sir/ Madam,

Subject: Intimation of Unaudited Condensed Interim Consolidated Financial Statements as of and for the nine months ended December 31, 2014

We are pleased to inform you that, QIP Committee of Board has approved the Unaudited Condensed Interim Consolidated Financial Statements as of and for the nine months ended December 31, 2014 prepared soley for the purpose of proposed offering of equity shares through Qualified Institutional Placement.

This is for your information and record.

For IRB INFRASTRUCTURE DEVELOPERS LIMITED

Mehul Patel
Company Secretary

S.R. BATLIBOI & CO. LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
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Review Report on Condensed Interim Consolidated Financial Statements

The Board of Directors
IRB Infrastructure Developers Limited

Introduction

1. We have reviewed the accompanying Condensed Interim Consolidated Financial Statements of IRB Infrastructure Developers Limited ("the Company") and its subsidiaries, collectively the "Group", which comprise the Condensed Interim Consolidated Balance Sheet as at December 31, 2014, and the Condensed Interim Consolidated Statement of Profit and Loss and the Condensed Interim Consolidated Cash Flow Statement for the nine months period then ended, and a summary of significant accounting policies and other explanatory information, together referred to as "Unaudited Condensed Interim Consolidated Financial Statements". These Unaudited Condensed Interim Consolidated Financial Statements are the responsibility of the Company's Management and have been prepared by the Company in accordance in accordance with recognition and measurement principles laid down in Accounting Standard (AS) 25 "Interim Financial Reporting", notified under the Act (which is deemed to be applicable as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other recognised accounting practices and policies.

2. Our responsibility is to express a conclusion on these Unaudited Condensed Interim Consolidated Financial Statements based on our review.

Scope of Review

3. We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as above, and on consideration of reports of other auditors on the separate condensed interim financial statements of subsidiaries as per paragraph 5, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Consolidated Financial Statements has not been prepared, in all material respects, in accordance with recognition and measurement principles laid down in Accounting Standard (AS) 25 "Interim Financial Reporting", notified under the Act (which is deemed to be applicable as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other recognised accounting practices and policies.



IRB Infrastructure Developers Limited
Review Report for the Nine Months Period Ended December 31, 2014

Other Matters

5. We did not review the total assets of Rs. 635,256.09 lakhs as at December 31, 2014, total revenues of Rs. 28,967.56 lakhs and net cash outflows of Rs. 26,495.77 lakhs for the nine months period ended December 31, 2014, included in the accompanying Unaudited Condensed Interim Consolidated Financial Statements in respect of subsidiaries, whose condensed interim financial statement and other financial information have been reviewed by other auditors and whose reports have been furnished to us. Our conclusion, in so far as it related to the amounts included for such subsidiaries, was based solely on the reports of the other auditors.

6. The Unaudited Condensed Interim Consolidated Financial Statements have been prepared, and this report thereon, issued, solely for the purpose of the proposed offering of equity shares through a Qualified Institutional Placement. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E

Ravi Bansal
Partner
Membership Number: 49365

Place: Mumbai
Date: March 19, 2015

IRB Infrastructure Developers Limited

Condensed Interim Consolidated Balance Sheet as at December 31, 2014

(Amount in Rs.)

Particulars	Notes	December 31, 2014	March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital		3,323,641,100	3,323,641,100
Reserves and surplus		35,530,439,657	32,283,345,404
		38,854,080,757	**35,606,986,504**
Minority interest		368,484,829	356,056,598
Non-current liabilities			
Long-term borrowings		104,909,549,344	93,979,518,482
Deferred tax liabilities (net)		182,966,716	224,462,825
Other long-term liabilities (refer note 2.01(a) and 12)		215,961,912,839	657,407,015
Long-term provisions (refer note 2.21 and note 8)		1,021,898,750	2,510,094,310
		322,076,327,649	**97,371,482,632**
Current liabilities			
Short-term borrowings		9,924,212,678	8,965,141,994
Trade payables		2,572,718,616	4,078,157,330
Other current liabilities (refer note 2.01(a) and 12)		13,675,841,904	10,363,346,910
Short-term provisions		501,548,809	377,589,074
		26,674,322,007	**23,784,235,308**
Total		**387,973,215,242**	**157,118,761,042**
Assets			
Non-current assets			
Fixed assets			
Tangible assets (refer note 2.01(b))		2,672,404,920	3,008,975,576
Intangible assets (refer note 2.01(a))		316,530,077,220	82,535,055,695
Capital work-in-progress		878,714,676	482,874,916
Intangible assets under development - Toll collection rights		41,266,268,607	44,384,414,959
Deferred tax assets (net)		48,156,553	81,132,820
Non-current investments		7,772,652	13,559,835
Long-term loans and advances		3,793,481,587	3,003,324,923
		365,196,876,215	**133,509,338,724**
Current assets			
Current investments		858,197,594	131,650,957
Inventories		2,568,227,806	2,683,398,269
Trade receivable		91,683,651	55,203,770
Cash and bank balances		13,558,502,194	15,011,645,419
Short-term loans and advances		5,460,829,542	5,515,806,530
Other current assets		238,898,240	211,717,373
		22,776,339,027	**23,609,422,318**
Total		**387,973,215,242**	**157,118,761,042**

Summary of significant accounting policies 2

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the Condensed Interim Consolidated Financial Statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E

per Ravi Bansal
Partner
Membership No.: 49365

Place : Mumbai
Date : March 19, 2015

For and on behalf of the Board of Directors of
IRB Infrastructure Developers Limited

Virendra D. Mhaiskar
Chairman and Managing Director

Deepali V. Mhaiskar
Director

Anil D. Yadav
Chief Financial Officer

Mehul Patel
Company Secretary

Place : Mumbai
Date: March 19, 2015

IRB Infrastructure Developers Limited

Condensed Interim Consolidated Statement of Profit and Loss for the period ended December 31, 2014

(Amount in Rs.)

Particulars	Notes	Nine months period ended December 31, 2014	Nine months period ended December 31, 2013
Income			
Revenue from operations (refer note 12)		28,570,307,245	28,490,165,470
Other income		846,699,780	862,536,676
Total revenue (I)		**29,417,007,025**	**29,352,702,146**
Expenses			
Cost of materials consumed		3,318,089,485	3,464,590,568
Contract and site expenses		6,199,901,714	9,665,122,538
Employee benefits expense		1,366,151,039	1,247,675,395
Other expenses		1,275,317,469	995,961,106
Total expenses (II)		**12,159,459,707**	**15,373,349,607**
Earning before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)		**17,257,547,318**	**13,979,352,539**
Depreciation and amortisation (refer note 2.01(b))		5,350,896,473	3,577,747,122
Finance costs		6,804,720,753	5,463,111,640
Profit before tax		**5,101,930,092**	**4,938,493,777**
Tax expenses:			
Current tax		1,600,452,766	1,805,777,505
MAT credit entitlement		(549,325,000)	(327,580,000)
Deferred tax		(8,519,840)	(34,550,615)
Total tax expenses		**1,042,607,926**	**1,443,646,890**
Profit after tax		**4,059,322,166**	**3,494,846,887**
Attributable to:			
Owners of the parent		4,046,893,933	3,498,971,600
Minority interest		12,428,233	(4,124,713)
Earnings per equity share:	9		
[nominal value of share Rs 10/- (Dec 31, 2013 : Rs.10/-)]			
Basic		12.18	10.53
Diluted		12.18	10.53
Summary of significant accounting policies	2		

The accompanying summary of significant accounting policies and other explanatory information are an integral part of the Condensed Interim Consolidated Financial Statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E

per Ravi Bansal
Partner
Membership No.: 49365

Place : Mumbai
Date : March 19, 2015

For and on behalf of the Board of Directors of
IRB Infrastructure Developers Limited

Virendra D. Mhaiskar
Chairman and Managing Director

Deepali V. Mhaiskar
Director

Anil D. Yadav
Chief Financial Offficer

Mehul Patel
Company Secretary

Place : Mumbai
Date: March 19, 2015

IRB Infrastructure Developers Limited

Condensed Interim Consolidated Cash Flow Statement for the period ended December 31, 2014

(Amount in Rs.)

Particulars		Nine months period ended December 31, 2014	Nine months period ended December 31, 2013
Net cash flow from/(used in) operating activities	(A)	11,338,402,454	12,791,777,918
Net cash used in investing activities	(B)	(19,528,447,271)	(22,384,843,492)
Net cash from financing activities	(C)	5,833,444,444	8,551,203,971
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(2,356,600,373)	(1,041,861,603)
Cash and cash equivalents at the beginning of the period		4,431,196,862	2,566,899,025
Cash and cash equivalents at the end of the period		**2,074,596,489**	**1,525,037,422**
Summary of Significant accounting policies	2		

The accompanying Summary of significant accounting policies and other explanatory information are an integral part of the Condensed Interim Consolidated Financial Statements.

Notes :

1. All figures in bracket are outflow.
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3. The cash flow statement has been prepared under Indirect Method as per the Accounting Standard 3 'Cash Flow Statement' as notified under the companies (Accounting Standards) Rules, 2006 (as amended).

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E

per Ravi Bansal
Partner
Membership No.: 49365

S.R. BATLIBOI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

Place : Mumbai
Date : March 19, 2015

For and on behalf of the Board of Directors of
IRB Infrastructure Developers Limited

Virendra D. Mhaiskar
Chairman and Managing Director

Deepali V. Mhaiskar
Director

Anil D. Yadav
Chief Financial Offficer

Mehul Patel
Company Secretary

Place : Mumbai
Date: March 19, 2015

IRB Infrastructure Developers Limited

Summary of significant accounting policies and other explanatory information to the Condensed Interim Consolidated Financial Statements for the period ended December 31, 2014

1. **Basis of preparation**

The Condensed Interim Consolidated Financial Statements of IRB Infrastructure Developers Limited ('IRB' or 'the Company') and its subsidiary companies (collectively known as "the Group") have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and principles laid down in Accounting Standards 25 'Interim Financial Reporting', notified under the Companies Act, 1956 (Which is deemed to be applicable as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and these Condensed Interim Consolidated Financial Statements should be read in conjunction with the audited financial statements and the related notes of last audited financial statements for the year ended March 31, 2014. These Condensed Interim Consolidated Financial Statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used while preparing the financial statement of and for the year ended March 31, 2014, except as mentioned in note no. 2.01.

2. **Summary of significant accounting policies**

2.01 **Change in accounting policy**

a) **Accounting for premium / Negative Grant**

In certain road concession agreement under Design Build Finance Operating and Transfer (DBFOT) basis, 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). Till March 31, 2014, the Group was reducing the amount of such premium from Income from Toll Collection in the Statement of Profit and Loss for the road projects on which toll collection was commenced and was capitalized for the road projects under development. During the current period, the Group has re-assessed the accounting treatment on premium payments to NHAI. In order to more appropriately present the financial results of the Group, total premium payable as per the service concession agreement has been capitalized propsectively as 'Intangible Assets – Toll Collection Rights' amounting to Rs. 218,633,620,799 and amortized over the period of service concession period as per the method prescribed in Part A to the Schedule II to the Companies Act, 2013 and corresponding equivalent amount of obligation for committed premium has been recognized as liabilities.

Had the same accounting treatment for premium obligation as considered till March 31, 2014 would have been followed by the Group in the current period, the Income from Toll Collection would have been lower by Rs. 1,333,000,050; Amortization of Toll Collection Rights would have been lower by Rs. 969,051,935 and Profit before Tax would have been lower by Rs. 1,292,129,040 in the statement of profit and loss for the nine months period ended December 31, 2014 and Intangible Assets – Toll Collection Rights would have been lower by Rs. 217,664,568,865 and Other Long Term Liabilities would have been lower by 215,089,562,924 and Other Current Liabilities would have been lower by Rs. 2,211,057,825.

b) **Depreciation on fixed assets**

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Group was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. In accordance with the Schedule II to the Companies Act 2013, the carrying value of the fixed assets as at April 01, 2014 is depreciated over the revised residual life of the fixed assets and where the residual life of the fixed assets is Nil as at that date, the carrying value of the fixed assets, after retaining the residual value, if any, has been adjusted to the retained earnings (net of tax expenses). Hence, this change in accounting policy did not have any material impact on financial statements of the Group.

2.02 **Principles of consolidation**

i. The Condensed Interim Consolidated Financial Statements of the Group have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements' notified under the Companies Act, 1956 (Which is deemed to be applicable as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014).

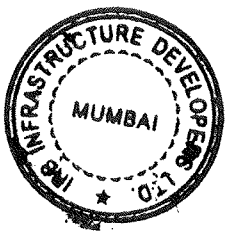
ii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements.

iii. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating all intra group transactions, balances and unrealised surpluses and deficits on transactions except as stated in point no. iv.

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

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





v. The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

vi. Goodwill arising out of acquisition of subsidiary companies is amortised over a period of ten years from the date of acquisition/investment.

vii. Minority interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of the company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of :

a) The amount of equity attributed to minority at the date on which investment in a subsidiary relationship came into existence;
b) The minority share of movement in equity since the date parent subsidiary relationship came into existence;
c) Minority interest share of net profit/(loss) of consolidated subsidiaries for the period is identified and adjusted against the profit after tax of the Group.

viii. The Companies considered in the consolidated financial statements are listed below:

Sr. No.	Name of Company	Proportion of ownership interest either directly or indirectly	
		As on December 31, 2014	As on March 31, 2014
	Subsidiaries and sub-subsidiaries:		
1	Ideal Road Builders Private Limited (IRBPL)	100%	100%
2	Mhaiskar Infrastructure Private Limited (MIPL)	100%	100%
3	Modern Road Makers Private Limited (MRMPL)	100%	100%
4	Aryan Toll Road Private Limited (ATRPL)	100%	100%
5	ATR Infrastructure Private Limited (ATRFL)	100%	100%
6	IRB Infrastructure Private Limited (IRBFL)	100%	100%
7	Thane Ghodbunder Toll Road Private Limited (TGTRPL)	100%	100%
8	IDAA Infrastructure Private Limited (IDAA)	100%	100%
9	Aryan Infrastructure Investment Private Limited (AIIPL)	66%	66%
10	NKT Road and Toll Private Limited (NKT)	100%	100%
11	MMK Toll Road Private Limited (MMK) (Subsidiary of IRBPL)	100%	100%
12	IRB Surat Dahisar Tollway Private Limited (IRBSD)	100%	100%
13	IRB Kolhapur Integrated Road Development Company Private Limited (IRBK)	100%	100%
14	Aryan Hospitality Private Limited (AHPL)	100%	100%
15	IRB Sindhudurg Airport Private Limited (IRBSA)	100%	100%
16	IRB Pathankot Amritsar Toll Road Private Limited (IRBPA)	100%	100%
17	IRB Talegaon Amravati Tollway Private Limited (IRBTA)	100%	100%
18	IRB Jaipur Deoli Tollway Private Limited (IRBJD)	100%	100%
19	IRB Goa Tollway Private Limited (IRB Goa)	100%	100%
20	IRB Tumkur Chitradurga Tollway Private Limited (IRBTC)	100%	100%
21	MRM Highways Private Limited (MRM Cement) (Subsidiary of MRMPL)	100%	100%
22	IRB Ahmedabad Vadodara Super Express Tollway Private Limited (IRBAV)	100%	100%
23	J J Patel Infrastructural and Engineering Private Limited (JJP) (Subsidiary of MRMPL)	100%	100%
24	IRB Westcoast Tollway Private Limited (IRB Westcoast) w.e.f. August 22, 2012	100%	100%
25	MVR Infrastructure and Tollways Private Limited (MVR) w.e.f. October 01, 2012	74%	74%
26	Solapur Yedeshi Tollway Private Limited (SYTPL) w.e.f. January 10, 2014	100%	100%
27	Yedeshi Aurangabad Tollway Private Limited (YATPL) w.e.f May 17, 2014	100%	-
28	Kaithal Tollway Private Limited (KTPL) w.e.f. June 11, 2014	100%	-
All the above entities are incorporated in India.			

2.03 Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.04 Fixed assets

Tangible fixed assets

Tangible fixed assets 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.

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

IRB INFRASTRUCTURE DEVELOPERS LTD. MUMBAI

Intangible assets

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

a) For acquired Toll Collection Rights - Upfront payments towards acquisition and incidental expenses related thereto.

b) Toll Collection Rights awarded by the grantor against construction service rendered by the Group on BOT / DBFOT basis - Direct and indirect expenses on construction of roads, bridges, culverts etc. and infrastructure at the toll plazas.

c) Toll Collection Rights in lieu of premium - Undiscounted premium obligation over the concession period.

Intangible assets under development

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

2.05 **Depreciation and Amortisation**

Depreciation

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 rates of depreciation for the major assets are as under:

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

Amortisation

Toll Collection Rights are amortised over the period of concession, using revenue based amortisation as prescribed in the Schedule II to the Companies Act, 2013. Under this methodology, 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.

2.06 **Impairment**

i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. Previously recognised impairment loss is increased or reversed depending on changes in circumstances.

2.07 **Leases**

Where the company is a lessee

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease payments under operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

2.08 **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 respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consists of interest and other cost that an entity incurs in connection with the borrowing of funds.

2.09 **Government Grants**

Grants and subsidies from the Government are recognised when there is reasonable assurance that (i) the Company 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.

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

IRB INFRASTRUCTURE DEVELOPERS LTD. MUMBAI

2.10 Investments

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

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

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

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

2.11 Inventories

Inventories are valued as follows:

Construction materials, components, stores, spares and tools

Lower of cost and net realisable value. Cost is determined on first in first out basis and includes all applicable costs in bringing goods to their present location and condition.

Land and plots

Land and plots are valued at lower of cost and net realisable value.
Cost includes land, cost of acquisition, legal cost and all other cost to transfer the legal and beneficial ownership of land in the name of the Company.

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

2.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Construction contracts

Contract revenue and contract cost associated with the construction of road are recognised as revenue and expenses respectively by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed upto the balance sheet date bear to the estimated total contract costs. Where the outcome of the construction cannot be estimated reliably, revenue is recognised to the extent of the construction costs incurred if it is probable that they will be recoverable. If total cost is estimated to exceed total contract revenue, the Company provides for foreseeable loss. Contract revenue earned in excess of billing has been reflected as unbilled revenue and billing in excess of contract revenue has been reflected as unearned revenue.

Operation and maintenance contracts

Revenue from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Income from toll contracts

The income from Toll Contracts on BOT basis are recognised on actual collection of toll revenue, net of revenue share payable to NHAI as per Concession Agreement.

Revenue from trading sales

Revenue from sale of goods is recognised in Statement of Profit and Loss when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order, and the income can be measured reliably and is expected to be received.

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

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

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

2.13 Foreign currency translation

Foreign currency transactions and balances

i) **Initial recognition**

Foreign currency transaction are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

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ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

Exchange difference arising on long term foreign currency monetary items related to acquisition of fixed assets are added/deducted from the cost of asset and amortised along with the construction cost.

The Group adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

2.14 **Retirement and other employee benefits**

i) Defined contribution plan

Retirement benefits in the form of provident 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.

ii) Defined benefit plan

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

iii) Leave encashment

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

iv) Actuarial gains / losses are immediately taken to Statement of profit and loss and are not deferred.

2.15 **Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961, enacted in India. Deferred income taxes reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

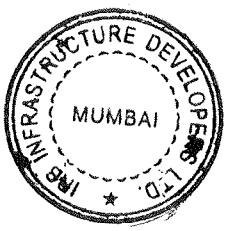
Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Group re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay income tax higher than MAT during the specified period.





2.16 **Sales Tax/ VAT/ WCT**

Sales Tax/ VAT/ WCT on construction contracts are accounted on accrual basis. The cost of Material (inputs) is accounted at purchase cost net of Value Added Tax, wherever the Group is eligible for credit.The Value Added Tax element of materials (inputs) is debited under the head "Loans & Advances" to the extent of eligibility of input credit.

2.17 **Earnings per share**

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.18 **Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

2.19 **Premium Deferment**

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

2.20 **Contingent liabilities**

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 company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

2.21 **Resurfacing expenses (Periodic Major Maintenance)**

As per the Service Concession Agreements, the Group is obligated to carry out periodic major maintenance for the roads under concession. The Group estimates the likely provision required towards the periodic major maintenance and accrues the costs on a straight line basis over the period at the end of which major maintenance will be required, in the statement of profit and loss in accordance with AS 29 "Provisions, Contingent Liabilities and Contingent Assets".

2.22 **Derivative instrument**

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate. As per the ICAI Announcement, accounting for derivative contracts, other than those covered under AS – 11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the Statement of Profit and Loss.

2.23 **Cash and cash equivalents**

Cash and cash equivalents for purpose of the cash flow statements comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.24 **Segment reporting**

Identification of segments

The Group's operating businesses are organised and managed separately taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system. The Group does not have its operations outside India.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Allocation of common costs

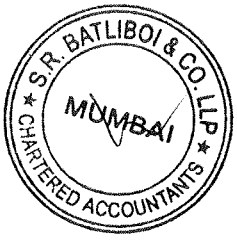
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

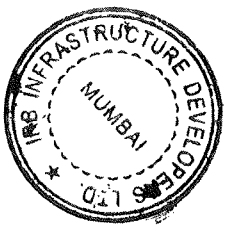
Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

2.25 **Measurement of EBITDA**

As permitted by the Guidance note on the revised Schedule VI, which is deemed to be applicable after notification of Schedule III of the Companies Act, 2013, the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Group does not include depreciation and amortisation expense, finance costs and tax expense.





Summary of significant accounting policies and other explanatory information to the Condensed Interim Consolidated financial statements for the period ended December 31, 2014

Note 3 :

a) Capital commitments (net of advances)

(Amount in Rs.)

Particulars	December 31, 2014	March 31, 2014
Estimate amount of Contract remaining to be executed on Capital account and not provided for	8,483,609	34,662,940
Commitments for acquisition of toll equipments	-	54,762,098
Total	**8,483,609**	**89,425,038**

Apart from the above capital commitments, the Group has been awarded a extension of Service Concession Agreement (SCA) for Mumbai - Pune section up to Financial Year 2022-23. As per the terms for extension of SCA, the Group is obligated to pay negative grant of Rs. 10,000,000,000/- to the regulatory authority and augment the carriageway (road). The Group is in the process to achieve the financial closure and hence the regulatory authorities have not yet awarded the appointed date for the said project.

The total commitments as on December 31, 2014 is Rs. 94,941,013,140/-. The Capital commitments are in respect of projects where the concession agreements have been signed and does not include projects where only Letters of Intents are held.

b) **Contingent liabilities not provided for**

(Amount in Rs.)

Particulars	December 31, 2014	March 31, 2014
Claims against the Company not acknowledged as debts		
For Service Tax, ESIC, Custom Duty and Stamp duty matters	109,865,559	110,003,852
Guarantees given by the Group to suppliers, government bodies and performance guarantee	5,239,470,910	6,076,045,910
Total	**5,349,336,469**	**6,186,049,762**

The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

Note 4 : **Derivative instruments and unhedged foreign currency exposure**

a) **Interest rate swaps outstanding as at balance sheet date**

Particulars of Derivatives	Purpose
Interest rate swaps outstanding as at balance sheet date Rs.8,255,759,254/- (US $ 130,357,867) (March 31, 2014 Rs. 7,844,988,683/-, US$ 130,532,692) (Notional amount)	Hedge against exposure to variable interest outflow on ECB loan. Swap to receive a variable rate equal to USD 6 month LIBOR plus margin 4.25% on the notional amount and pays fixed rate of interest of 5.80% on the notional amount.

b) **Particulars of unhedged foreign currency exposure as at the balance sheet date**

Particulars	Amount
External commercial borrowing (ECB)	Rs. 11,331,534,383/- (US $ 178,924,143 @ Closing rate of 1 USD = Rs. 63.3315) (March 31, 2014 : Rs. 10,882,465,400/- (US $ 181,073,238 @ Closing rate of 1 USD = Rs. 60.0998))

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Note 5 : Segment Information

a) The Group has identified business segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system.

b) The Group's operations predominantly relate to Road Infrastructure Projects. Other business segments reported are real estate development sector & Wind mill which has been explained below:-

The business segments of the Group comprise of the following:

Segment	Description of Activity
Road Infrastructure Projects	Development and operation of roadways
Real Estate	Real Estate Development
Others	Windmill (Sale of electricity generated by windmill), Hospitality and Airport Infrastructure

c) The Group's activities are restricted within India and hence no separate geographical segment disclosure is considered necessary.

d) For the purpose of reporting, business segment are primary segment and the geographic segment is a secondary segment.

e) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

f) The net expenses, which is not directly attributable to the Business Segment, are shown as unallocated corporate cost.

g) Assets and Liabilities that cannot be allocated between the segments are shown as a part of unallocated corporate assets and liabilities respectively.

h) Details of Business Segment information is presented below.

	Particulars	December 2014	December 2013
1	**Segment Revenue**		
a)	Road infrastructure projects	28,493,429,545	28,419,951,329
b)	Real estate	-	-
c)	Others	76,877,700	70,214,141
d)	Unallocated corporate	-	-
	Total	**28,570,307,245**	**28,490,165,470**
	Less: Inter segment revenue	-	-
	Income from operations	**28,570,307,245**	**28,490,165,470**
2	**Segment Results**		
a)	Road infrastructure projects	11,053,239,012	9,556,524,868
b)	Real estate	(745,032)	(5,717,338)
c)	Others	11,533,656	(7,662,218)
d)	Unallocated corporate	-	-
	Total	**11,064,027,636**	**9,543,145,312**
	Less: Other un-allocable income net off un-allocable expenditure	5,962,097,544	4,604,651,535
	Total profit before tax	**5,101,930,092**	**4,938,493,777**

	Particulars	December 2014	December 2013
3	**Capital employed**		
	(Segment Assets - Segment Liabilities)		
a)	Road infrastructure projects	145,555,221,573	121,966,313,867
b)	Real estate	873,765,537	826,584,507
c)	Others	1,969,601,038	1,153,305,130
d)	Unallocated corporate	(109,176,022,562)	(89,084,585,753)
	Total	**39,222,565,586**	**34,861,617,751**

1 Unallocated corporate assets includes current and non-current investments, goodwill, deferred tax assets, cash and bank balances and advance payment of income tax.

2 Unallocated corporate liabilities includes long term borrowings, short term borrowings, current maturities of long term borrowing, deferred tax liability and provision for taxation.

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Summary of significant accounting policies and other explanatory information to the Condensed Interim Consolidated financial statements for the period ended December 31, 2014

Note 6 : Related Party Disclosure

I. Names of Related Parties

a) **Enterprises owned or significantly influenced by key management personnel or their relatives (Enterprises)** (Only with whom there have been transactions during the period/year/ there was balance outstanding at the period/year end)

Aryan Construction - V. D. Mhaiskar (HUF) - Karta Mr. V D Mhaiskar, Ideal Soft Tech Park Private Limited, VCR Toll Services Private Limited, Ideal Toll and Infrastructure Private Limited, Jan Transport, MEP Infrastructure Developers Private Limited,

b) **Key Management Personnel**

Mr. Virendra D. Mhaiskar, Mrs. Deepali V. Mhaiskar , Mr. Mukeshlal Gupta , Mr. Ajay P. Deshmukh (w.e.f November 5, 2014), and Mr. Dhananjay K. Joshi

c) **Relatives of Key Management Personnel** (Only with whom there have been transactions during the period/year/ there was balance outstanding at the period/year end)

Mr. D. P. Mhaiskar (Father of Mr. Virendra D. Mhaiskar), Mr. J. D. Mhaiskar (Brother of Mr. Virendra D. Mhaiskar), Mr. S.G. Kelkar (Father in law of Mr. Virendra D. Mhaiskar), Mrs. S.D. Mhaiskar (Wife of Mr. D.P. Mhaiskar), Mrs. A.J. Mhaiskar (Wife of Mr. J. D. Mhaiskar)

II. Related Party Transactions and Balances (Amount in Rs.)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel / Relatives of Key Management Personnel	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
a)	Related Party Transactions				
1	**Dividend paid**	**176,476,554**	**269,835,831**	**229,759,056**	**352,639,704**
	V.D.Mhaiskar	-	-	223,938,440	335,907,660
	D.P.Mhaiskar	-	-	2,591,816	11,733,694
	J.D.Mhaiskar	-	-	-	170,000
	D.V.Mhaiskar	-	-	3,228,800	4,827,000
	M.L.Gupta	-	-	-	1,350
	V.D.Mhaiskar (HUF)	167,477,590	251,216,385	-	-
	Ideal Soft Tech Park Private Limited	7,420,000	11,130,000	-	-
	Ideal Toll and Infrastructure Private Limited	1,578,964	7,489,446	-	-
2	**Director sitting fees**	-	-	**1,140,000**	**962,500**
	D.P.Mhaiskar	-	-	242,500	227,500
	V.D.Mhaiskar	-	-	212,500	252,500
	J.D.Mhaiskar	-	-	85,000	162,500
	D.V.Mhaiskar	-	-	160,000	235,000
	S.G.Kelkar	-	-	80,000	80,000
	S.D.Mhaiskar	-	-	25,000	5,000
	A.P.Deshmukh	-	-	50,000	-
	D.K.Joshi	-	-	285,000	-
3	**Remuneration paid**	-	-	**69,585,750**	**66,728,503**
	V.D.Mhaiskar	-	-	29,372,247	28,037,232
	D.V.Mhaiskar	-	-	21,543,416	20,555,010
	D.P. Mhaiskar	-	-	2,552,001	2,406,880
	J.D.Mhaiskar	-	-	415,279	1,224,755
	S.D.Mhaiskar	-	-	1,570,509	1,530,945
	M.L.Gupta	-	-	7,299,725	12,973,681
	D K Joshi	-	-	4,950,213	-
	A.P.Deshmukh	-	-	1,882,360	-
4	**Rent paid**	-	-	**1,274,832**	**1,674,944**
	V.D.Mhaiskar	-	-	1,080,000	1,620,000
	D.P.Mhaiskar	-	-	134,832	44,944
	S.D.Mhaiskar	-	-	60,000	10,000
5	**Advance received**	**450,000**	-	-	-
	VCR Toll Services Private Limited	450,000	-	-	-
6	**Labour Charges Paid**	**808,081**	-		
	Aryan Construction	808,081	-		
7	**Acquisition of equity shares**	-	-	**10,295**	-
	Mr. V.D.Mhaiskar	-	-	5,154	-
	Mr. D.P.Mhaiskar	-	-	5,141	-

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Summary of significant accounting policies and other explanatory information to the Condensed Interim Consolidated financial statements for the period ended December 31, 2014

(Amount in Rs.)

Sr. No.	Particulars	Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel / Relatives of Key Management Personnel	
		December 31, 2014	March 31, 2014	December 31, 2014	March 31, 2014
b)	Related party balances at the period/year end				
1	**Loan taken**	**13,674,000**	**13,674,000**	-	-
	VCR Toll Services Private Limited	13,674,000	13,674,000	-	-
2	**Other payable**	-	-	**1,186,416**	-
	M.L.Gupta	-	-	675,636	-
	Dhananjay K. Joshi	-	-	510,780	-
3	**Other receivable**	**140,495**	**140,495**	-	-
	MEP Infrastructure Developers Private Limited	140,495	140,495	-	-
4	**Mobilisation advance given**	**2,035,834,176**	**2,035,834,176**	-	-
	Aryan Construction	2,035,834,176	2,035,834,176	-	-
5	**Advance given**	**3,004,095**	**3,004,095**	-	-
	Jan Transport	2,273	2,273	-	-
	MEP Infrastructure Developers Private Limited	3,001,822	3,001,822	-	-
6	**Advance received**	**450,000**	-	-	-
	VCR Toll Services Private Limited	450,000	-	-	-
7	**Director sitting fees payable**	-	-	**193,000**	**54,000**
	D.P.Mhaiskar	-	-	22,500	9,000
	V.D.Mhaiskar	-	-	36,000	22,500
	J.D.Mhaiskar	-	-	13,500	9,000
	D.V.Mhaiskar	-	-	-	13,500
	M.L.Gupta	-	-	-	-
	Mr. A.P.Deshmukh	-	-	56,000	-
	Mr. D.K.Joshi	-	-	65,000	-
8	**Rent Paid in Advance**	-	-	**1,295,035**	**873,376**
	V.D.Mhaiskar	-	-	1,295,035	873,376
9	**Rent Payable**	-	-	**30,225**	-
	D.P.Mhaiskar	-	-	20,225	-
	S.D.Mhaiskar	-	-	10,000	-
10	**Due to director**	-	-	**3,516,053**	**65,291,660**
	V.D.Mhaiskar	-	-	1,622,019	24,065,811
	D.V.Mhaiskar	-	-	1,227,242	22,900,171
	D P Mhaiskar	-	-	395,865	18,145,728
	J D Mhaiskar	-	-	-	81,620
	S D Mhaiskar	-	-	270,927	98,330

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Note 7 : Disclosure under Accounting Standard (AS) – 7

(Amount in Rs.)

Sr. No.	Particulars	December 31, 2014	December 31, 2013	March 31, 2014
(i)	Contract Revenue recognised as revenue in the period	14,899,941,837	19,624,115,627	25,499,660,950
(ii)	For Contracts that are in progress :			
	(a) Aggregate amount of costs incurred upto the reporting date	77,555,239,292	70,895,724,240	75,286,118,812
	(b) Recognised profits (less recognised losses) upto the reporting date	39,704,018,372	30,419,826,537	32,775,832,622
	(c) Advances received from customer for contract work	NIL	NIL	NIL
	(d) Retention money	-	160,810,994	161,144,670
(iii)	Gross amount due from customers for contract work	-	-	-
(iv)	Gross amount due to customers for contract work	-	-	-

Note 8 : Resurfacing expenses

As per the Service Concession Agreements, the Group is obligated to carry out periodic major maintenance for the roads under concession. The Group has recognized the provision in accordance with Accounting Standard (AS) – 29, *Provision, Contingent Liabilities and Contingent Assets* i.e. at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

(Amount in Rs.)

Particulars	December 31, 2014	March 31, 2014
Opening balance	2,432,747,135	2,432,747,135
Obligation on new toll projects	-	-
Utilised / Reversed during the period / year	(1,496,094,887)	-
Unused amount reversed during the period / year	-	-
Closing balance	**936,652,248**	**2,432,747,135**

The above provisions are based on current best estimation of expenses that may be required to fulfill the resurfacing obligation. The actual expense incurred at the end of the concession period may vary from the above. No reimbursements are expected from any sources against the above obligation. During the current period, the management has re-estimated provision and adjusted the provision required as at the Balance Sheet date.

Note 9 : Earning Per Share (EPS)

(Amount in Rs.)

Sr. No.	Particulars	December 31, 2014	December 31, 2013
(i)	Net profit for calculation of basic EPS (profit after tax)	4,046,893,933	3,498,971,600
(ii)	Weighted average number of equity shares in calculating basic EPS and diluted	332,364,110	332,364,110
(iii)	Basic earning per share of Rs. 10/- each (not annualised)	12.18	10.53
(iv)	Diluted earning per share of Rs. 10/- each (not annualised)	12.18	10.53

Note 10 : National Highways Authority of India (NHAI) have issued a letter to the IRBP Goa for terminating the Concession Agreement with respect to Four Laning of Goa/Karnataka Border Panaji Goa Stretch of NH 4A in the State of Goa due to inability of NHAI to resolve the matters on land acquisition, clearance of Forest & Environment Department and disputes on toll rates with the Government of Goa. The Project SPV has claimed for the compensation from NHAI towards termination of Concession Agreement. The matter is currently under Arbitration before the Arbitral Tribunal. Further in the management's opinion, the claims are adequate to recover costs already incurred and hence no provision for impairment is required to be made in the books of account.

Note 11 : During the nine months period ended December 31, 2014, the Group has paid/accrued Rs. 1,890,869,737/- 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 nine months period ended December 31, 2014 is net of the above Revenue Share to NHAI.

Note 12 : During the nine months period ended December 31, 2014, the Group has received approval of NHAI for premium deferment for Ahmedabad Vadodara Super project as well as Tumkur Chitradurga project. The Scheme will be applicable to both Projects from FY14-15 onwards. Such deferred premium is included in Long term/ Other current liabilities.

Note 13 : During the nine months period ended December 31, 2014, the Board of Directors recommended a dividend of Rs 2/- per share, the total amount to be distributed as dividend is Rs.664,728,220. The dividend has been approved in the Board meeting held on July 30, 2014 and it has since been distributed.

Note 14 : On March 9, 2007, Aryan Infrastructure Investments Private Limited (AIIPL) had awarded a contract to Aryan Constructions (a proprietary concern of Sh. V D Mhaiskar HUF) for Rs. 2,260 crores to provide amenities like internal roads, sanitation system, power supply, water supply and other utilities for the real estate project at Mauje Taje and Mauje Pimpoli Taluka, Pune. As per the terms of the agreement, AIIPL had given total advance of Rs. 204.00 Crores in the Year 2007 and 2008 to Aryan Constructions to execute the above contract. Later on, in July 2007, AIIPL became subsidiary of IRB.

However, the work on the proposed township could not be accelerated due to recessionary conditions witnessed by the real estate sector since 2008. As a result the pace of execution of work had also slowed down. AIIPL has been up-keeping the property through its Aryan Constructions. Aryan Constructions holds 34% in AIIPL.

Later on, Aryan Construction has agreed with the subsidiary that the work awarded to Aryan Construction under the subject agreement will be executed by March 31, 2017 as per the agreement. If for any reason, the infrastructure development work awarded to Aryan Construction does not get substantially completed till its estimated time of completion i.e. by March 31, 2017 as per the aforesaid contract, then Aryan Construction undertake that :

1.Contract given to Aryan Construction will be terminated as per contract terms, in March 31, 2017 and the then outstanding advance, if any will be returned to AIIPL by Aryan Construction;

2. In case Aryan Construction are unable to return the outstanding advance, Aryan Construction affirm that AIIPL is entitled to recover the outstanding mobilisation advance by appropriating the sale proceeds of Aryan Construction share holding in the AIIPL, which Aryan Construction undertake to sell to Group or any other person interested to acquire the same at the then market determined valuation to the extent of then outstanding mobilisation advance.

In order to substantiate/ support the undertaking given, Aryan Construction has pledged the shares with the Group as security.

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

IRB INFRASTRUCTURE DEVELOPERS L.T.D. MUMBAI

Summary of significant accounting policies and other explanatory information to the Condensed Interim Consolidated financial statements for the period ended December 31, 2014

Note 15 : Previous period figures
Previous period's figures have been regrouped, wherever necessary, to confirm to current period's classification.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E

per Ravi Bansal
Partner
Membership No.: 49365

Place: Mumbai
Date: March 19, 2015

For and on behalf of the Board of Directors of
IRB Infrastructure Developers Limited

Virendra D. Mhaiskar
Chairman and Managing Director

Deepali V. Mhaiskar
Director

Anil D. Yadav
Chief Financial Offficer

Mehul Patel
Company Secretary

Place: Mumbai
Date: March 19, 2015