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CIN : L65910MH1998PLC115967



June 6, 2022

Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra (E), Mumbai
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Dear Sir / Ma'am,

Ref: Scrip Code 532947; Symbol: IRB

Sub: Preliminary non-binding proposal for transfer of the Vadodara Kim Expressway Project to the IRB InvIT Fund

We wish to inform you that the Board of Directors of the Company, at its meeting held on June 6, 2022, approved a preliminary non-binding proposal dated today (“**Proposal**”) to be issued to the IRB InvIT Fund, a publicly offered and listed InvIT sponsored by the Company.

The Proposal relates to the transfer of the Vadodara Kim Expressway Project (“**VK1 Project**”), which has received a provisional completion certificate and is a revenue generating operational asset that is currently part of the portfolio of the Company. The VK1 Project involves eight-laning of the Vadodara Kim Expressway from Km 355.00 to Km 378.740 (Padra to Vadodara Section of Vadodara Mumbai Expressway) in the State of Gujarat under NHDP Phase - VI on Hybrid Annuity Mode (Phase IA-Package I). The VK1 Project is being implemented by VK1 Expressway Private Limited, a wholly-owned subsidiary of the Company at a project cost of Rs 2,094 Cr, under a concession awarded by the National Highways Authority of India.

The Proposal is preliminary, non-binding, and subject to various risks and uncertainties, including diligence, entry in to definitive agreements and obtaining approvals, including from third parties, regulatory authorities, shareholders and unitholders. There is no assurance that any transaction will be entered pursuant to the Proposal into or the terms and timing of any such transaction.

A presentation in relation to the proposed opportunity is annexed herewith.

Yours sincerely,

For and on behalf of **IRB Infrastructure Developers Limited**

Mehul Patel
Company Secretary and Compliance Officer

Proposed Opportunity: VK1 Hybrid Annuity Project

June 2022

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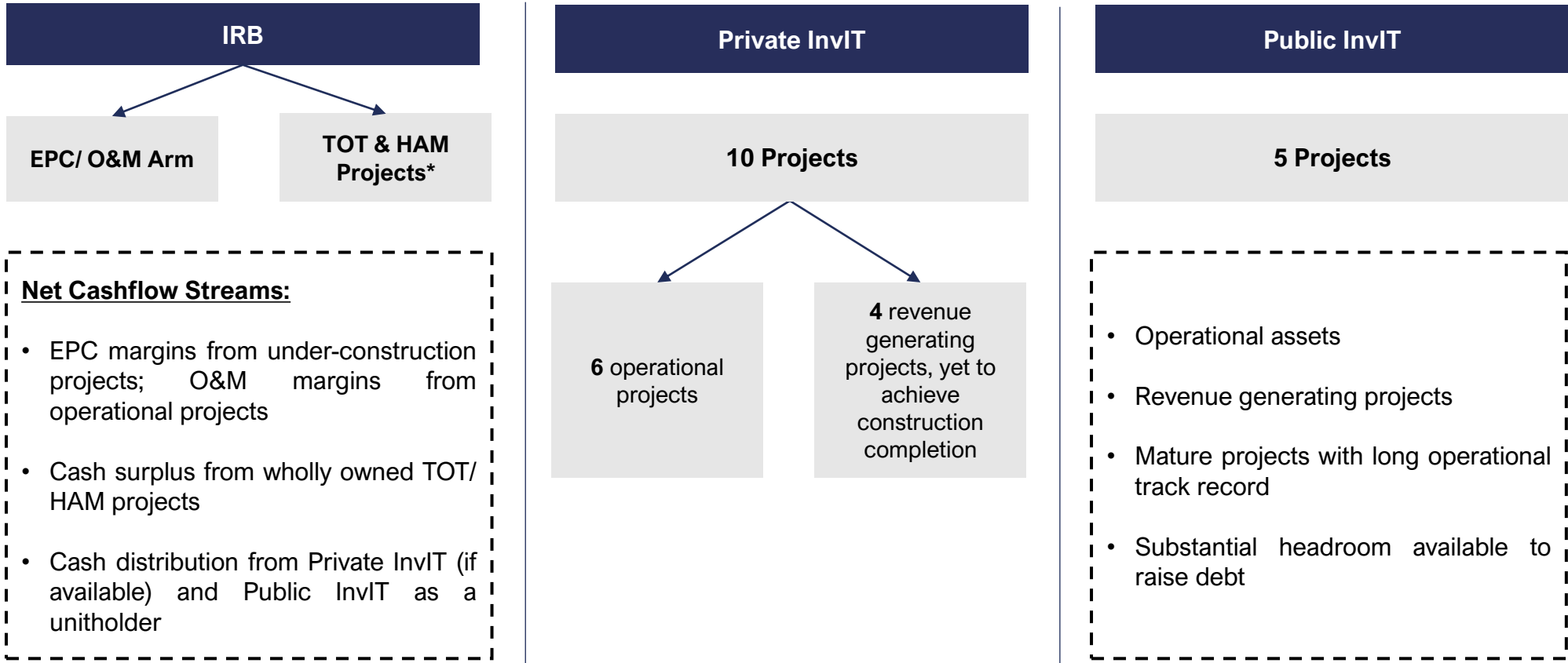
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Sponsor and InvIT Group Structure

IRB's group structure has access to different pools of capital with different cost of equity, thus optimizing the capital budgeting process



VK1 has been considered for proposed acquisition by the Public InvIT as it is a hybrid annuity project with cash flow visibility

*holds one BOT project

Rationale for proposed opportunity

IRB**

- EPC business generates PAT margin of 10% to 12%
- IRB's effective equity commitment in BOT is c. 15%* and c. 12% in HAM project
- Margins generated from EPC business are typically deployed as equity commitment in projects
- **Upon monetization at or above book value, IRB shall generate a substantially high multiple on effective invested capital**
- Monetization proceeds will augment IRB's resources for deployment into new projects which can act as a future pipeline for Public InvIT's portfolio



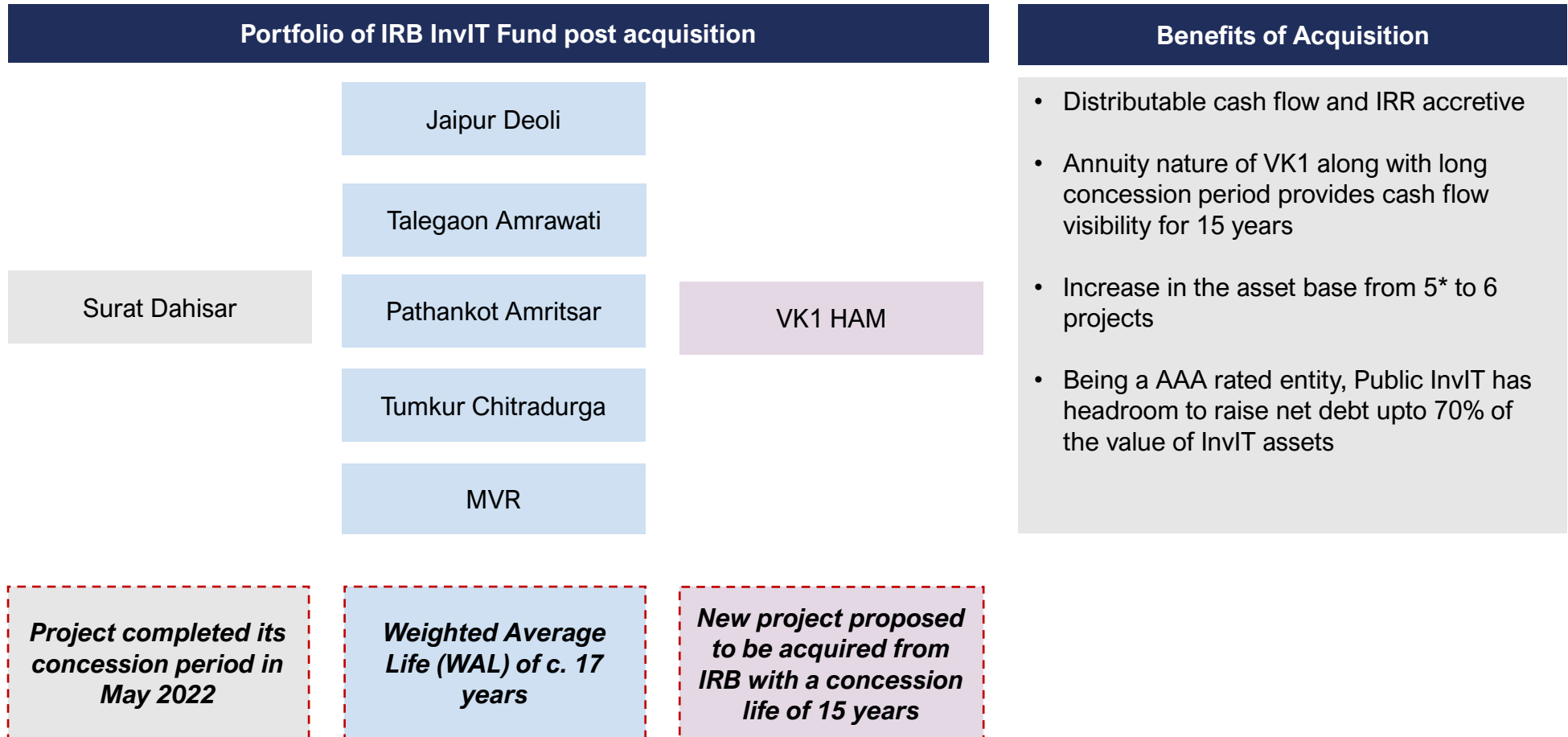
Public InvIT

- Acquiring stable revenue generating assets with optimum capital structure
- Visibility of cash flows (annuities) from NHAI (AAA rated) over a long concession period and thus balancing the overall risk profile of the portfolio
- Expected to increase distributable cash flows to unitholders
- **InvIT well positioned to fund the acquisition through debt, retained internal accruals or any other mode as may be permitted under applicable law**

* In case a BOT project is developed under the Private InvIT, the Debt: Equity of 70% : 30% shall be funded in 51:49 ratio by IRB and GIC affiliates

**Source: Investor material available on the IRB website

Potential benefits to Public InvIT



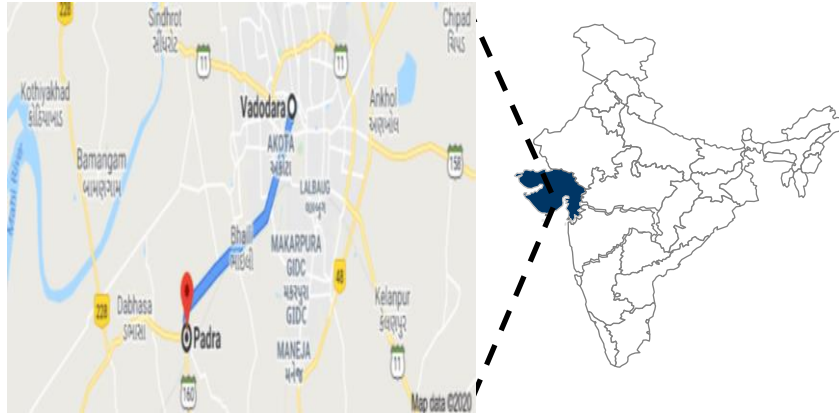
Note: As per the Concession Agreement, the VK1 Project will become eligible to be transferred by IRB in September 2022. Further, there can be no assurance that the Public InvIT will enter into definitive agreements to acquire the VK1 Project or that the proposed transaction will materialize in any form or at all.

* Concession period of Surat Dahisar project has completed in May 2022

Vadodara Kim (VK1) Expressway

Part of the Vadodara Mumbai corridor

Geographic Location



Project Highlights

- Post construction Annuity stream from NHAI to ensure a 'AAA' rated asset
- The project has three revenue streams from NHAI:
 - i) 60% of the inflation adjusted bid project cost spread across 15 years in the form of 30 biannual instalments;
 - ii) the interest on the balance annuities outstanding at the RBI's bank rate plus 300 bps will be paid with each biannual installment;
 - iii) INR 27 million per annum (the first year's O&M bid quote) adjusted for inflation will be paid with each biannual installment.

Project Snapshot

Project Description	Construction of greenfield eight lane Vadodara to Padra section of Vadodara Kim Expressway
Project Cost (INR mn)	20,940
Project Road Length	23.7 Km
Toll/Annuity	Hybrid Annuity Mode (HAM)
Current Status	Operational*
Awarding Authority	NHAI
Appointed Date	January 18, 2019
Concession Period	15 years from COD
PCOD*	April 2022
Expected Annuity (Annual)	INR 1,690 Mn

Capital Structure (INR mn)

Project Cost	20,940
<i>Means of Finance on completion</i>	
External Debt	9,810
Equity / Sub-Debt	2,830
Grant from NHAI	8,300
Total	20,940

* PCOD of 98.8% achieved

Thank You

Press Release

IRB Infra plans to offer Vadodara Kim Expressway HAM Project to the IRB InvIT Fund; Company's Board approves the proposal

- **Vadodara Kim Expressway is part of prestigious Delhi Mumbai Expressway**
- **The Vadodara Kim stretch is of 23.740 Kms (Approx. 190 Lane Kms) and has Project cost outlay of ~ Rs.2,094 Crores**
- **The project recently received Provisional COD and is revenue generating**
- **The proposal is non-binding offer**

Mumbai, June 6, 2022: IRB Infrastructure Developers Ltd. has offered its Vadodara to Kim Expressway project, being developed under Hybrid Annuity Model, to its Public InvIT, IRB InvIT Fund.

The Company Board, in its Board Meeting held today has approved the preliminary non-binding proposal for transfer of the said project to the IRB InvIT Fund, which is a publicly offered and listed Infrastructure Investment Trust sponsored by the Company.

While commenting on the development, Mr. Virendra D. Mhaskar, Chairman & Managing Director of the Company said, ***“As next step to our strategy of unlocking capital to fuel further growth, we have presented a non-binding offer via Concept paper for transfer of our first HAM asset – VK1 to IRB InvIT Fund. The project offers meaningful cashflow visibility over 15 years to the Public InvIT and the transaction will release cash to IRB to fund its future pipeline. Post interaction with Public InvIT and its unitholders, formal offer will be made to take the process forward. We are hopeful of successfully closing the transaction within this calendar year.”*** He added, ***“This would bring a win-win situation while enhancing value for all Stakeholders of IRB Infra and IRB InvIT Fund.”***

To re-iterate, the Vadodara Kim Expressway Project had recently received a provisional completion certificate and is revenue generating operational asset that is currently part of Company's portfolio. It is eight-laning of the Vadodara to Kim stretch in the State of Gujarat under NHDP Phase-VI under the Hybrid Annuity Mode (Phase IA-Package I) with the cost outlay of Rs. 2,094 Crores.

The VK1 Project is being implemented by VK1 Expressway Private Limited, a wholly-owned subsidiary of the Company, under a concession awarded by the National Highways Authority of India.

About IRB Infrastructure Developers Ltd:

IRB Infrastructure Developers Ltd (IRB) is India's first Multinational Infrastructure player in Highways segment.

As the largest integrated private toll roads and highways infrastructure developer in India, IRB has an asset base of over Rs. 60,000 Crs. in 10 States across the parent company and two InvITs.

The Company has strong track record of constructing over 15,500 lane Kms pan India in 3 decades and has an ability to construct over 500 Kms in a year.

It has approx. 20% share in India's prestigious Golden Quadrilateral project, which is the largest by any private infrastructure developer in India.

At present, IRB Group's portfolio (including Private and Public InvIT) has 22 road projects that include 17 BOT, 1 TOT and 4 HAM projects.

For further details, please contact:

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