

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Unaudited Consolidated Interim Financial Statements of the Trust for the quarter ended 30 June 2020

To the Board of Directors of Indian Technocrat Limited (As the Investment Manager of Oriental InfraTrust)

Introduction

1. We have reviewed the accompanying unaudited Consolidated Interim Financial Statements of Oriental InfraTrust ('the Trust') and its subsidiaries (the Trust and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the unaudited Consolidated Interim Financial Statements), which comprises of unaudited Consolidated Interim Balance Sheet as at 30 June 2020, the unaudited Consolidated Interim Statement of Profit and Loss (including Other Comprehensive Income) and the unaudited Consolidated Interim Statement of Cash Flows for the quarter then ended, and other explanatory information (together hereinafter referred to as the "unaudited Consolidated Interim Financial Statements"). The preparation and presentation of the unaudited Consolidated Interim Financial Statements is the responsibility of Indian Technocrat Limited ('the Investment Manager') and have been approved by the Investment Manager's Board of Directors. Our responsibility is to express a conclusion on the unaudited Consolidated Interim Financial Statement based on our review, which has been prepared by the Investment Manager in accordance with the basis of preparation described in Note 2 to the accompanying unaudited Consolidated Interim Financial Statements.

Scope of Review

2. We conducted our review of the unaudited Consolidated Interim Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India (the 'ICAI'). 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 the Standards on Auditing issued by the ICAI, 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.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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Independent Auditor's Review Report on Unaudited Consolidated Interim Financial Statements of the Trust for the quarter ended 30 June 2020 (Cont'd)

Conclusion

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the unaudited Consolidated Interim Financial Statements is not prepared, in all material respects, in accordance with the basis of preparation set forth in Note 2 to the unaudited Consolidated Interim Financial Statements.

Other Matter

4. We did not review the unaudited financial information of 5 subsidiaries included in the unaudited Consolidated Interim Financial Statements, whose financial information reflects total assets of ₹ 101,141.98 millions as at 30 June 2020, and total revenues of ₹ 2,891.05 millions, total net loss after tax of ₹ 666.42 millions, total comprehensive loss of ₹ 666.50 millions and cash outflows (net) of ₹ 558.88 millions for the quarter ended on 30 June 2020 as considered in the unaudited Consolidated Interim Financial Statements. These unaudited Consolidated Interim Financial Statements have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors. Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

Basis of Accounting and Restriction on distribution or use

5. We draw attention to Note 2 to the unaudited Consolidated Interim Financial Statements, which describes the basis of preparation used by the Investment Manager for the preparation of the accompanying unaudited Consolidated Interim Financial Statements. The accompanying unaudited Consolidated Interim Financial Statements have been prepared in accordance with special purpose framework, solely for submission to be made by Investment Manager with National Stock Exchange of India as an additional information for the unit holders of the Trust and therefore it may not be suitable for another purpose. This review report is issued solely for the aforementioned purpose and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Manish Agrawal

Partner

Membership No. 507000

UDIN: 20507000AAAACQ1280

Place: Ghaziabad

Date: 14 August 2020



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Independent Auditor's Review Report on Unaudited Consolidated Interim Financial Statements of the Trust
for the quarter ended 30 June 2020 (Cont'd)

Annexure 1

List of subsidiaries included in the unaudited Consolidated Interim Financial Statements

- a. Oriental Pathways (Indore) Private Limited
- b. Oriental Nagpur Bye Pass Construction Private Limited
- c. Oriental Nagpur Betul Highway Limited
- d. Etawah - Chakeri (Kanpur) Highway Private Limited
- e. OSE Hungund Hospet Highways Private Limited



Oriental InfraTrust
 Unaudited Consolidated Balance Sheet as at 30 June 2020
 (All amounts in ₹ millions unless otherwise stated)

Particulars	As at 30 June 2020 (Unaudited)
ASSETS	
Non-current assets	
Property, plant and equipment	213.66
Intangible assets	86,080.85
Financial assets	
Loans	5.50
Others financial assets	27,986.21
Non-current tax assets (net)	312.49
Other non-current assets	118.69
Total non-current assets	114,717.40
Current assets	
Financial assets	
Investments	3,036.12
Trade receivables	81.26
Cash and cash equivalents	2,270.10
Bank balances other than cash and cash equivalents above	3,111.44
Others financial assets	8,127.62
Other current assets	208.95
Total current assets	16,835.49
Total assets	131,552.89
EQUITY AND LIABILITIES	
EQUITY	
Initial settlement amount	0.02
Unit capital	58,307.88
Other equity	(4,105.17)
Total equity	54,202.73
LIABILITIES	
Non-current liabilities	
Financial liabilities	
Borrowings	47,823.27
Other financial liabilities	13,678.86
Provisions	1,149.24
Deferred tax liabilities (net)	5,635.35
Total non-current liabilities	68,286.72
Current liabilities	
Financial liabilities	
Trade payables	4.56
(a) Total outstanding dues of micro enterprises and small enterprises	586.95
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	8,195.90
Other financial liabilities	222.28
Other current liabilities	1.07
Provisions	52.68
Current tax liabilities (net)	9,063.44
Total current liabilities	77,350.16
Total liabilities	131,552.89
Total equity and liabilities	131,552.89



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Oriental InfraTrust

Unaudited Consolidated Interim Statement of Profit and Loss for the quarter ended 30 June 2020

(All amounts in ₹ millions unless otherwise stated)

Particulars	01 April 2020 to 30 June 2020
	<i>(Unaudited)</i>
Income	
Revenue from operations	2,476.36
Other income	198.08
Total income	2,674.44
Expenses	
Operating expenses	303.41
Employee benefits expense	52.12
Finance costs	1,562.14
Depreciation and amortisation expense	707.35
Other expenses	116.67
Total expense	2,741.69
Loss before tax for the quarter	(67.25)
Tax expense:	
Current tax (including earlier year taxes)	141.25
Deferred tax	12.29
Total tax expense	153.54
Net loss after tax for the quarter	(220.79)
Other comprehensive income	
Items that will not be reclassified to profit or loss	
Re-measurement losses on defined benefit obligations	(0.08)
Income tax relating to these items	-
Total other comprehensive income for the quarter	(0.08)
Total comprehensive income/(loss)	(220.87)



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Oriental InfraTrust

Unaudited Consolidated Interim Statement of Cash Flows for the quarter ended 30 June 2020

(All amounts in ₹ millions unless otherwise stated)

Particulars	01 April 2020 to 30 June 2020
	<i>(Unaudited)</i>
A. Cash flow from operating activities	
Loss before tax	(67.25)
Adjustment for:	
Depreciation and amortisation expense	707.35
Gain on investments carried at fair value through profit or loss (net)	(83.89)
Excess provisions written back	(44.16)
Interest income	(1,091.81)
Unwinding finance cost on deferred payment to National Highway Authority of India (NHAI) for purchase of right to charge users of toll road	280.16
Finance cost on deferred payment liabilities to NHAI	71.59
Unwinding of discount on provisions and financial liabilities carried at amortised cost	15.10
Advances and other balance written off	0.14
Allowance for expected credit loss	1.05
Finance cost	1,193.20
Operating profit before working capital changes and other adjustments	981.48
Working capital changes and other adjustments:	
Trade receivables	39.84
Other financial assets	17.01
Other assets	(23.23)
Trade payables	(50.78)
Provisions	(25.30)
Financial liabilities	42.47
Other liabilities	7.19
Net cash flow from operating activities after working capital changes	988.69
Income tax paid (net)	(99.32)
Net cash flow from operating activities (A)	889.37
B. Cash flow from investing activities:	
Acquisition of property, plant and equipment	(0.22)
Movement in bank deposits (net)	(115.08)
Purchase of current investments	(2,193.12)
Proceeds from sale of current investments	4,240.45
Interest received on bank deposits and others	67.87
Net cash flow from investing activities (B)	1,999.90
C. Cash flow from financing activities:	
Repayment of non-convertible debentures	(116.39)
Repayment of non-current borrowings	(357.12)
Finance costs paid	(588.87)
Distribution made to unit-holders	(1,900.00)
Net cash used in financing activities (C)	(2,962.38)
Net decrease in cash and cash equivalent (A+B+C)	(73.11)
Cash and cash equivalent at the beginning of the quarter	2,343.21
Cash and cash equivalent at the end of the quarter	2,270.10



Note: The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

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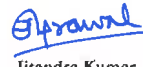

Oriental InfraTrust

Notes to the unaudited consolidated interim financial statements of Oriental InfraTrust for the quarter ended 30 June 2020

- 1 The unaudited consolidated interim financial statements of Oriental InfraTrust ('Trust') for the quarter ended 30 June 2020 have been reviewed by the Audit Committee of Indian Technocrat Limited ('ITL') ('Investment Manager' of Trust) at their meeting held on 14 August 2020 and approved by the Board of Directors of the Investment Manager at their meeting held on 14 August 2020. The statutory auditors have issued an unmodified review report on these unaudited consolidated interim financial statements.
- 2 The unaudited consolidated interim financial statement comprises the Consolidated Unaudited Balance Sheet as at 30 June 2020, the Consolidated Unaudited Statement of Profit and Loss, the Consolidated Unaudited Cash Flow Statement and explanatory notes thereto of the Oriental InfraTrust ('the Trust') and its subsidiaries (the Trust and its subsidiaries together referred to as 'the Group'), for the quarter ended 30 June 2020 ('the Statement'). The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34') read with 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 and other accounting principles generally accepted in India. However, it is not a complete or condensed set of financial statements under Ind AS 34 since it omits various disclosures required by Ind AS 34. The Statement has been prepared solely for submissions to be made by the Investment Manager with the National Stock Exchange of India as an additional information for the unitholders of the Trust and therefore it may not be suitable for another purpose.
- 3 The Trust was registered as an irrevocable Trust under the provisions of the Indian Trusts Act, 1882 on 15 June 2018. Trust was registered as an Infrastructure Investment Trust under the InvIT Regulations on 26 March 2019 having registration number IN/ InvIT/ 18-19/ 0011.
- 4 The Board of Directors of the Investment Manager have declared distribution of ₹ 3.26 (rounded off) per unit amounting to ₹ 1900 millions in their meeting held on 1 June 2020 and subsequent to the quarter end declared distribution of ₹ 1.21 (rounded off) per unit amounting to ₹ 707 millions in their meeting held on 14 August 2020.
- 5 The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Trust. Slowdown in traffic was witnessed from mid of March 2020 owing to outbreak of COVID-19 in India. Subsequently, vide letter no. H-25016/01/2018-Toll dated 25 March 2020 issued by Ministry of Road Transport and Highways (MoRTH) toll collections were suspended from 26 March 2020 to 19 April 2020. In accordance with the concession agreements with NHAI and notifications issued by MoRTH, management is entitled to claim loss of revenue for the impacted period and for which management is evaluating and under process of getting the claims. Further, the economic activities have been gradually resumed as per the directions of the Government of India and is expected to improve further in the coming quarters and the management has considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions. Given the uncertainties, the final impact on Trust's assets in future may differ from that estimated as at the date of approval of these unaudited consolidated interim financial statements.
- 6 During the current quarter, Court of Collector of Stamps, Jaipur - 1, passed an order against one of the subsidiary company of Trust and raised a demand of ₹ 2,140 millions (approx.) in relation to stamp duty (plus interest and penalty) applicable on financing agreements executed by the subsidiary company with certain banks in earlier periods. Management of the subsidiary company has filed the writ petition for quashing of the said order and based on legal advice, believe that no liability will devolve on the subsidiary company. Further, Board of Directors of investment manager of the Trust is confident, based on the legal advice and fact that any liability which may arise will be borne by sponsors of the Trust namely, Oriental Structural Engineers Private Limited and Oriental Tollways Private Limited, and no liability will devolve on the Trust.
- 7 All values are rounded to the nearest millions, unless otherwise indicated. Certain amounts that are required to be disclosed and do not appear due to rounding-off are expressed as 0.00.



**For and on behalf of Board of Directors of
Indian Technocrat Limited
(as Investment Manager of Oriental Infra Trust)**

 Manish Satnaniwala Chief Financial Officer	 Jitendra Kumar Chief Executive Officer	 Sanjit Bakshi Director DIN: 00020852
Place: New Delhi Date: 14 August 2020	Place: New Delhi Date: 14 August 2020	Place: London Date: 14 August 2020