



“Chairman’s Message”

The year FY2024-25 marked a pivotal period for Noida Toll Bridge Company Limited (NTBCL), a listed infrastructure company and part of the IL&FS Group. The year was shaped by significant legal and regulatory developments, deepening public discourse around public-private partnerships, and ongoing efforts to protect shareholder and lender value amidst an evolving infrastructure resolution landscape.

Legal Developments and Concession Continuity

The Hon’ble Supreme Court, while upholding earlier decisions that discontinued toll collection on the DND Flyway, dismissed NTBCL’s Review Petition on May 9, 2025.

Importantly, the Court did not terminate the Concession Agreement. Instead, by applying the Doctrine of Severability, it retained the validity of the contract minus Article 14 (return formula). Thus, NTBCL continues to hold contractual rights and responsibilities as the designated concessionaire.

Termination of the Concession, if ever contemplated by NOIDA, must follow the explicit procedures laid out in the agreement, including financial settlement with the concessionaire and secured lenders. The agreement does not provide for unilateral handover or arbitrary termination.

Furthermore, any termination action cannot proceed without fully compensating secured lenders. Binding loan agreements and financing documents clearly outline lender rights, and any breach of these obligations would risk significant legal and financial repercussions.

Shareholder and Lender Protection

Shareholders of NTBCL have every reason to be proud of the DND Flyway—the infrastructure they helped bring to life through their investment. However, it is understandable that many may feel shortchanged on the overall returns they have received, especially in light of recent adverse judicial outcomes.

With over 60,000 shareholders holding approximately 70 per cent of the Company’s equity, NTBCL is acutely aware of its fiduciary duty.

The misconception that NTBCL has already recovered its entire investment is not contractually or financially accurate. The Concession Agreement entitles NTBCL to recover the “Total Cost of the Project and a Reasonable Return,” to be assessed by an Independent Auditor and Engineer—a process that remains incomplete.

The Company has been regularly engaging with its shareholders, taking their concerns and inputs into account while shaping its legal and strategic approach. These consultations have helped ensure that shareholder interests remain at the core of NTBCL’s decisions.

The Company remains committed to protecting shareholder value and advocating for a just, transparent, and contractual resolution to the issues that have impacted investor confidence.

Upholding Infrastructure Excellence

Despite the cessation of toll revenues since 2016, NTBCL has continued to maintain the DND Flyway to exemplary standards. In FY2023-24, the Company spent ₹6 crore on upkeep and has allocated an additional ₹5 crore in FY2025-26 for its upkeep despite severe financial constraints..

These efforts were carried out without direct revenue inflows from toll and are a testament to the Company’s unwavering commitment to infrastructure integrity, user safety, and civic responsibility.

This commitment reflects a deeper philosophy: infrastructure is not just about tolls and returns; it’s about enabling lives, cities, and economies to move forward efficiently and safely.

As the DND Flyway completes over 25 years of service, independent technical assessments have recommended an estimated ₹100 crore investment to strengthen the structural integrity of the bridge and

extend its lifespan by another 50 years.

Both NOIDA and Delhi authorities have supported this initiative in principle, but adequate financial provisioning remains pending. NTBCL stands ready to undertake this work in public interest, subject to clarity on funding mechanisms and regulatory support.

It is also disheartening to note that while (rightfully so) private infrastructure projects like DND are routinely subjected to intense public, legal, and media scrutiny, but comparable levels of accountability are not always enforced on government-built infrastructure.

Public-private initiatives must be judged with uniform standards of transparency, performance, and delivery. An imbalanced scrutiny regime risks discouraging private investment in national infrastructure priorities.

Public-Private Partnerships: Reflections and Resilience

The NTBCL experience has reignited critical conversations around Public-Private Partnerships (PPP). While the judiciary rightfully prioritizes public interest, retrospective reinterpretation of fully approved, government-backed contracts introduces uncertainty for private investors.

India’s infrastructure financing relies on predictability, sanctity of contracts, and equitable risk-sharing. The DND case should serve as a point of institutional reflection, encouraging evolution—not erosion—of PPP frameworks.

NTBCL’s case underscores the need for well-calibrated governance in long-gestation projects. Contracts approved by multiple statutory bodies—including NOIDA itself, which had representation on NTBCL’s Board—should not be revisited in isolation and certainly not midway. Investor and lender confidence in PPPs must be preserved to attract private capital at scale.

As India aspires to become a developed nation by 2047, infrastructure will be central to this transformation. High-quality, sustainable, and investor-friendly assets will be the bedrock of national competitiveness.

NTBCL believes that safeguarding the interests of all stakeholders—commuters, investors, governments, and lenders—is crucial in building trust and unlocking future-ready infrastructure.

The DND experience offers vital lessons in resilience, responsibility, and reform.

NTBCL RESOLUTION UNDER IL&FS FRAMEWORK

NTBCL is classified as a “red entity” within this framework, basis its financial position. The IL&FS Group’s resolution progress helps to strengthens NTBCL’s ability to pursue a fair and lawful settlement path.

However, efforts by IL&FS to monetize NTBCL as part of its resolution strategy have been significantly impeded by recent judicial outcomes.

In terms of equity ownership, IL&FS Networks Limited (ITNL), an IL&FS company, holds 26.37 per cent, whereas the balance 73.63 per cent is held by Govt. Authority/ Public / Institutions.

Further, NTBCL has a subsidiary, ITNL Toll Management Services Limited (“ITMSL”), in which NTBCL holds 51 per cent and balance 49 per cent is held by ITNL. The Company was in receipt of a Copy of the resolution passed by the Board of Directors of ITNL, wherein the New Board of IL&FS, in its meeting held on December 22, 2022 approved conducting a Swiss Challenge process for sale of ITNL’s entire equity stake in NTBCL.

Further, the New Board of IL&FS, on February 19, 2023, approved divestment of ITNL’s 49 per cent equity stake in ITMSL along with sale of ITNL’s entire equity stake in NTBCL under the approved Swiss Challenge process (together “NTBCL Transaction”).

Subsequently, the Boards of ITNL (February 24, 2023), NTBCL (March 17, 2023) and ITMSL (March 17, 2023) too approved undertaking the NTBCL Transaction.

However, the New Board of IL&FS, in its meeting held on March 13, 2024 have cancelled the Swiss Challenge Process and have approved the divestment of its 100 per cent holding in NTBCL and ITMSL through Public Sale Process.

The Supreme Court ruling and subsequent dismissal of the review petition have adversely impacted the perceived valuation of NTBCL, limiting its attractiveness for investors and directly affecting the expected recovery for secured creditors—particularly banks that extended public funds to the project.

This poses systemic implications not only for IL&FS's resolution metrics but also for broader infrastructure financing models and its shareholders that rely on judicial certainty and enforceable contracts. In its multi-year debt resolution plan, significantly improving the financial context in which NTBCL operates:

IL&FS Group Resolution: Strengthening NTBCL's Strategic Position

The IL&FS Group—which includes NTBCL—has made substantial progress in its multi-year debt resolution plan, significantly improving the financial context in which NTBCL operates:

- As of March 2025, the Group has resolved ₹45,281 crore of debt, completing resolution for 197 out of 302 entities. This marks nearly 61 per cent of the ₹99,355 crore external debt, surpassing the ₹61,000 crore provisional resolution target.
- Resolution has been achieved through a combination of asset monetization, servicing of operating debt, and distributions to creditors through cash and InvIT units.
- Only 57 entities remain under moratorium.

Potential Opportunities:

As India gears up for long-term infrastructure-led growth, high-quality assets like the DND Flyway will become even more critical. DND sits at the nexus of a growing multimodal corridor—where the upcoming Mumbai-Delhi Expressway terminates near Ashram, and where key

connectivity enhancements through Barapullah and Ashram flyover extensions are underway.

These projects further cement DND's role as a vital intercity connector, making it indispensable to Delhi-NCR's transport ecosystem.

Additionally, DND's strategic location and surrounding real estate potential offer new possibilities. With structured development rights and policy clarity, the corridor could unlock long-term value through urban integration, commercial leasing, or land-use reconfiguration—all of which could supplement infrastructure upkeep and reduce fiscal stress.

Risk, Litigations and Compliance

A separate annexure detailing all risks faced and compliance undertaken by the company, including Tax demands, developments in human relations and industrial relations, internal systems and adequacy, financial performance and ratios, litigation matters and orders by regulators and courts is being shared separately

The Way Forward

NTBCL, in consultation with IL&FS and legal advisors, continues to explore legal remedies including the Curative Petition route. It also stands prepared for negotiated resolutions that are aligned with the IL&FS Group's broader resolution framework, which has already addressed over 65 per cent of total group debt.

Our engagement with authorities remains constructive. We reiterate our commitment to lawful resolution, equitable treatment of financial stakeholders, and long-term asset stewardship. NTBCL will continue to act as a responsible corporate citizen, committed to both public value and investor trust.

Sincerely,

Nand Kishore
Chairman
Noida Toll Bridge Company Limited