

Annual Report
2012-13

 | Transportation

RESOLUTE AND FOCUSED

CONSISTENT
PERFORMANCE



INCREASING
ROAD NETWORK



RESILIENT
BUSINESS MODEL



LONG-TERM
SUSTAINABILITY



SOCIETAL
RELEVANCE



THE ANNUAL GENERAL MEETING WILL BE HELD AT

Y. B. Chavan Auditorium
Gen. J. Bhosale Marg, Mumbai 400 001
on Thursday, August 8, 2013 at 3.30 pm

What's inside?

2-41

CORPORATE OVERVIEW

ITNL - An Introduction	2
Performance Highlights	4
Operational Highlights	6
Chairman's Message	8
Consistent Performance	10
Increasing Road Network	12
Resilient Business Model	14
Long-term Sustainability	16
Societal Relevance	18
Portfolio of Road Projects	22-36
Projects Under Operation	22
Projects Under Construction	28
Projects Under Development	33
Urban Transportation Projects	35
Largest Private Sector BOT	37
Board of Directors	38
Awards and Accolades	40
Corporate Information	41

42-65

BOARD AND MANAGEMENT REPORTS

Management Discussion and Analysis	42
Directors' Report	52
Report on Corporate Governance	56

66-182

FINANCIALS

Standalone Financial Statements	66-115
Auditors' Report	66
Balance Sheet	68
Statement of Profit and Loss	69
Cash Flow Statement	70
Notes	72
Consolidated Financial Statements	116-182
Auditors' Report	116
Consolidated Balance Sheet	118
Consolidated Statement of Profit and Loss	119
Consolidated Cash Flow Statement	120
Notes	122
NOTICE	183

Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

You could call us an enterprise or change agent or even an infrastructure developer. Whatever the name, our societal role remains the same: we build roads that represent the lifeline of India's economy and society. The growth of a country often mirrors the dynamism of its road sector. This underlines the economic and social relevance of our business

Despite business challenges and economic volatilities, we pursue our passion resolutely, with an eagle-eye focus

At ITNL, we have demonstrated our resoluteness and focus through five core factors that characterise us as a Company

CONSISTENT
PERFORMANCE



INCREASING
ROAD NETWORK



RESILIENT
BUSINESS MODEL



LONG-TERM
SUSTAINABILITY



SOCIETAL
RELEVANCE



We believe these will continue to strengthen our foundation and reinforce our ambition, as we prepare to embark on the next phase of our exciting journey

And you're invited to

enjoy the ride

ITNL - An Introduction



Delhi Noida Toll Bridge

13,161 lane kms
ROAD ASSETS PORTFOLIO

6,318 lane kms
OPERATIONAL PORTFOLIO

**ISO 9001:2008,
ISO 14001:2004 and
OHSAS 18001:2007
CERTIFIED**

IL&FS Transportation Networks Limited (ITNL) is a leading surface transportation infrastructure Company and one of the largest BOT road operators, with the illustrious parentage of Infrastructure Leasing & Financial Services Limited (IL&FS)

ITNL is involved in the development, operations and maintenance of surface transportation infrastructure projects encompassing national and state highways, roads, tunnels, flyovers and bridges. ITNL has established a diverse project portfolio in the BOT road segment and made successful inroads in non-road sectors like metro rail, bus transportation and border entry points

ITNL has set up an international multi-segment footprint spanning road and urban infrastructure sectors

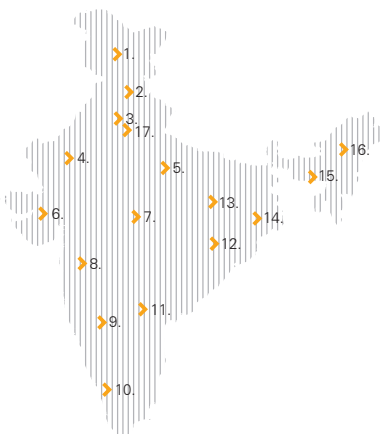
ITNL has promoted and developed a large portfolio of road sector projects with a significant developmental role. It will build upon its reputation for on-time project delivery within the budgeted cost and transform the face of the surface transportation infrastructure in the country through better engineering, monitoring and use of latest technology



ENROUTE TO SUCCESS

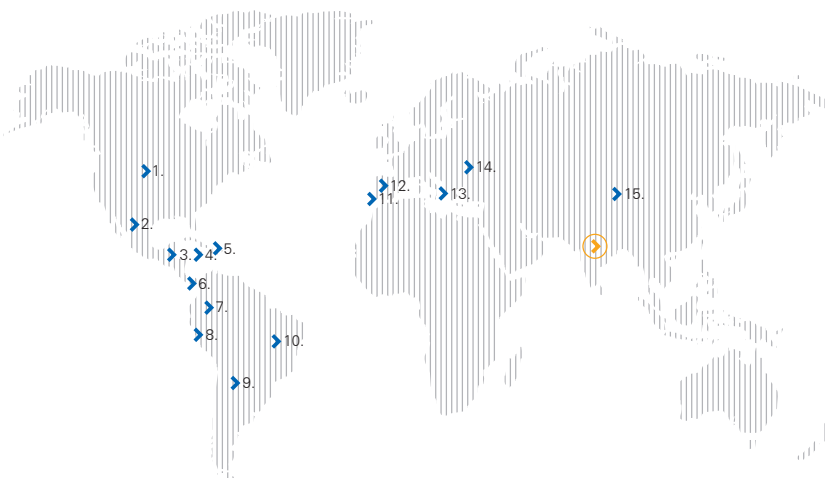
A sharply focused and strategised business model positions ITNL to seize the benefits of momentum in rail and road projects. Besides a diverse portfolio in BOT road segment, ITNL has expanded into new sub-sectors in surface transportation, such as urban transportation, railways, border checkpoints, parking complexes, with a vision to transform India's surface transportation infrastructure

➤ PAN-INDIA PRESENCE



1. Jammu & Kashmir	10. Kerala
2. Himachal Pradesh	11. Andhra Pradesh
3. Haryana	12. Orissa
4. Rajasthan	13. Jharkhand
5. Uttar Pradesh	14. West Bengal
6. Gujarat	15. Meghalaya
7. Madhya Pradesh	16. Assam
8. Maharashtra	17. Delhi
9. Karnataka	

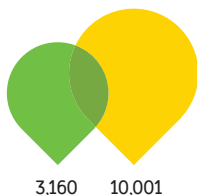
INTERNATIONAL FOOTPRINT



1. USA
2. Mexico
3. Honduras
4. Haiti
5. The Dominican Republic
6. Panama
7. Columbia
8. Ecuador
9. Argentina
10. Brazil
11. Portugal
12. Spain
13. Albania
14. Moldova
15. China

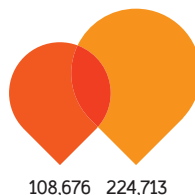
PORTFOLIO MIX (lane kms)

● Annuity ● Toll



PORTFOLIO MIX (₹ in million)

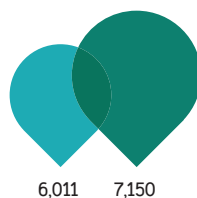
● Annuity ● Toll



Annuity projects form 32% of asset base

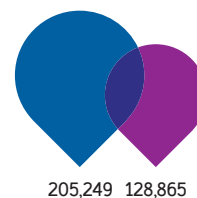
PORTFOLIO MIX (lane kms)

● National Highways ● Other Roads



PORTFOLIO MIX (₹ in million)

● National Highways ● Other Roads



National Highways account for 61% of asset base

Performance Highlights

(Consolidated Highlights)

REVENUE

(₹ in million)

CAGR  **50.3%**

2012-13	67,888
2011-12	57,294
2010-11	41,274
2009-10	24,873
2008-09	13,320

PROFIT AFTER TAX

(₹ in million)

CAGR  **110.9%**

2012-13	5,202
2011-12	4,970
2010-11	4,329
2009-10	3,444
2008-09	263

EBITDA

(₹ in million)

CAGR  **61.7%**

2012-13	19,818
2011-12	15,894
2010-11	12,335
2009-10	8,785
2008-09	2,900

EARNINGS PER SHARE

(₹)

CAGR  **108.2%**

2012-13	26.68
2011-12	25.48
2010-11	22.19
2009-10	19.97
2008-09	1.42

OPERATING MARGINS

(%)

CAGR  **7.6%**

2012-13	29.2
2011-12	27.7
2010-11	29.9
2009-10	35.3
2008-09	21.8



DIVIDEND PER SHARE

(₹)

CAGR  33.7%

2012-13*	4.00
2011-12	4.00
2010-11	3.50
2009-10	3.00
2008-09	1.25

* Board recommended dividend

NET FIXED ASSETS **

(₹ in million)

CAGR  78.6%

2012-13	162,135
2011-12	110,662
2010-11	55,055
2009-10	28,285
2008-09	15,932

** includes receivables under SCA, which represent Annuity Assets at Net Value

NET WORTH

(₹ in million)

CAGR  42.4%

2012-13	36,398
2011-12	27,638
2010-11	22,392
2009-10	16,686
2008-09	8,862

NET DEBT

(₹ in million)

CAGR  69.3%

2012-13	139,039
2011-12	99,421
2010-11	48,673
2009-10	27,713
2008-09	16,941



INVESTMENTS

(₹ in million)

CAGR  36.6%

2012-13	33,757
2011-12	27,919
2010-11	24,006
2009-10	19,609
2008-09	9,692

investments based on Standalone financials (includes advance towards capital and share application money)

Operational Highlights

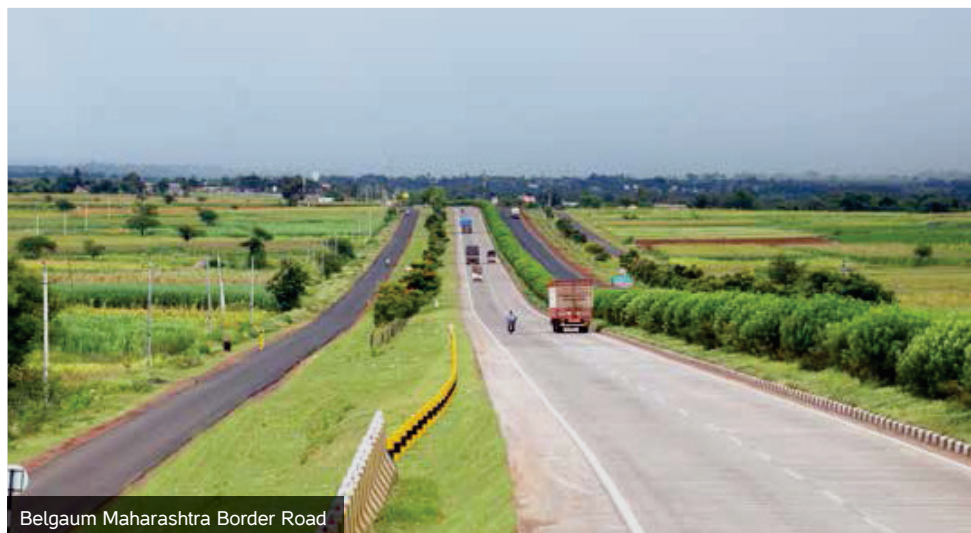
PROJECT COMPLETION

ITNL commissioned ~860 lane kms during 2012-13, which has started generating revenues in excess of ₹ 10 million per day

- The Provisional Completion Certificate was issued for the updation and modernisation of 2 border check posts in Madhya Pradesh
- The project completion for four-laning of the Hazaribagh-Ranchi section of the NH-33 was achieved on September 15, 2012. It was commissioned 134 days ahead of the scheduled project completion date
- The project completion for the 15 km four-lane Adityapur Kandra Road, Jharkhand project was achieved on January 31, 2013. It was commissioned within the stipulated timeframe
- The completion of the two-laning with paved shoulder of the Jhalawar to Jhalawar road section under RIDCOR Phase II was achieved on September 27, 2012
- The completion for the six-lane dual carriageway road at Ranchi Ring Road was achieved on September 21, 2012
- The completion for the two / four-lane dual carriageway road at Ranchi to Patratu Dam Road was achieved on October 12, 2012



A-4 Highway, Madrid, Spain










Belgaum Maharashtra Border Road



Baran Jhalawar Road

PROJECT AWARDS

Project Name	Length / Area
 Barwa-Adda-Panagarh	122.88 kms
 Khed-Sinnar	137.946 kms
 Oporto, Portugal	338 lane kms
 Lisbon, Portugal	431 lane kms
 Abu Dhabi Al Ain Highway (E22) and Truck Road (E30/E40)	1,238 lane kms
 Metro Link Extension in Gurgaon	6.5 kms
 Charminar Robo Park Limited	4,944 sq metres

PARTNERSHIPS



ITNL signed a Memorandum of Understanding with the East Nippon Expressway Company Limited (NEXCO East), a leading Japanese expressway construction and operation company, to collaborate in the implementation of PPP road projects in India



Cleaning operations at Trivandrum City Road

Description

Awarded project for six-laning of this section of NH-2

Awarded project for four-laning of this section of NH-50 under Phase IVB in Maharashtra, by NHAI

Awarded maintenance contract for the roads in the city of Oporto, Portugal

Awarded maintenance contract of roads in the city of Lisbon, Portugal

Awarded maintenance project by Department of Transport, Abu Dhabi, UAE

Awarded project for development of metro rail stretch by Haryana Urban Development Authority

Awarded Integrated Multi-level Automatic Car Parking project to develop the facility and real estate portion by the Greater Hyderabad Municipal Corporation (GHMC), Hyderabad

Chairman's Message



DEEPAK DASGUPTA

Chairman

DEAR FRIENDS,

The financial year 2012-13 reaffirmed the strength of our business model to counter challenges and perform satisfactorily despite the very tumultuous period all over the world. As we are aware, all economies around the globe are in a stressed situation and hence the need for enhanced caution and to minimise risk. The trust and guidance of our stakeholders have enabled us to stay on this course and create long-term value for the nation. We are committed to enhance our contribution in the development, implementation, operation and maintenance of surface transport infrastructure projects in India

An environment of caution prevails in the country's infrastructure scenario. Nevertheless, it must be emphasised that the long-term potential of India's infra space continues to be bright. In an economy slowing down to a decadal low of 5%, fresh infrastructure creation is indispensable to resuscitate growth and create large-scale employment opportunities. The Government is fully appreciative of this and have undertaken a fair amount of measures like declaring loans to infrastructure as secured, easing environment and forest clearances and the creation of additional windows for lending like the Infrastructure Development Funds (IDF)

INFRASTRUCTURE: IMPETUS TO GROWTH

According to the XIIth Five Year Plan (2012-17), estimated infrastructure spend is pegged at USD 1 trillion, with almost 50% of this expected to be contributed by the private sector. Of the total Plan estimate, 30% is anticipated to be spent on projects related to transportation - roads and bridges (16.4%),

In India, we need better roads, highways and railway infrastructure to accelerate the government's agenda of inclusive growth; growth, which encompasses all sections of the social pyramid

USD 1 trillion

Estimated infrastructure spend as per the XIIth Five Year Plan (2012-17)

of XIIth Plan infrastructure outlay is estimated to be spent on the transportation sector		30%
Roads and bridges		16.4
Railways		9.5
Mass rapid transport system		2.0
Airports		2.1