

ANNUAL REPORT **2013-14**

 **IL&FS** | Transportation

# OPTIMISM

A ROAD WITH NO DEAD ENDS



## 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

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## 14<sup>TH</sup> ANNUAL GENERAL MEETING

**Date:** Thursday, August 21, 2014

**Time:** 10.30 am

**Venue:** Y. B. Chavan Auditorium  
Next to Sachivalaya Gymkhana,  
Gen. J. Bhosale Marg, Mumbai 400 021

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# OPTIMISM

## A ROAD WITH NO DEAD ENDS

Hardships, disasters, economic meltdowns and a general gloom-and-doom have been a part and parcel of our economic history. Companies that have demonstrated confidence in their abilities and strength in their fundamentals have survived, and thrived. For every downturn has been marked by a renewed sense of optimism, and those who have remained positive, flourished

For India, and the infrastructure industry in particular, 2013-14 was a forgettable year. The gradual build up of the slowdown had its worst impact this year, coupled with uncertainty. This led to a below par growth, and almost zero movement on the core infrastructure sectors, determined as they are by government spending

ITNL did not lose hope. It continued working on its projects with focus and determination. It did not jettison its endeavours towards increased safety standards, or towards continuous innovation. It persevered, and continued on its diversified strategy, delivering landmark projects. And now, we move forward with a renewed sense of vigour, aided by a new sense of optimism

As an infrastructure hungry country, India will rapidly scale up its physical public infrastructure, and modernise the existing one, in a quest to become a world economic force. This is an inevitable reality

At ITNL, we are confident of playing an important role in that journey. And this explains, why optimism is a part of our business strategy

# Five-year Financial Highlights

(Consolidated)



Bridge on the river Kosi in Moradabad-Bareilly project

## REVENUE

(₹ in million)

CAGR  $\Delta$  **28.60%**



## OPERATING MARGINS

(%)



## EBITDA

(₹ in million)

CAGR  $\Delta$  **24.42%**



## PROFIT AFTER TAX

(₹ in million)

CAGR  $\Delta$  **7.68%**





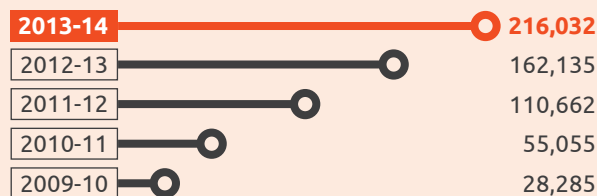
### EARNINGS PER SHARE

(₹)

CAGR  $\Delta$  2.20%


### NET FIXED ASSETS\*\*

(₹ in million)

CAGR  $\Delta$  66.24%


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

### DIVIDEND PER SHARE

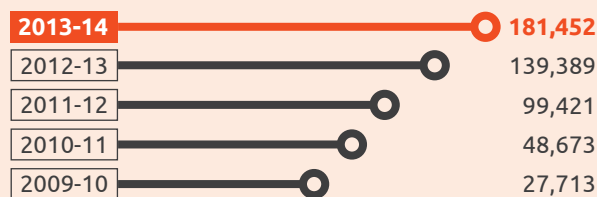
(₹)

CAGR  $\Delta$  7.46%


\* Board recommended dividend

### NET DEBT

(₹ in million)

CAGR  $\Delta$  59.96%


### NET WORTH

(₹ in million)

CAGR  $\Delta$  31.59%


### INVESTMENTS#

(₹ in million)

CAGR  $\Delta$  20.60%


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

# Paving the Road to Progress



Hyderabad Outer Ring Road

For India and the world, infrastructure creation is the key to sustainable socio-economic progress. For over a decade, we have contributed significantly to India's surface transportation infrastructure, emerging as the leading industry player and the largest private sector BOT road operator (in terms of lane kilometres) in India

IL&FS Transportation Networks Limited (ITNL) is a part of the Infrastructure Leasing and Financial Services Limited (IL&FS)

19

Country footprint

18

State India presence

₹ 44 million

Average daily collection from toll and annuity in 2013-14

32%

Of asset base are annuity projects

2,80,050

Average number of vehicles plying on our roads everyday

45%

Reduction in fatal accidents on operational roads over the previous year

7,964 lane kms

Operational assets portfolio

13,161 lane kms

Road assets portfolio

10

Operating subsidiaries

31

Special Purpose Vehicles

26

Road projects

5

Non-road projects

# Our Identity

## Core expertise

- › Development, operations and maintenance of surface transportation infrastructure projects encompassing National and State Highways and roads including tunnels, flyovers and bridges
- › Diverse project portfolio in the BOT road segment
- › Non-road sectors like metro rail, bus transportation, multi-level car parks and border entry points
- › International footprint in road sector

## Execution excellence

- › Reputed for on-time project delivery within the budgeted cost
- › Transform the face of surface transportation infrastructure in India through best-in-class engineering, monitoring and use of latest technologies

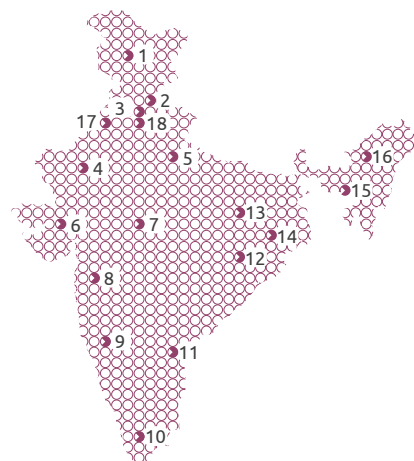
## Key certifications

- › ISO 9001:2008 for process quality control
- › ISO 14001:2004 for environmental management system
- › OHSAS 18001:2007 for occupational health and safety management system



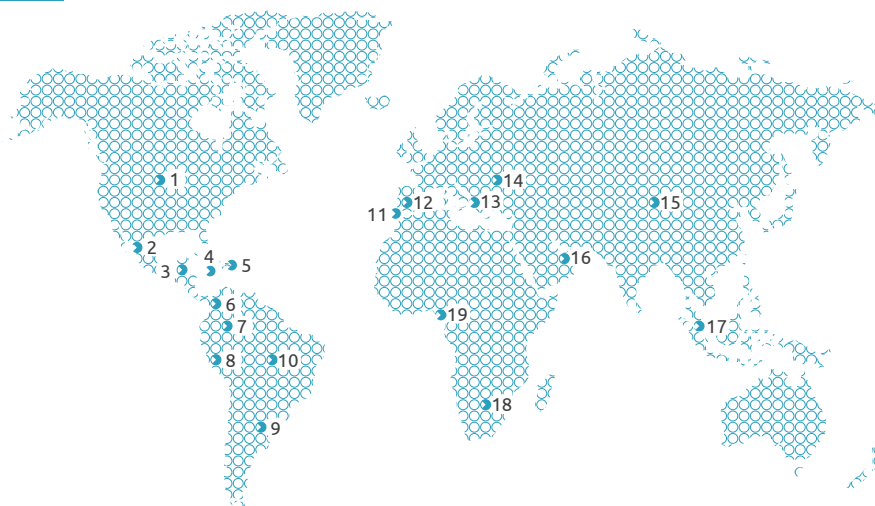
## PAN-INDIA PRESENCE

- |                     |                    |
|---------------------|--------------------|
| 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. Punjab         |
| 9. Karnataka        | 18. Delhi          |



## 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                 |
| 16. UAE                   |
| 17. Singapore             |
| 18. Botswana              |
| 19. Nigeria               |



## STRONG TRACK RECORD

We have an established track record for successfully bidding, developing and operating BOT road projects on a commercial basis. We have diverse projects in various stages of development, construction or operation. We provide end-to-end solutions for BOT road projects, ranging from conceptualisation through commissioning to operations, maintenance, and management. We have advanced capabilities in terms of how we design projects and the technology we use. Moreover, we have forayed into multiple non-road projects to diversify our businesses; we believe that we have been able to successfully integrate our operations in this segment with our core business

# Operational Highlights 2013-14



- Commissioned 1,538 lane kms during 2013-14, taking total operational portfolio to 7,964 lane kms generating revenues in excess of ₹ 44 million per day
- Executed Concession Agreements with NHAI for the Four-laning of 138 kms long Khed Sinnar Project in Maharashtra and Six-laning of 123 kms long Barwa Adda Panagarh Project in Jharkhand and West Bengal. Subsequently, the financial closure was achieved for these projects and the projects commenced construction operations from February 12, 2014 and April 1, 2014 respectively
- Commenced construction of the Kiratpur Ner-Chowk project in the states of Himachal Pradesh and Punjab post declaration of appointed date for the project as November 14, 2013
- Started the construction of RoB at Bikaner besides two other RoBs at Sangaria and Alwar in the State of Rajasthan, under the Road Infrastructure Development Company of Rajasthan (RIDCOR)'s supervision
- Received Provisional completion certificate and commenced commercial operation and maintenance of the following:
  - Pune Solapur Road Project in Maharashtra from August 23, 2013, 145 days ahead of the Scheduled Completion date
  - Narketpally-Addanki-Medarametla Road Project in Andhra Pradesh from March 6, 2014 and commenced toll collection from March 11, 2014
  - Kushkhara-Kasola road and the Jhalawar Ujjain Road under RIDCOR from July 2, 2013 and December 15, 2013 respectively. The Company also completed an RoB at Sangaria on March 10, 2014. Both the road projects