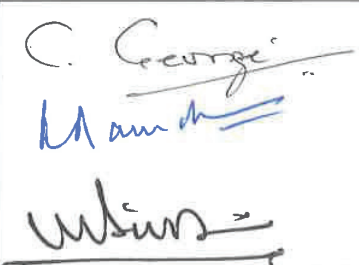



**FORM A**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

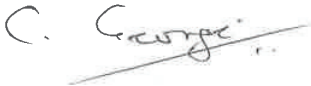


1.	Name of the Company:	IL&FS Transportation Networks Limited
2.	Annual stand-alone financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	<input type="checkbox"/> Mr. George Cherian, Chief Financial Officer  <input type="checkbox"/> Mr. K. Ramchand, Managing Director  <input type="checkbox"/> Mr. R. C. Sinha, Chairman, Audit Committee	

Refer our Audit Report dated May 7, 2013  
on the standalone financial statements of the Company  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 117366W)


  
Mr. Kalpesh J. Mehta  
Partner  
(Membership No. 48791)

**FORM A**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

1.	Name of the company	IL&FS Transportation Networks Limited
2.	Annual consolidated financial statements for the year ended	March 31, 2013
3.	Type of Audit observation	<p>Emphasis of Matter paragraph (as reproduced below)</p> <p><b>“Emphasis of Matter</b></p> <p>7. We draw attention to Note 13 and Note 19 to the consolidated financial statements, wherein significant elements of the consolidated financial statements have been determined based on management estimates (which in turn are based on technical evaluations by independent experts). These include:</p> <p>i. Intangible Assets and Intangible Assets under Development covered under service concession arrangements aggregating to carrying value of ₹ 94,426.28 million (45.86% of the total assets), the useful lives and the annual amortisation thereof;</p> <p>ii. Provision for Overlay carried at ₹ 776.29 million in respect of intangible assets covered under service concession arrangements; and</p> <p>iii. Financial Assets covered under service concession arrangements, included as a part of Receivables against Service Concession Arrangements, carried at ₹ 65,556.50 million (31.84% of the total assets) and revenue recognised thereon based on the effective interest method which in turn is based on evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof.</p> <p>Our opinion is not qualified in respect of this matter.”</p> <p>For the relevant Notes in the Consolidated Financial Statements – Refer Annexure I</p>
4.	Frequency of observation	Repetitive (since the year ended March 31, 2009)
5.	<p>(i) Mr. George Cherian, Chief Financial Officer</p> <p>(ii) Mr. K. Ramchand, Managing Director</p> <p>(iii) Mr. R. C. Sinha, Chairman, Audit Committee</p>	<p></p> <p></p> <p></p>

Refer our Audit Report dated May 7, 2013  
on the consolidated financial statements of the Company  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 117366W)

  
Mr. Kalpesh J. Mehta  
Partner  
(Membership No. 48791)

**Annexure I to Form A (Consolidated Financial Statements)**

**Relevant extracts from the Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2013**

**“Note 13: Fixed assets**

Particulars	Gross Block (at cost)				Depreciation and Amortisation			Net Block
	Balance as at April 1, 2012	Adjustments / Reclassifications (Refer footnote iii)	Additions	Deletions	Balance as at March 31, 2013	Adjustments / Reclassifications (Refer footnote iii)	Charge for the year (refer footnote i)	Balance as at March 31, 2013
<b>a) Tangible assets</b>								
Land	24.07	(4.33)	0.89	-	20.63	-	-	20.63
Building and structures	173.94	10.93	118.66	-	303.53	-	-	303.53
Vehicles	1,076.99	80.72	107.41	13.58	1,251.54	61.61	12.73	1,325.88
Data processing equipments	139.72	(11.89)	14.59	0.35	142.07	(7.20)	102.43	250.30
Office premises	11.52	-	35.23	-	46.75	-	15.02	30.57
Office equipments	81.64	(1.20)	8.55	1.23	87.78	(1.58)	0.48	86.68
Leasehold improvements	12.45	-	6.84	-	19.29	-	10.25	33.95
Furniture and fixtures	277.78	10.64	14.68	0.43	302.87	5.24	4.94	312.65
Electrical installations	98.50	22.48	3.61	7.11	117.57	10.80	12.15	130.52
Plant and machinery	1,924.31	272.37	99.38	17.08	2,276.98	186.64	103.99	2,467.61
Advertisement structure	24.80	(7.95)	-	-	16.85	(4.18)	1.52	12.19
Assets taken on lease :								
Plant and machinery	302.82	(221.85)	71.75	-	152.72	(135.95)	26.14	16.91
Vehicles	125.83	(72.41)	4.07	-	57.49	(42.92)	8.97	19.54
Building and structures	169.96	2.79	14.22	0.02	186.95	0.44	3.44	190.81
Land	28.89	0.62	13.72	-	43.23	-	-	43.23
<b>Total</b>	<b>4,473.31</b>	<b>80.92</b>	<b>513.60</b>	<b>39.80</b>	<b>5,028.03</b>	<b>76.93</b>	<b>342.60</b>	<b>5,411.59</b>
<b>b) Intangible assets</b>								
Software / Licences acquired	201.50	2.80	18.93	-	223.23	2.68	19.64	245.55
Commercial rights acquired	206.54	-	-	-	206.54	-	27.01	233.55
Rights under service concession arrangements (refer footnote no. ii)	28,581.51	550.61	153.52	20.36	29,265.38	18.25	543.46	30,827.09
Trademarks and licences	1.92	0.01	-	-	1.93	0.02	-	1.95
Others	162.41	15.57	8.49	-	206.47	2.28	12.28	220.03
<b>Total</b>	<b>29,173.98</b>	<b>568.99</b>	<b>180.94</b>	<b>20.36</b>	<b>29,903.55</b>	<b>23.23</b>	<b>602.39</b>	<b>30,529.17</b>
<b>Grand total</b>	<b>33,647.29</b>	<b>649.91</b>	<b>694.54</b>	<b>60.16</b>	<b>34,931.58</b>	<b>100.16</b>	<b>944.99</b>	<b>35,976.76</b>
<b>c) Capital work-in-progress</b>								
(refer footnote no. iv)	195.20	(100.90)	337.44	15.75	475.99	-	-	475.99
<b>d) Intangible assets under development</b>								
(refer footnote no. ii)	34,812.66	62.45	32,094.70	-	66,969.81	-	-	66,969.81
<b>Grand Total</b>	<b>68,655.15</b>	<b>611.46</b>	<b>33,186.68</b>	<b>75.91</b>	<b>102,377.38</b>	<b>100.16</b>	<b>944.99</b>	<b>103,422.53</b>



**Foot Note:**

- (i) Depreciation on assets used during the construction period ₹ 0.93 million (previous year ₹ 1.59 million) has been included in "Capital Work in Progress". Therefore, the charge to the statement of profit and loss is lower by this amount.
- (ii) **Estimates under Service Concession Arrangement - Right under Service Concession Arrangements / Intangible assets under Developments**

Under the Service Concession Arrangements, where the Group has received the right to charge users of the public services, such rights are recognized and classified as "Intangible Assets". Such a right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognized and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of consideration received or receivable for the construction services delivered).

Accordingly, the fair value of consideration for construction services in respect of intangible assets covered under service concession arrangements of the Group, the useful lives of such intangible assets, the annual amortisation in respect thereof, and the provisions for overlay costs have been estimated by the Management having regard to the contractual provisions, the evaluations of the units of usage and other technical evaluations by independent experts, the key elements having been tabulated below:

Particulars	₹ in million	
	Upto / As at March 31, 2013	Upto / As at March 31, 2012
Margin on construction services recognised in respect of intangible assets (₹ in million)	8,654.42	5,009.64
Carrying amounts of intangible assets (₹ in million)	27,456.47	27,334.27
Units of usage (No. of vehicles)	32,671,845 to 1,554,733,739	50,867,738 to 1,554,733,739
Provision for overlay in respect of intangible assets (₹ in million)	776.29	681.40
Carrying amounts of intangible assets under development (₹ in million)	66,969.81	34,812.66
	<b>For year ended</b>	
	<b>March 31, 2013</b>	<b>March 31, 2012</b>
Amortisation charge in respect of intangible assets (₹ in million)	543.46	392.42





**Note 19: Other current assets**

Particulars	₹ in million			
	As at March 31, 2013		As at March 31, 2012	
(a) Unbilled revenue	5.71		-	
(b) Interest accrued	433.80		243.44	
(c) Receivables against Service Concession Arrangement (refer foot note no. i)	1,964.24		809.78	
(d) Unamortised borrowing costs	31.90		-	
(e) Receivable due to fair valuation of derivative contract	0.78		-	
(f) Grant receivable	441.16	2,877.59	627.69	1,680.91
<b>Total</b>		<b>2,877.59</b>		<b>1,680.91</b>

**Foot Note:****(i) Estimates under Service Concession Arrangement - Financial assets**

Under the Service Concession Arrangements, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as Financial Assets, even though payments are contingent on the Group ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as "Receivables against Service Concession Arrangement".

Accordingly, the fair value of consideration for construction services and the effective interest rate in the case of financial assets of the Group covered under service concession arrangements included as a part of "Receivables against Service Concession Arrangement" have been estimated by the Management having regard to the contractual provisions, the evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof by independent experts, the key elements having been tabulated below:



Particulars	₹ in million	
	As at March 31, 2013	As at March 31, 2012
Margin on construction and operation & maintenance and renewal services recognised in respect of Receivables against Service Concession Arrangement	5,494.74	4,104.42
Carrying amounts of Financial Assets included under Receivables against Service Concession Arrangement	65,556.50	46,789.80
Revenue recognised on Receivables against Service Concession Arrangement on the basis of effective interest method	14,405.59	9,362.88



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?

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#### 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

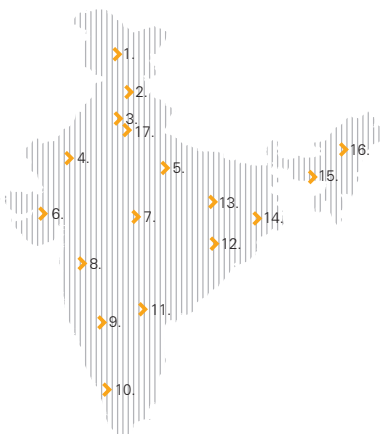
ITNL has promoted and developed a large portfolio of road sector projects with a significant developmental role. It will build upon its reputation for on-time project delivery within the budgeted cost and transform the face of the surface transportation infrastructure in the country through better engineering,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



## ENROUTE TO SUCCESS

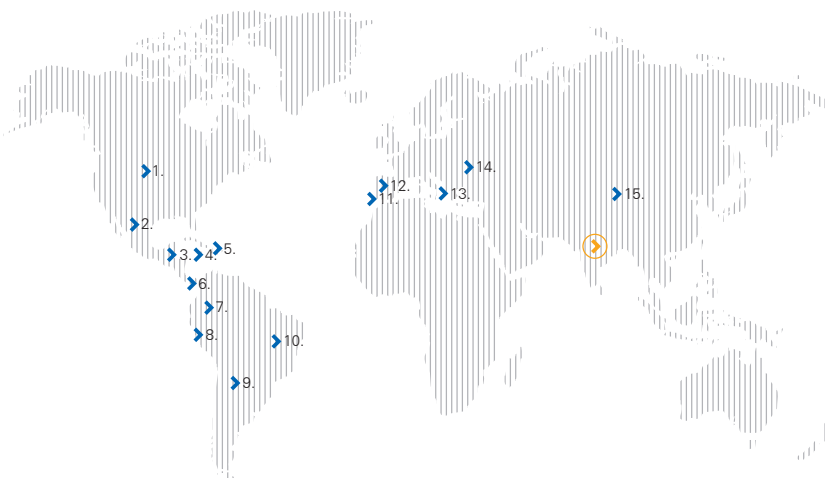
A sharply focused and strategised business model positions ITNL to seize the benefits of momentum in rail and road projects. Besides a diverse portfolio in BOT road segment, ITNL has expanded into new sub-sectors in surface transportation, such as urban transportation, railways, border checkpoints, parking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

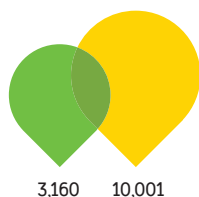
## INTERNATIONAL FOOTPRINT



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

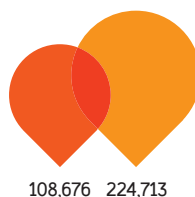
### PORTFOLIO MIX (lane kms)

● Annuity ● Toll



### PORTFOLIO MIX (₹ in million)

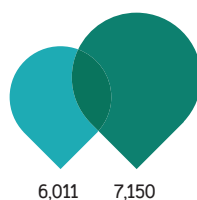
● Annuity ● Toll



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

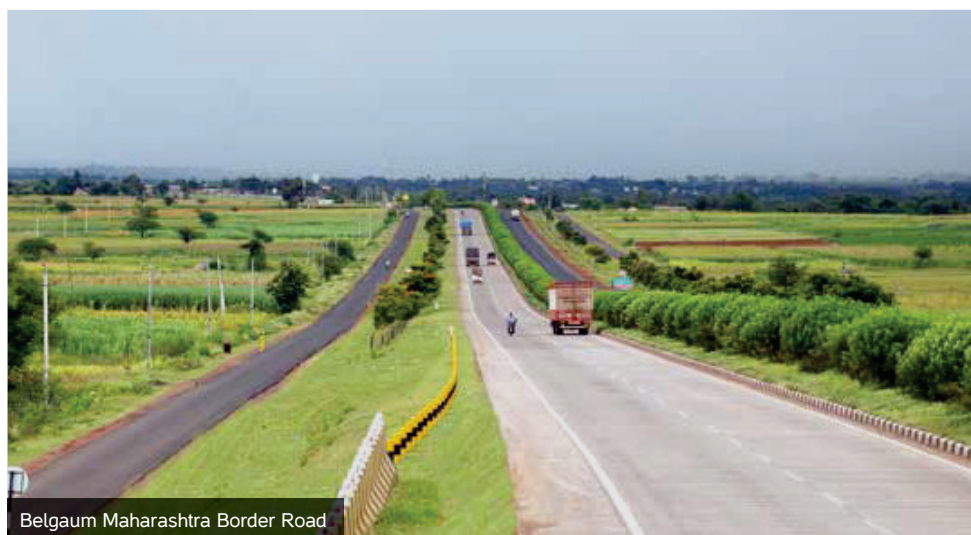
## PROJECT COMPLETION

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

railways (9.5%), mass rapid transport system (2%) and airports (2.1%). This is highly favourable for the PPP model, which will be a significant contributor to India's infrastructure creation, auguring well for industry participants such as ITNL

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. It can be achieved by broad-based infrastructure creation, connecting various parts of India. Our diverse asset portfolio, with a mix of Toll and Annuity projects, makes us well equipped to leverage emerging opportunities

At ITNL, we are focused on enhancing our footprint in the surface transportation segment, comprising roads, urban transport, railways and development of border check posts. Going forward, our expertise and experience will enable us to deliver sustainable assets for the nation within budgeted costs and timelines. Our International ventures have also supported the Company by contributing positively to the revenue and profits

### ITNL - STANDING STRONG

During the financial year 2012-13, we countered headwinds with focus and fortitude. The result is an 18% increase in our consolidated revenues, which grew from ₹ 57,294.28 million in 2011-12 to ₹ 67,888.09 million in 2012-13. The surge in revenues is on account of an increase in the construction activity in existing projects and also because of the larger number of projects in which construction is now being undertaken

The number of projects in which construction activity was undertaken rose from eight in 2011-12 to 11 in 2012-13. This led to an increase in our construction costs, employee costs and general administration expenses. Higher level of construction activity, coupled with increase in interest rates during the year, led to an increase in finance expense by ₹ 3,908.03 million. The continuously worrying phenomenon is that of interest rate

Given that the infrastructure space, by definition, needs huge amounts of debt, the Company has been using the parent support and advice to manage interest costs at a reasonable level. We are focused on cost optimisation across the board to enhance competitiveness and record higher margins. Our profits after tax increased from ₹ 4,969.58 million in 2011-12 to ₹ 5,202.11 million in the current year

### SAFETY

At ITNL, the Board have stressed the need to adopt the highest safety standards on both, construction and maintenance projects. To this end, the Board recognising the significance of safety, constituted a sub-committee which meets every quarter to review accidents in our projects and monitor the impact of preventive measures being adopted at all our sites. I can assure you that the Board is laying a lot of emphasis on ensuring that safety on all our projects are given a great deal of importance

Our financial strength and technical insight have propelled our business optimism in all segments of surface transport infrastructure. We will continue to reinforce our capabilities in design and project management to sustain industry leadership. The skill and knowledge quotient of our team will play a decisive role in shaping the ITNL of tomorrow. We encourage innovation and creativity among our people in both project execution and community initiatives. We will revisit our safety standards and norms in order to raise the bar of safety for our people as well as the users

### COMMUNITY ENRICHMENT

I am happy to inform all of you, that our project Parivartan is growing from strength to strength. Parivartan represents ITNL's vision of socio-economic transformation of communities we work with. The interventions are in the form of facilitating quality education at government schools, computer bus for IT education, employment-led skills development and healthcare awareness, among others. Our community initiatives have been widely recognised and appreciated

### ROADMAP

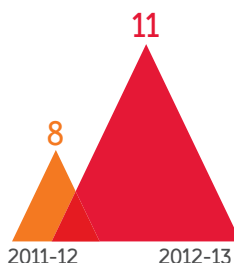
ITNL's journey has been eventful since inception and we are resolute and focused in our approach to business and society. Our technical prowess in the areas of structures, design, operations and maintenance will continue to drive our business growth. On the other hand, we will enhance our societal relevance as a part of our sustainability initiative

On behalf of the Board and the entire leadership team at ITNL, I want to thank all stakeholders for their support in our effort and their commitment to be a part of our vision

Best Wishes,

**DEEPAK DASGUPTA**  
Chairman

The number of projects in which construction activity was undertaken





# Resolute on seamless execution

## Focused on consistent performance

Execution of projects is always challenging and, as always, we are geared up for facing such challenges and continue to commission projects on time. The Company is focussed to ensure delivery of projects consistently on time

Our engineering capabilities, micro-level management and constant supervision, coupled with perseverance of our project and coordination teams, ensure timely completion of projects and is a critical factor

This is evident from year-on-year commissioning of projects. In 2012-13, for instance, we commissioned Ranchi Ring Road, Ranchi to Patratu Dam road, Hazaribagh to Ranchi road and six roads in Rajasthan under the Mega Highways project. Of these, the Hazaribagh Ranchi National Highway was commissioned around four months ahead of schedule

Other projects in which construction work is in progress, such as Pune-Sholapur Road in Maharashtra and Narketpalli Addanki Medarametla Road

in Andhra Pradesh, are stated to be commissioned within their scheduled commissioning dates

ITNL's focus to perform is supported by the parent company – IL&FS. The advantage is clearly seen in the confidence placed by our banking partners and lenders and has helped us in completing financial closure of all the projects within time. This has also helped us to grow our consolidated revenues from ₹ 13,320 million in FY 2008-09 to ₹ 67,888 million in FY 2012-13 at a compounded annual growth rate of 50.3%

ITNL is the owner of the largest asset portfolio in the road space. In addition, we enjoy long-term concessions on our various projects, ranging from North Karnataka Expressway Limited (Concession ends in 2019) to Road Infrastructure Development Company Of Rajasthan Limited I (Concession ends in 2038). An average of the remaining concession period calculated by providing the lane km of each project as weightage would yield that ITNL has a residual concession period of around 21 years on the whole road asset portfolio

### Some of our Long-Term Concession Period

Project Company Name	Project Description	Concession Ends in
NKEL	Belgaum Maharashtra Border Road	2019
TRDCL-I	Thiruvananthapuram City Roads	2022
IRIDCL	Beawar Gomti Road	2039
EHEL	Hyderabad Outer Ring Road	2022
SOCIEDAD CONCESIONARIA A-4	A-4 highway Madrid, Spain	2026
APEL	Kotakatta - Kurnool Road	2026
HREL	Hazaribagh - Ranchi Road	2028
TRDCL-II & III	Thiruvananthapuram City Roads	2027
WGEL	Jetpur Rajkot Gondal Road	2028
RIDCOR-I	Mega Highways Project, Rajasthan Phase-I	2038



Belgaum Maharashtra Border Road

#### Cumulative Physical Progress of Projects

(%)

	FY 2012	FY 2013
<b>East Zone</b>		
JRPICL I (RPR I) : Ranchi - Patratu Dam Road	<div><div></div></div> 91.09	<div><div></div></div> 98.21
JRPICL I (RPR II) : Patratu Dam - Ramgarh Road	<div><div></div></div> 72.85	<div><div></div></div> 88.80
JRPICL I (RRR) : Ranchi Ring Road	<div><div></div></div> 92.39	<div><div></div></div> 99.77
JRPICL II (CKC) : Chaibasa - Kandra - Chowka Road	<div><div></div></div> 20.84	<div><div></div></div> 59.10
JRPICL II (AK) : Adityapur - Kandra Road	<div><div></div></div> 49.47	<div><div></div></div> 91.30
<b>North West Zone</b>		
RIDCOR II (JU) : Jhalawar - Ujjain Road	<div><div></div></div> 0.0	<div><div></div></div> 53.18
RIDCOR II (KK) : Khushkhera - Kasola Road	<div><div></div></div> 0.0	<div><div></div></div> 84.57
<b>South &amp; West Zone</b>		
PSRDCL : Pune - Sholapur Road	<div><div></div></div> 36.96	<div><div></div></div> 94.64
NAMEL : Narketpally - Addanki - Medarametla Road	<div><div></div></div> 32.81	<div><div></div></div> 71.34
<b>North Zone</b>		
MBEL : Moradabad - Bareilly Road	<div><div></div></div> 40.75	<div><div></div></div> 73.44



Execution value for  
projects ₹ 55,676 million

as on FY 2012-13, backed by a strong and  
resilient projects pipeline



# Resolute on road network expansion

## Focused on India's economic growth

India's extensive road network is the lifeline of the economy and facilitator of inclusive growth. Roads help the fruits of economic growth reach the farthest corners of our country and bring people closer to new possibilities

At ITNL, we are excited to partner this enormous road network expansion through our ability to consistently fund, execute and deliver miles and miles of highways

We don't just build roads, we extend a helping hand in the advancement of the nation, the upliftment of the people, the safety of users and the development of children. Apart from the road projects that we build for the Central Government Authorities, ITNL also focuses on a number of projects in states, such as Rajasthan, Gujarat and Jharkhand, among others. These projects have enabled us to play an important role in connecting vast stretches of land for interstate traffic. We have positively impacted lives of people in Gujarat through four-laning of the Ahmedabad-Mehsana

Road (SH-41), four-laning of Vadodara-Halol road and widening of the Rajkot-Jeptur-Gondal Section from two-lanes to four-lanes in Rajasthan through Mega Highway Project Phase I covering 1,053 kms; and in Jharkhand through

four-laning of Hazaribagh-Ranchi section of the NH-33 and building of a new Ranchi Ring Road and improvement of Ranchi Patratu road, among others



The Indian road sector comprises national highways, state highways, rural roads and major and other district roads. Of these, national highways, which only form 2% of the entire road network, carry 40% of traffic

Moreover, only 24% of national highways are four-laned. This leads to overloading at several corridors. Under the NHDP programme, around 21,000 km of roads are pending awards. A majority of these awards are to be executed through Public-Private Partnerships (PPP)

Increase in India's Road Network from  
**3.3 million km to 4.2 million km**

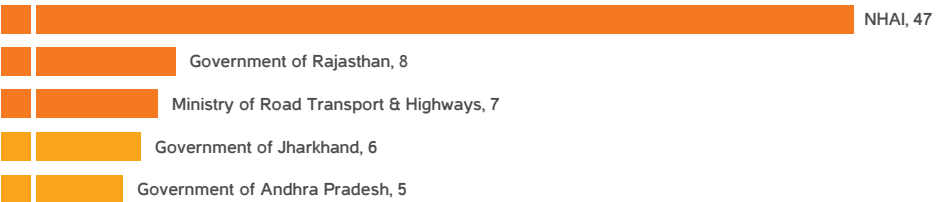


Ramganga Bridge under construction on Moradabad Bareilly Road

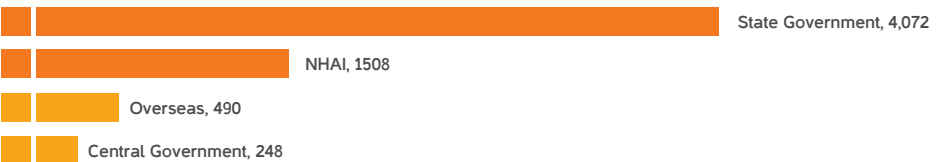
Besides, our adherence to the highest safety standards in engineering, design and execution ensures that our roads are contemporary, and they meet the aspirations of people without

compromising on the quality of construction or safety of users as well as applicable performance standards

Customer Portfolio in Terms of Project Cost (%)



Share in 6,318 lane kms of operational road projects (Lane Kms)





# Resolute through adversities

# Focused on value delivery

At ITNL, we believe the strength of a business model is best tested in difficult times. Over the years, we have evolved a growth-focused strategy and an asset-light approach to grow sustainably and create shareholder value

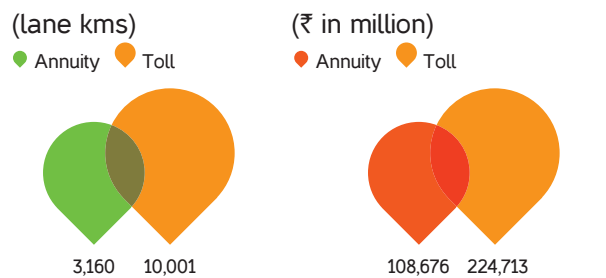
Across economic crests and troughs and business uncertainties, we have remained resolute, disciplined and focused, performing consistently. Our business model has demonstrated the resilience to counter headwinds and remain on course



## Robust Order Pipeline

₹ 146,717 million as on FY 2012-13

This is reflective of our resilience and focus in the transport sector



## Diversified Portfolio Mix



Tunnel under construction at Chenani Nashri

Since inception, we have adopted an asset-light approach in our engineering and construction part of the business. This means, while we are able to leverage our capabilities as a full-fledged EPC player, our capital investment remains optimal, along with low fixed cost and high operational flexibility

Our unwavering focus on surface transportation infrastructure also contributes to our resilience. This has enabled our energies to be concentrated in achieving what we believe is our strategic mission. Through intense competition

and adverse interest climates, we have remained resolute, disciplined and focused; unwavering to the temptations to let go our values, steadfast to long-term policies and persistent in creating value for our stakeholders through innovation and efficiency

Our people remain our greatest source of strength and confidence to take on business challenges and deliver. We attract, train and retain the best industry talent in a culture of meritocracy that encourages brilliance in thought and action



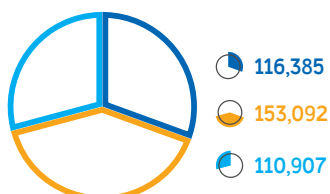
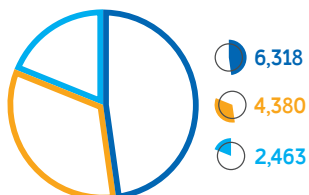
**Debt to Equity ratio**  
**3.95:1**

#### Revenue from operations (₹ in million)

2012-13	66,449
2011-12	56,056
2010-11	40,482
2009-10	24,079

#### Assets Portfolio

● Under Operation ● Under Construction ● Under Development





# Resolute on enhancing capability

# Focused on long-term sustainability

In a constantly evolving surface transport industry, long-term sustainability demands the combination of a powerful vision, backed by prudent action

At ITNL, our perspective is long term with respect to investments in assets and resources as well as revenue generation. For more than one decade, we have steadily established our credibility by virtue of our talented people and cutting-edge technology focus

We have the largest road assets in terms of lane kms and a 16-state footprint across India. We now have 12 projects under operations, implementation and development stage awarded by NHAI. We enjoy 14.37 % share of the total project cost of the road PPP projects awarded by NHAI in FY 2012-13, demonstrating enhanced confidence in our experience and expertise. The projects under operation enjoy a long remaining life (spanning two to three decades) until expiry of the concession period. This demonstrates not just our industry leadership, but also our focus on long-term sustainability in the industry

ITNL's journey towards long-term sustainability takes into account our internal strengths and also our social relevance as a positive force for change



## 21 years

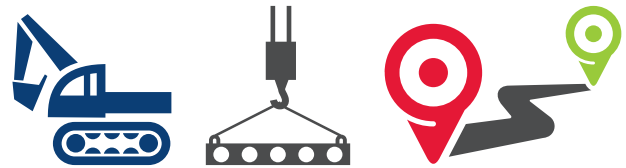
## Weighted average of remaining portfolio life of projects





Hyderabad Outer Ring Road

15 projects  
Under operations



₹ 12,823 million

Average capital cost  
of all the road projects  
under portfolio



Profitability surged  
from ₹ 263 million in  
FY 2008-09 to ₹ 5,202  
million in FY 2012-13  
at a CAGR of 110.9%



# Resolute on sustainable practices

## Focused on community initiatives

At ITNL, sustainable business practices take into account the 'humane angle', enhancing social relevance. The result is Parivartan, our CSR initiative that aims at creating economic and social opportunities for communities, along the roads that we are building

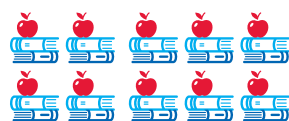


Parivartan is currently being implemented along four ITNL projects at Maharashtra (Pune-Solapur), Jharkhand (Hazaribagh-Ranchi), Uttar Pradesh (Moradabad-Bareilly) and Jammu (Chenani-Nashri). The interventions comprise helping impart quality education at government schools, deploying computer buses for IT education, facilitating vocational training and enhancing health awareness, among others

### EDUCATION INITIATIVES



37,000  
students



900  
teachers



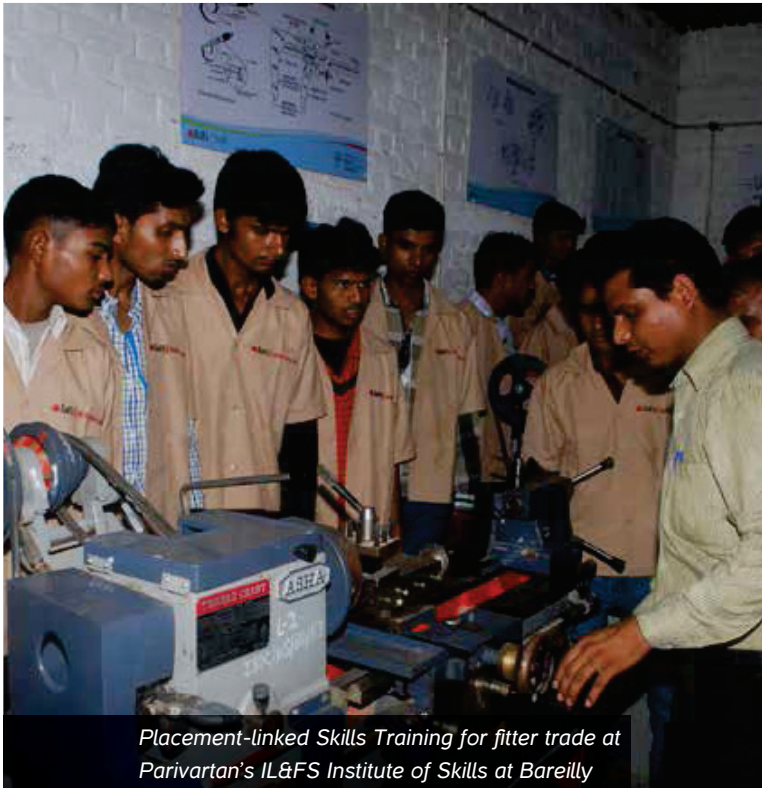
20,000  
library books



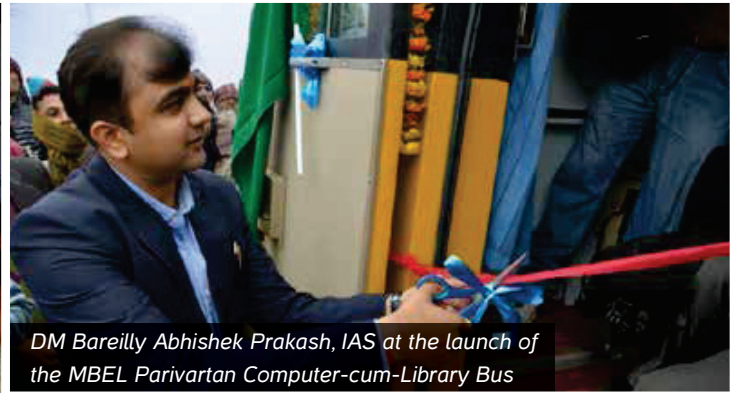
4  
mobile  
computer labs



Under the Parivartan education interventions, ITNL is touching around 37,000 students and 900 teachers across 150 government schools. Four Computer Buses, each with 18 laptops or computers, have been deployed to provide IT training to about 4,800 students and young people. Nearly 20,000 library books on Science, History, Geography, Environment, Autobiographies and Classics have been distributed to select government schools to encourage the habit of reading among students



Placement-linked Skills Training for fitter trade at Parivartan's IL&FS Institute of Skills at Bareilly



DM Bareilly Abhishek Prakash, IAS at the launch of the MBEL Parivartan Computer-cum-Library Bus



CNTL's Parivartan Mobile Health Clinic

## Impact

**Parivartan@PSRDCL's Education interventions** were launched at 44 Govt. and three Sholapur Municipal Schools in March 2011. These interventions helped the SMC School at Daji Peth, top the SMC Schools List in the SSC Board Exam with 88% students passing the examination

**Parivartan@HREL** HREL imparted skills to 196 youth for apparel manufacturing and construction (masonry trade). Further, the IL&FS Institute of Skills facility at Hazaribagh provided training in hospitality, BPO and retail sales

**Parivartan@MBEL** was enabled by the IL&FS Institute of Skills (IIS), set-up at Bareilly with facilities for skills training in fitter trade. As many as 190 youth were made more employable through extensive training and have been supported for job-placement with reputed industries in the Haridwar and NCR area

**Parivartan@CNTL** will be helped further by the IL&FS Institute of Skills at Kud with facilities in skills training for the BPO sector. Further developments at this IIS will include skills training for hospitality and engineering sectors

Maharashtra Parivartan@PSRDCL	Jharkhand Parivartan@HREL	Uttar Pradesh Parivartan@MBEL	Jammu & Kashmir Parivartan@CNTL
Quality Education at Govt. Schools	Quality Education at Govt. Schools	Quality Education at Govt. Schools	Quality Education at Govt. Schools
Computer Bus for IT Education	Computer Bus for IT Education	Computer Bus for IT Education	Employment-linked Skills Development
Employment-linked Skills Development	Employment-linked Skills Development	Employment-linked Skills Development	Healthcare
	Livelihood Skills for Self-employment	Community Awareness Programs	
	Healthcare		





Enthusiastic students on the MBEL Parivartan Computer-cum-Library Bus



The Launch of the MBEL Parivartan Computer-cum-Library Bus

## EMPLOYABILITY INITIATIVES



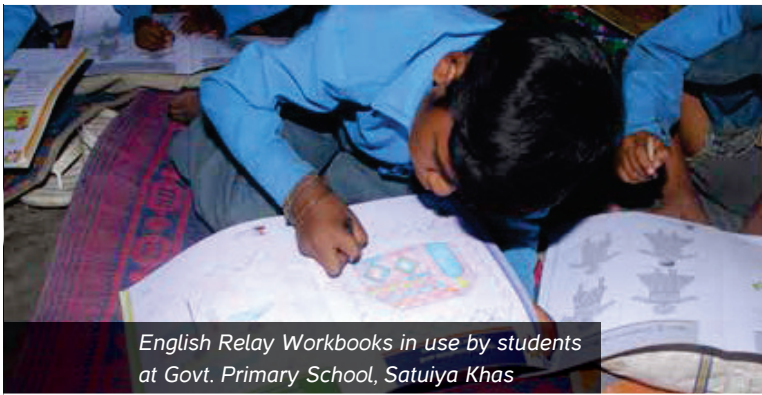
The Parivartan employability intervention across four locations has provided job-linked skills training to **638 young people**, who now have a combined earning capability of at least **₹ 3.4 million monthly**. ITNL has set up the **IL&FS Institute of Skills** at six locations, namely Sholapur, Mohol, Hazaribagh, Kud, Moradabad and Bareilly

### Impact

**Parivartan@PSRDCL** imparted the Skills for Employability in Apparel Manufacturing (SEAM) to the youth from the villages. It also honed the Skills in Construction and Road Engineering (SCORE) and masonry trade of the local youth, increasing their chances of employability with local construction contractors, like Somanna, Chandrakant Karoti and Gund. The programme also facilitated placement opportunities with Sakhi Social Enterprise Network-Mohol, and B. R. Constructions-Khadakvasla. Parivartan@PSRDCL impacted 252 local youth

**Parivartan@HREL** enhanced the employment opportunity of 196 local youth by imparting them with skills in SEAM, SCORE (masonry trade), Hospitality (Hunar se Rozgaar Tak). It also helped them hone their skills to find employment as Security Guards, in Retail Sales and across rural BPOs

As many as 190 local youth were imparted training in fitter trade at the L&FS Institute of Skills at the **Parivartan@MBEL** at Bareilly. These young people found employment in reputed companies, such as Bajaj Electricals and Amtek Auto in Haridwar and NCR area



English Relay Workbooks in use by students at Govt. Primary School, Satuiya Khas



Certified fitters from Parivartan's IL&FS Institute of Skills at Bareilly



Jammu Parivartan Mobile Health team at Health Camp at Govt. Middle School, Batote for Health checkup of students



The Jharkhand CSR Award for Education - 2012 for Parivartan Initiatives along Ranchi - Hazaribagh being awarded to ITNL at the hands of the Chief Minister

## HEALTH AWARENESS INITIATIVES



The Parivartan Community Awareness and Health interventions have impacted communities of around 45 villages at Jharkhand and Jammu. Two well-equipped Mobile Medical Units have been deployed by ITNL since April 2012 and close to **50,000 patients have received free basic healthcare**

Impact of Parivartan Healthcare intervention is also observed in individual case-studies:

- **Ranoo Devi, 30, a resident of Maada, Jammu** was a tobacco addict since the age of 15. The doctors at Parivartan Van, a CSR endeavour of ITNL, detected Erythroplakia, a premalignant lesion in her mouth. The doctors advised Ranoo Devi to stop smoking bidis and recommended a diet rich in vegetables and fruits. She was referred to the S.M.G.S. Hospital's Department of E.N.T. Her biopsy result was positive. However, as the problem was detected early, she may recover completely after surgery and chemotherapy
- **Devki Kumar, 13, a resident of Muramkala, Jharkhand**, had been complaining of a dull, gnawing ache in the stomach. It was accompanied by a sensation of fullness (bloating). His family being extremely poor, it was difficult for them to consult any doctor for his treatment. The doctors at Parivartan diagnosed his condition as bacterial infection, which caused an inflammation of the stomach lining. Devki was provided with a course of antibiotics and advised to maintain cleanliness and hygiene. After two months of treatment, Devki showed signs of remarkable improvement

## RECOGNITION



While Parivartan intervention is gathering momentum in project locations, it has earned wide industry recognition. Parivartan has been felicitated with:

- The Skoch Award (September 2010)
- e-Maharashtra Award (April 2012)
- Jharkhand CSR Conclave Award (October 2012)
- Best CSR Practices Awards 2012 by CM, Jharkhand, for Education Initiatives



# Portfolio of Road Projects

An Ensemble of our Road Projects

## PROJECTS UNDER OPERATION

### NOIDA TOLL BRIDGE COMPANY LIMITED

Delhi to NOIDA, Uttar Pradesh

#### SCOPE

Development of a toll bridge and approach roads with approximately 60 lane kms connecting Delhi to NOIDA in the State of Uttar Pradesh

### GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Ahmedabad-Mehsana Road

#### SCOPE

Development of approximately 333 lane kms section of State Highway Numbers 41 and 133 from Ahmedabad to Mehshana in the State of Gujarat

### GUJARAT ROAD AND INFRASTRUCTURE COMPANY LIMITED

Vadodra-Halol Road\*

#### SCOPE

Development of approximately 190 lane kms on State Highway No. 87 from Vadodara to Halol in the State of Gujarat

#### CONCESSION

The concession was awarded to our Promoter by the New Okhla Industrial Development Authority (NOIDA) on a BOT (Toll) basis for a period of 30 years (including a construction period of two and a half years)

**Date of Concession Agreement**

November 12, 1997

**Date of Project Completion**

February 7, 2001

#### CONCESSION

The concession was awarded to our Promoter by the Government of Gujarat on a BOOT (Toll) basis, which commenced from the date of signing of Concession Agreement and shall extend till a period of 30 years from the operations date

**Date of Concession Agreement**

May 12, 1999

**Date of Project Completion**

February 20, 2003

#### CONCESSION

The concession was awarded to our Promoter by the Government of Gujarat on a BOOT (Toll) basis, which commenced from the date of signing of Concession Agreement and shall extend till a period of 30 years from the operations date

**Date of Concession Agreement**

October 17, 1998

**Date of Project Completion**

October 24, 2000

#### VALUE (₹ MILLION)

5,888

#### VALUE (₹ MILLION)

3,103

#### VALUE (₹ MILLION)

1,560



\* This project was designated by the World Bank as a best practices example for its environment risk mitigation and social rehabilitation plan

### ROAD INFRASTRUCTURE DEVELOPMENT COMPANY OF RAJASTHAN LIMITED

Mega Highways Project, Rajasthan  
Phase I

#### SCOPE

Development and improvement to two-lane highway with paved shoulder with aggregate length of 2,106 lane kms in five corridors, connecting Phalodi to Ramji-ki-Gol, Hanumangarh to Kishangarh, Alwar to Sikandra, Lalsot to Kota and Baran to Jhalwar in the State of Rajasthan

#### CONCESSION

Concession awarded to Promoter by the Government of Rajasthan on a BOT (Toll) basis for a period of 32 years (including a construction period of two years)

#### Date of Concession Agreement

January 17, 2006

#### Date of Project Completion

PR - December 28, 2007  
HK - February 28, 2008  
AS - August 31, 2008  
LK - December 15, 2008  
BJ - April 15, 2008

#### VALUE (₹ MILLION)

16,180



### ROAD INFRASTRUCTURE DEVELOPMENT COMPANY OF RAJASTHAN LIMITED

Mega Highways Project, Rajasthan  
Phase II

#### SCOPE

Development of approximately 715 lane kms of state roads in the State of Rajasthan of which 520 lane kms have been developed as follows:

Four-lane dual carriageway between Alwar to Bhiwadi (AB)

Two-lane road between Arjunsar to Pallu (AP)

Two-lane road with paved shoulder between Hanumangarh to Sangaria (HS) and Jhalawar to Jhalawar Road (JJR)

#### CONCESSION

Concession awarded to Promoter by the Government of Rajasthan on a BOT (Toll) basis for a period of 32 years (including a construction period of two years)

#### Date of Award

AB - September 1, 2010  
JJR - February 1, 2011  
HS - February 8, 2011  
AP - April 6, 2011

#### Date of Project Completion

AB - December 5, 2011  
JJR - September 27, 2012  
HS - October 1, 2011  
AP - January 31, 2012

#### VALUE (₹ MILLION)

5,571



### THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED

Thiruvananthapuram City Roads  
Phase I & II

#### SCOPE

Development of roads with an aggregate length of approximately 119 lane kms in Thiruvananthapuram city in the State of Kerala

#### CONCESSION

Concession awarded by the Kerala Road Fund Board on a BOT (Annuity) basis for a period of 17.5 years (including an initial construction period of two and a half years)

#### Date of Concession Agreement

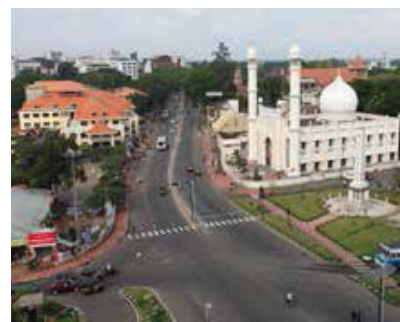
March 16, 2004

#### Date of Project Completion

Phase I - November 15, 2006  
Phase II - February 22, 2012

#### VALUE (₹ MILLION)

3,096



## PROJECTS UNDER OPERATION

### WEST GUJARAT EXPRESSWAY LIMITED

Jetpur Rajkot Gondal Road

#### SCOPE

Four-laning of the existing two-lane Jetpur–Gondal Highway, improvement of the existing four-lane highway between Gondal and Rajkot, widening of the existing Rajkot bypass from two-lanes to four-lanes on the National Highway 8B and construction of service roads, with an aggregate length of approximately 389 lane kms, in the State of Gujarat

#### CONCESSION

The concession awarded by NHAI on a BOT (Toll) basis for a period of 20 years (including a construction period of two and a half years)

##### Date of Concession Agreement

March 22, 2005

##### Date of Project Completion

March 17, 2008

#### VALUE (₹ MILLION)

2,762



### NORTH KARNATAKA EXPRESSWAY LIMITED

Belgaum Maharashtra Border Road

#### SCOPE

Development of four-lane highway with service roads on both sides aggregating to approximately 472 lane kms in length from Belgaum, in the State of Karnataka, up to Maharashtra Border

#### CONCESSION

The concession was awarded by NHAI on a BOT (Annuity) basis for a period of 17.5 years (including a construction period of two and a half years)

##### Date of Concession Agreement

November 20, 2001

##### Date of Project Completion

July 19, 2004

#### VALUE (₹ MILLION)

5,995



### ANDHRA PRADESH EXPRESSWAY LIMITED

Kotakatta - Kurnool Road

#### SCOPE

Development of 328 lane kms connecting Kotakatta bypass to Kurnool on National Highway-7 in the State of Andhra Pradesh

#### CONCESSION

Concession awarded by NHAI on a BOT (Annuity) basis for a period of 20 years (including a construction period of two and a half years)

##### Date of Concession Agreement

March 20, 2006

##### Date of Project Completion

September 30, 2009

#### VALUE (₹ MILLION)

8,629



**EAST HYDERABAD EXPRESSWAY LIMITED**

Hyderabad Outer Ring Road

**SCOPE**

Development of eight-lane access-controlled expressway and two-lane service roads on both sides, with an aggregate length of 173 lane kms for the section from Pedda Amberpet to Bongalur on the Hyderabad Outer Ring Road in the State of Andhra Pradesh

**CONCESSION**

The concession was awarded by Hyderabad Urban Development Authority for a period of 15 years (including construction period of 30 months)

**Date of Concession Agreement**  
August 3, 2007

**Date of Project Completion**  
March 1, 2011

**VALUE (₹ MILLION)**

4,727

**RAMKY ELSAMEX HYDERABAD RING ROAD LIMITED**

Hyderabad Outer Ring Road

**SCOPE**

Development of eight-lane access-controlled expressway and two-lane service roads on both sides with an aggregate length of 152 lane kms for the section from Tukuguda to Shamshabad on the Hyderabad Outer Ring Road in the State of Andhra Pradesh

**CONCESSION**

The concession was awarded by Hyderabad Urban Development Authority for a period of 15 years (including construction period of 30 months)

**Date of Concession Agreement**  
August 18, 2007

**Date of Project Completion**  
November 2009

**VALUE (₹ MILLION)**

3,994

**ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED**

Beawar Gomti Road

**SCOPE**

Development of two-lane highway with paved shoulder with an aggregate length of approximately 248 lane kms with an option to upgrade to a four-lane highway on the NH-8 connecting Beawar to Gomti in the State of Rajasthan

**CONCESSION**

Concession awarded by the Department of Road Transport & Highways, Government of India, on a DBFOT (Toll) basis for a period of 30 years (including construction period of 18 months)

**Date of Concession Agreement**  
April 1, 2009

**Date of Project Completion**  
August 25, 2010

**VALUE (₹ MILLION)**

3,510



## PROJECTS UNDER OPERATION

### JHARKHAND ROAD PROJECTS IMPLEMENTATION COMPANY LIMITED

Jharkhand Accelerated Road

#### SCOPE

Development of approximately 418 lane kms of state roads in the State of Jharkhand as follows:

Six-lane dual carriageway road in Ranchi Ring Road (RRR)

Two / four-lane road connecting Ranchi to Patratu Dam Road (RPR I)

Four-lane road with service road on both sides connecting Adityapur to Kandra (AK)

#### CONCESSION

Concession was awarded by the Government of Jharkhand on a BOT (Annuity) basis for a period of 17.5 years (including construction period of three years)

##### Date of Concession Agreement

RRR – September 23, 2009

RPR I – October 14, 2009

AK – August 06, 2011

##### Date of Project Completion

RRR – September 21, 2012

RPR I – October 12, 2012

AK – January 31, 2013

#### VALUE (₹ MILLION)

13,748



### HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Hazaribagh - Ranchi Road

#### SCOPE

Development of four-lane highway with an aggregate length of approximately 319 lane kms on NH-33 connecting Hazaribagh to Ranchi in the State of Jharkhand

#### CONCESSION

Concession was awarded by NHAI on a BOT (Annuity) basis for a period of 18 years (including a construction period of two and a half years)

##### Date of Concession Agreement

October 8, 2009

##### Date of Project Completion

September 15, 2012

#### VALUE (₹ MILLION)

8,692





**SOCIEDAD CONCESIONARIA A-4**

A-4 highway, Spain

**SCOPE**

Four/ six-laning of the existing road between km 3.78 and km 67.5. A-4 Madrid (approximately 256 lane kms), improvement and operation & maintenance of the same

**CONCESSION**

The Concession was awarded by the Ministry of Public Works, Madrid, Spain on DBFOT (Shadow Toll) basis for a period of 19 years to the JV of Elsamex SA & Isolux

**Date of Concession Agreement**

December 27, 2007

**Date of Project Completion**

November 2010

**VALUE (₹ MILLION)**

6,591

**CHONGQING YUHE EXPRESSWAY COMPANY LIMITED**

YuHe Expressway, China

**SCOPE**

Operations, Management and Maintenance of Yu He Expressway consisting of four-lane dual carriageway connecting downtown Chongqing with Hechuan County in Chongqing, China (approximately 235 lane kms)

**CONCESSION**

The Concession was granted by Chongqing Municipal People's Government, China on PPP basis for a period of 30 years with revenues from toll collections, annuities and from operations of service areas along the expressways

**Date of Concession Agreement**

June 28, 2002

**Date of JV Agreement**

December 09, 2011

**VALUE (₹ MILLION)**

22,750



## PROJECTS UNDER CONSTRUCTION

### THIRUVANANTHAPURAM ROAD DEVELOPMENT COMPANY LIMITED

Thiruvananthapuram City Roads (Phase II and Phase III)



#### SCOPE

Development of roads with an aggregate length of approximately 39 lane kms in Thiruvananthapuram city in the State of Kerala (Phase II & Phase III)



#### CONCESSION

The concession for Phases II and III of this project was awarded by the Kerala Road Fund Board on a BOT (Annuity) basis for a period of 17.5 years (including an initial construction period of two and a half years)

#### Date of Concession Agreement

May 1, 2009



#### VALUE (₹ MILLION)

613



### PUNE SHOLAPUR ROAD DEVELOPMENT COMPANY LIMITED

Pune - Sholapur Road



#### SCOPE

Development of four-lane highway with an aggregate length of approximately 571 lane kms on Pune – Sholapur stretch of NH-9 in the State of Maharashtra



#### CONCESSION

Concession awarded by NHAI on a DBFOT (Toll) basis for a period of 20 years (including an initial construction period of two and a half years)

#### Date of Concession Agreement

September 30, 2009



#### VALUE (₹ MILLION)

14,027



## JHARKHAND ROAD PROJECTS IMPLEMENTATION COMPANY LIMITED

Jharkhand Accelerated Road



### SCOPE

Development of approximately 245 lane kms of state roads in the State of Jharkhand as follows:

Four-lane road connecting Patratu Dam to Ramgarh (RPR II)

Two-lane road connecting Chaibasa to Chowka via Kandra (CKC)



### CONCESSION

Concession awarded by the Government of Jharkhand on a BOT (Annuity) basis for a period of 17.5 years (including construction period of three years)

#### Date of Concession Agreement

RPR II – October 14, 2009

CKC – May 28, 2011



### VALUE (₹ MILLION)

7,598



## ROAD INFRASTRUCTURE DEVELOPMENT COMPANY OF RAJASTHAN LIMITED

Mega Highway Project Phase II, Rajasthan



### SCOPE

Development of approximately 715 lane kms of state roads in Rajasthan, out of which 520 lane kms have been developed and 195 lane kms are under development in three stretches - Jhalawar to Ujjain (JU), Kapren to Mangrol (KM) and Khushkheda to Kasola Chowk (KK) in the State of Rajasthan



### CONCESSION

Concession awarded on BOT (Toll) basis for a period of 32 years (including a construction period of two years)

#### Date of Award

JU - December 21, 2009

KK - March 30, 2010



### VALUE (₹ MILLION)

2,555



## PROJECTS UNDER CONSTRUCTION

### MORADABAD BAREILLY EXPRESSWAY LIMITED

Moradabad Bareilly Road



#### SCOPE

Development of four-lane highway between Moradabad to Bareilly section of NH-24 from kms (approximately 522 lane kms) in the State of Uttar Pradesh



#### CONCESSION

Concession was awarded by NHAI on DBFOT (Toll) basis for a period of 25 years (including an initial construction period of two and half years)

#### Date of Concession Agreement

February 19, 2010



#### VALUE (₹ MILLION)

19,836



### WARORA CHANDRAPUR BALLARPUR TOLL ROAD COMPANY LIMITED

Warora - Chandrapur Road



#### SCOPE

Development of four-lane highway with an aggregate length of approximately 275 lane kms connecting Warora to Bamni via Chandrapur in the State of Maharashtra



#### CONCESSION

Concession awarded by the PWD, Government of Maharashtra on a DBFOT (Toll) basis for a period of 30 years (including an initial construction period of three years)

#### Date of Concession Agreement

March 18, 2010



#### VALUE (₹ MILLION)

6,886



### JORABAT SHILLONG EXPRESSWAY LIMITED

Jorabat Shillong Road



#### SCOPE

Development of four-lane highway between Jorabat to Shillong (Barapani) section of NH-40 (approximately 262 lane kms) in the States of Assam and Meghalaya



#### CONCESSION

Concession awarded by NHAI on a DBFOT (Annuity) pattern under SARDP-NE for a period of 20 years (including an initial construction period of three years)

#### Date of Concession Agreement

July 16, 2010



#### VALUE (₹ MILLION)

8,240



**CHENANI NASHRI  
TUNNELWAY LIMITED**

Chenani Nashri Tunnel

**SCOPE**

Development of 9 km long two-lane tunnel with parallel intermediate lane escape tunnel from Chenani to Nashri section of NH-1A in the State of Jammu & Kashmir

**CONCESSION**

Concession awarded by NHAI on DBFOT (Annuity) basis for a period of 20 years (including an initial construction period of five years)

**Date of Concession Agreement**

June 28, 2010

**VALUE (₹ MILLION)**

37,200

**N.A.M. EXPRESSWAY  
LIMITED**

Narketpalli Addanki Medarametla Road

**SCOPE**

Widening of an existing two-lane carriageway to a four-lane carriageway, including the strengthening of existing carriageway by providing bituminous overlays with an aggregate length of approximately 888 lane kms from Narketpalli to Medarametla (via Addanki) section of SH-2 in the State of Andhra Pradesh

**CONCESSION**

The concession for this project was awarded by Roads & Building Department, Government of Andhra Pradesh, on BOT (Toll) basis for a concession period of 24 years (including an initial construction period of two and a half years)

**Date of Concession Agreement**

July 23, 2010

**VALUE (₹ MILLION)**

17,614

**MP BORDER CHECKPOST  
DEVELOPMENT COMPANY  
LIMITED**

24 Border Checkposts

**SCOPE**

Construction, Up-gradation, Modernisation, Development, Operation and Maintenance of 24 Border Check Posts and 2 Central Control Facilities across the State of Madhya Pradesh

**CONCESSION**

Concession awarded by MPRDC on a BOT (User fee basis) for a period of 4,566 days (including an initial construction period of 730 days)

**Date of Concession Agreement**

November 10, 2010

**VALUE (₹ MILLION)**

13,500





## PROJECTS UNDER CONSTRUCTION

### ROAD INFRASTRUCTURE DEVELOPMENT COMPANY OF RAJASTHAN LIMITED

Mega Highways Project Phase III, Rajasthan

#### SCOPE

Improvements and Development of two-lane highway with paved shoulder with an aggregate length of 607 lane kms in two corridors viz. Mathura (U.P. Border) to Bhadoti and Rawatsar-Nohar-Bhadra up to Haryana border in the State of Rajasthan

#### CONCESSION

Concession was awarded on BOT (Toll) basis for a period of 32 years (including a construction period of two years)

#### Date of Concession Agreement

February 22, 2012

#### VALUE (₹ MILLION)

6,113



### BALESHWAR KHARAGPUR EXPRESSWAY LIMITED

Baleshwar Kharagpur Road

#### SCOPE

Construction of New Bridges / Structures, Repair of existing four-lane Highway from Baleshwar to Kharagpur section of NH-60 of approximately 477 lane kms in the States of Orissa and West Bengal and its Operation and Maintenance

#### CONCESSION

The concession for this project has been awarded by NHAI on a DBFOT (Toll) basis for a period of 24 years (including construction period of two and a half years)

#### Date of Concession Agreement

April 24, 2012

#### VALUE (₹ MILLION)

6,600



### SIKAR-BIKANER HIGHWAY LIMITED

Sikar-Bikaner Road

#### SCOPE

Development and operation of Sikar-Bikaner Section of NH-11 via Sikar Bypass and Bikaner Bypass ending on NH-89 (approximately 540 lane kms) by two-laning with paved shoulder in the State of Rajasthan

#### CONCESSION

The concession for this project has been awarded by PWD Rajasthan on a DBFOT (Toll) basis for a period of 25 years (including construction period of two years)

#### Date of Concession Agreement

June 29, 2012

#### VALUE (₹ MILLION)

9,013



## PROJECTS UNDER DEVELOPMENT

## KIRATPUR NER CHOWK EXPRESSWAY LIMITED

Kiratpur Ner Chowk Road



## SCOPE

Development of four-lane highway between Kiratpur and Ner Chowk section of NH-21 (approximately 327 lane kms) in the States of Punjab and Himachal Pradesh



## CONCESSION

Concession has been awarded by NHAI on a DBFOT (Toll) basis for a period of 28 years (including an initial construction period of three years)

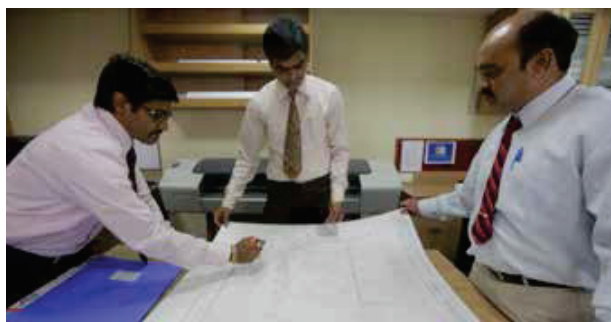
[Date of Concession Agreement](#)

March 16, 2012



## VALUE (₹ MILLION)

22,910



## BARWA ADDA EXPRESSWAY LIMITED

Barwa-Adda-Panagarh Road



## SCOPE

Development and Operation of six-lane highway between Barwa-Adda-Panagarh section of NH-2 including Panagarh Bypass (approximately 727 lane kms) in the States of Jharkhand and West Bengal



## CONCESSION

The Concession has been awarded by NHAI on a DBFOT (Toll) basis for a period of 20 years (including an initial construction period of two and a half years)

[Date of Concession Agreement](#)

May 08, 2013



## VALUE (₹ MILLION)

24,199 (Estimated)



## PROJECTS UNDER DEVELOPMENT

### ITNL ROAD INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED (FOUR-LANING)

Beawar – Gomti Road

#### SCOPE

Four-laning of the existing two-lane Beawar – Gomti section of NH-8 of approximately 216 lane kms, in the State of Rajasthan

#### CONCESSION

The concession was awarded by Department of Road Transport & Highways, Government of India, on a DBFOT (Toll) basis for two-laning of the project for an initial period of 11 years is extended to 30 years as Concessionaire has been notified for undertaking four-laning for the project

#### Date of Concession Agreement

April 1, 2009

#### VALUE (₹ MILLION)

13,871



### KHED SINNAR EXPRESSWAY LIMITED

Khed-Sinnar Road

#### SCOPE

Development and Operation of four-lane highway between Khed and Sinnar section of NH-50 (approximately 557 lane kms) in the State of Maharashtra

#### CONCESSION

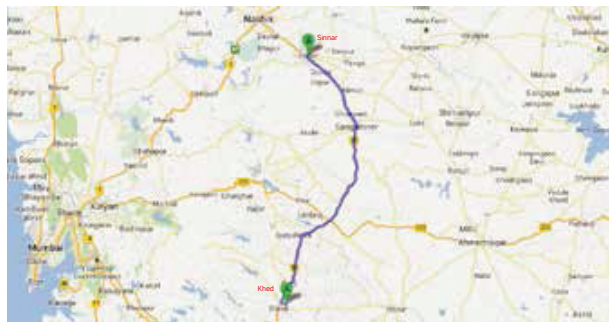
The Concession has been awarded by NHAI on a DBFOT (Toll) basis for a period of 20 years (including a construction period of two and a half years)

#### Date of Concession Agreement

May 08, 2013

#### VALUE (₹ MILLION)

20,000 (Estimated)



## URBAN TRANSPORTATION PROJECTS

### VANSH NIMAY INFRA-PROJECTS LIMITED

Nagpur City Bus Project



#### SCOPE

Mobilisation, operation and maintenance of the Nagpur city bus services in the city of Nagpur on BOO basis



#### CONCESSION

Concession awarded by Nagpur Municipal Corporation to Vansh Nimay Infra-Projects Limited for a period of 10 years (and renewable for another five years)

#### Date of Concession Agreement

February 9, 2007



#### VALUE (₹ MILLION)

709



### RAPID METRORAIL GURGAON LIMITED

Gurgaon Metro Rail Link



#### SCOPE

Development of approximately 4.9 km long elevated metro rail link connecting the Delhi Metro Sikanderpur station on MG Road to NH-8 in Gurgaon in the State of Haryana



#### CONCESSION

Concession has been awarded by Haryana Urban Development Authority for a period of 99 years (including an initial construction period of two and a half years)

#### Date of Concession Agreement

December 9, 2009



#### VALUE (₹ MILLION)

11,340



## URBAN TRANSPORTATION PROJECTS

### RAPID METRORAIL GURGAON SOUTH LIMITED

Gurgaon Metro Rail South Extension

#### SCOPE

Development of approximately 7 km long elevated Metro Rail Link extension from Sikanderpur Station to Sector 56 in Gurgaon in the State of Haryana

### CHARMINAR ROBO PARK LIMITED

Car Parking Project, Charminar, Hyderabad

#### SCOPE

Development of Integrated Multi-level Automatic Car Parking in the city of Hyderabad in the State of Andhra Pradesh

#### CONCESSION

Concession has been awarded by Haryana Urban Development Authority for a period of 98 years (including an initial construction period of two and a half years)

##### [Date of Concession Agreement](#)

January 3, 2013

#### CONCESSION

The Concession has been awarded by Greater Hyderabad Municipal Corporation (GHMC) on BOT basis for a concession period of 30 years (including an initial construction period of two years)

##### [Date of Concession Agreement](#)

May 25, 2012

#### VALUE (₹ MILLION)

21,430



#### VALUE (₹ MILLION)

725

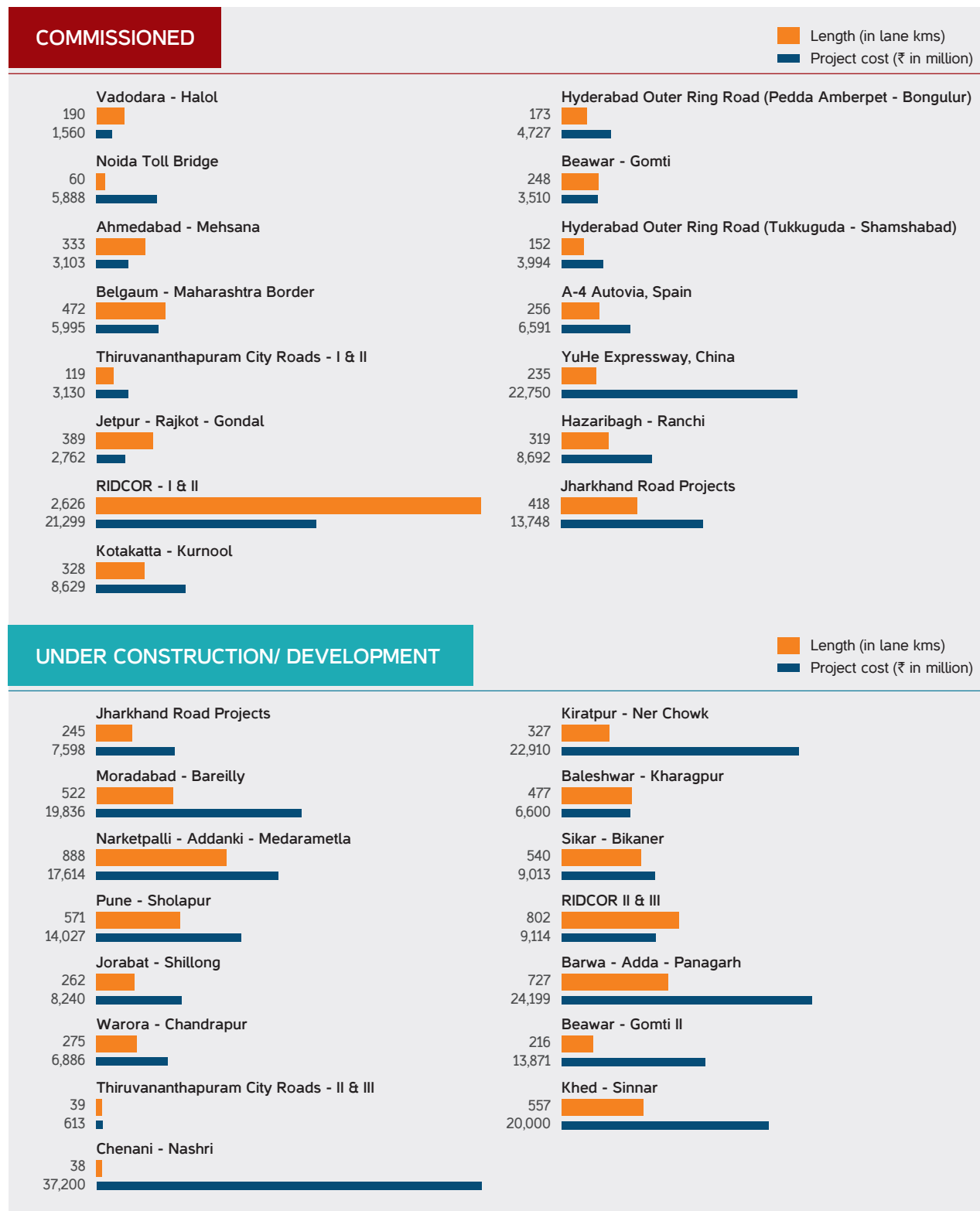




# Largest Private Sector BOT

## Road Asset Portfolio Mix

Fair mix of 'Annuity / assured payments' and 'Toll' based projects in various stages of development



Graphs not to scale

# Board of Directors

## DEEPAK DASGUPTA

### Chairman & Independent Director

- Retired Indian Administrative Services Officer
- Served the Government of Haryana and the Central Government for over 36 years
- Headed various departments in the Government of Haryana and Government of India, including those related to infrastructure development and policy formulation
- Served as the Chairman of National Highways Authority of India for over five years and as an Advisor to the Asian Development Bank
- Member of the Senior Expert Committee of IDFC Private Equity Fund and the Special Task Force in Bihar
- Holds a Master's degree in Science from Delhi University

## R C SINHA

### Independent Director

- Retired Indian Administrative Services Officer; worked in various capacities in the Government of Maharashtra and Government of India
- Headed various departments / worked in ministries of the Government of Maharashtra, including as Collector, District Magistrate, Secretary and Additional Chief Secretary
- Served as the Joint Secretary, Ministry of Information & Broadcasting, Government of India
- During his tenure with the Government of Maharashtra, Mr. Sinha was appointed as Vice-Chairman & Managing Director of Maharashtra State Road Transport Corporation Limited, City Industrial Development Corporation of Maharashtra Limited; Vice-Chairman & Managing Director of Maharashtra State Road Development Corporation Limited (MSRDC) (during his tenure MSRDC developed the prestigious 'Mumbai-Pune

Expressway' project); and also as Vice-Chairman & Managing Director of Maharashtra Airport Development Company Limited

- Holds a Bachelor's degree in Law, Master's degree in Economics from Lucknow University and a Post graduation in 'Urban Development' from the London University

## DEEPAK SATWALEKAR

### Independent Director

- Former Managing Director and Chief Executive Officer of HDFC Standard Life Insurance Company Limited; prior to this, he was the Managing Director of HDFC Limited since 1993
- Consultant with multi-lateral and bi-lateral agencies
- Recipient of the 'Distinguished Alumnus Award' from the Indian Institute of Technology, Mumbai, and is now on the Advisory Council of the said Institution
- Also an Independent Director on the Boards of several other companies
- Currently active on the Board of Trustees of Isha Vidhya (ishavidhya.org) and Teach to Lead (teachforindia.org), engaged in the field of primary education for low income and socially disadvantaged members of the society in rural and urban India, respectively
- Also advising a company engaged in establishing a network of BPO companies in rural areas across the country
- Holds a Bachelor's degree in Technology from the Indian Institute of Technology, Mumbai, and a Master's degree in Business Administration from the American University, Washington DC

## H P JAMDAR

### Independent Director

- Headed various departments of the Government of Gujarat, including as Secretary and Principal Secretary; during his tenure, Mr. Jamdar was appointed as Chairman of various state-owned corporations, especially in roads and ports sector
- Served as the President of Indian Roads Congress and the Institution of Engineers (India) and as the Vice-President of 'FIESCA'
- Holds a Bachelor's degree in Civil Engineering from the Gujarat University

## RAVI PARTHASARATHY

### Non-Executive Director

- Associated with the Company since January 6, 2001 and with the IL&FS Group since 1988
- Presently the Chairman of IL&FS Group
- Prior to joining the IL&FS Group, he served 20th Century Finance Corporation Limited, a financial services company, as its Executive Director
- Holds a Bachelor's degree in Science from the University of Mumbai and a post-graduate diploma in Business Administration from the Indian Institute of Management, Ahmedabad

## HARI SANKARAN

### Non-Executive Director

- Associated with the Company since November 29, 2000 and with the IL&FS Group since 1990
- As Vice Chairman & Managing Director of IL&FS, he has been instrumental in developing and overseeing the business canvas of the Group

- Has over 27 years of experience in research, project development, structuring, management and financing
- Closely involved in the implementation of all the IL&FS Group Infrastructure Projects
- Participated in various High Powered Committees set up by the Government of India for policy and legal reforms, including as the Chairman of the FCCI Infrastructure Committee
- Holds a Master's degree in Economics from the London School of Economics & Political Science

**ARUN K SAHA****Non-Executive Director**

- Associated with the Company since January 6, 2001 and with IL&FS Group since 1988
- Presently the Joint Managing Director & CEO of IL&FS, overseeing activities relating to finance, operations, credit compliance and risk management of the IL&FS Group, including activities in the areas of financial services, infrastructure, asset management, distribution and management of retail assets and liabilities
- Holds a Master's degree in Commerce from the University of Kolkata; is an Associate Member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India

**VIBHAV KAPOOR****Non-Executive Director**

- Associated with the Company since December 10, 2004 and with IL&FS Group since July 1, 2002 as Chief Investment Officer and also heads the Group HRD policies and their implementation
- Prior to joining the IL&FS Group, Mr. Kapoor was associated with the Merchant Banking Division of ANZ Grindlays Bank as a Portfolio

Manager and as the Head of Corporate Finance and Equity Research department of the Unit Trust of India

- Mr. Kapoor holds a Bachelor's degree in Arts and a Master's degree in Business Administration from the Himachal Pradesh University, Shimla

**PRADEEP PURI****Non-Executive Director**

- An Ex-Indian Administrative Services Officer
- Held important positions in the Ministry of Commerce and the Department of Economic Affairs, Ministry of Finance, Government of India, dealing with International Trade and Investment
- At present, he serves as the Chief Executive Officer of Model Economic Township Company Limited
- Mr. Puri holds a Master's degree in History from Delhi University

**K RAMCHAND****Managing Director**

- Has been associated with IL&FS Group since 1994 and as the Managing Director of the Company since August 13, 2008
- With over 31 years of experience in urban and transport infrastructure development sector, he has been involved in a large number of private infrastructure development initiatives, including the successful commissioning of various toll road projects in Gujarat and for the NHAI
- In his role as the Chief Executive Officer (Infrastructure) of IL&FS Group, he is associated with various initiatives in infrastructure, including SEZs and Maritime Assets
- Also a member of the Management Board of IL&FS and represents the Boards of various companies within the Group

- Prior to joining IL&FS, he was associated with the Operations Research Group, Dalal Consultants, Mumbai Metropolitan Region Development Authority and City and Industrial Development Corporation of Maharashtra Limited
- Holds a Bachelor's degree in Civil Engineering from Madras University and a post-graduation in 'Development Planning' from the School of Planning, Ahmedabad

**MUKUND SAPRE****Executive Director**

- Has been associated with the IL&FS Group since 1992 and as an Executive Director of the Company since August 13, 2008
- Has almost three decades rich industry experience
- Prior to joining the Company, he was involved with international projects in the Philippines, Indonesia, Mexico and Spain and has played a vital role in implementing the 'High Speed Rail Project' and evaluating the 'Cargo Airport Project' in Mexico and associated with Engineers India Limited and Gammon India Limited
- Holds a Bachelor's degree in Civil Engineering, a Diploma in Systems Management and also in Financial Management

# Awards and Accolades



## ITNL's Annual Report of 2011-12

received multiple recognitions at the 'League of American Communication Professionals (LACP) Vision Awards', the worlds largest annual report competition



- 9th rank in the Top 100 Annual Reports Worldwide



- The Best Annual Report Cover worldwide for the past fiscal year



- The Platinum Award for excellence within its Industry

## Sector Recognition



'Most Admired Infrastructure Company in Transport' at the 5th KPMG INFRASTRUCTURE TODAY Awards 2013 held at New Delhi



'PPP Company of the year' award at the ACQ Global Awards 2012



Winner of 'Special Commendation' for the Golden Peacock Occupational Health and Safety Award



Outstanding contribution in Roads and Highways (Infrastructure Category) at the EPC World Awards 2012



# Corporate Information

## BOARD OF DIRECTORS

Deepak Dasgupta  
*Chairman*

Ravi Parthasarathy

Hari Sankaran

Arun K Saha

R C Sinha

H P Jamdar

Deepak Satwalekar

Pradeep Puri

Vibhav Kapoor

K Ramchand  
*Managing Director*

Mukund Sapre  
*Executive Director*

## COMPANY SECRETARY

Krishna Ghag

## SENIOR MANAGEMENT

K Ramchand  
*Managing Director*

Mukund Sapre  
*Executive Director*

Harish Mathur  
*Chief Executive*

George Cherian  
*Chief Financial Officer*

Krishna Ghag  
*Vice President & Company Secretary*

## AUDITORS

Deloitte Haskins & Sells  
*Chartered Accountants*

## REGISTERED OFFICE

The IL&FS Financial Centre, C-22, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

## REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound  
L.B.S Marg, Bhandup (West),  
Mumbai 400 078

## COMMITTEES OF THE BOARD

### Audit Committee

R C Sinha  
*Chairman*

Deepak Dasgupta

H P Jamdar

Arun K Saha

### Shareholders' / Investors' Grievance Committee

Arun K Saha  
*Chairman*

K Ramchand

### Remuneration Committee

Deepak Satwalekar  
*Chairman*

Ravi Parthasarathy

Hari Sankaran

### Committee of Directors

Hari Sankaran  
*Chairman*

Arun K Saha

Pradeep Puri

K Ramchand

Mukund Sapre

### Safety Committee

H P Jamdar  
*Chairman*

Deepak Dasgupta

R C Sinha



# Management Discussion and Analysis

With rising emphasis on the PPP projects, opportunities in the infrastructure sector are increasing significantly, more so for the private sector players

## 1. INDIA'S INFRASTRUCTURE INDUSTRY

Emergence of rational bidding has helped India's infrastructure space stabilise in FY 2012-13. The global financial turmoil impacted infrastructure financing, resulting in the infrastructure player moving with measured steps. Despite this environment of caution, India's infrastructure sector retains its potential. It spearheads the growth of the Indian economy. Besides, recent policy initiatives and the emphasis on infrastructure showed by the government in the budget are also expected to provide an impetus to the sector. These are positive signs for the sector and will start showing their impact shortly

India continues to remain one of the most significant emerging economies and presents significant infrastructure project pipeline. The country's infrastructure sector is not just an enabler, but has proved to be a catalyst of economic growth. The government has recognised the significance of infrastructure and has undertaken steps to bring in momentum to this sector

Budgetary allocations in the XIth Five Year Plan helped set the route for major infrastructure funding. Out of it, an estimated 36% was contributed by the private sector. The XIth Five Year Plan estimates infrastructures spend of USD 1 trillion, with almost 50% of this expected to be contributed by the private sector. Almost 30% of the XIth Five Year Plan is centred on projects in the transportation

sector - roads and bridges (16.4%), railways (9.5%), mass rapid transport system (2%) and airports (2.1%) sectors. This augurs well for the infrastructure sector, which is likely to witness a considerable focus on private sector contribution for infrastructure creation. The Public Private Partnership (PPP) format will be a significant contributor to the infrastructure creation of India, with over 900 PPP projects already awarded

The infrastructure gap that India's economy needs to tread provides significant potential for the companies. The private sector is poised to play a pivotal role in India's infrastructure growth in the years to come

## 2. OPPORTUNITIES

With rising emphasis on the PPP projects, opportunities in the infrastructure sector are increasing significantly, more so for the private sector players. The government's efforts to create infrastructure to drive economic growth helps to ensure that private sector opportunities remain plentiful

### a. Roads

India's road network, covering over 4.24 million kilometres, is the world's second largest. The country's road density is also among the world's highest with 1.29 kms of roads per sq. km of area. However, the National Highways and Expressways constitute only about 1.67 %



of the road length. The percentage of paved roads is 49.3%. Moreover, India's road freight volumes are increasing at a compound annual growth rate (CAGR) of 9.08 %, coupled with the augmenting number of vehicles (all types), which are increasing at a CAGR of 10.76 %. To cater to such burgeoning needs, road length is also being increased at 4.01 % CAGR

Due to its large size, India needs an efficient road network to enhance national integration and accelerate socio-economic development. About 65% of India's freight and 80% of passenger traffic use roads. The highways and expressways, despite constituting only 2% of all roads in the country, carry 40% of the road traffic

To further develop and decongest the existing road infrastructure, the Indian Government has envisaged the National Highways Development Project (NHDP). Being implemented through the National Highways Authority of India (NHAI), the NHDP provides a significant opportunity to develop National Highways, including construction of bridges, flyovers and similar other infrastructure

Spread across seven phases, the NHDP includes the upgradation of more than 50,000 kms of National Highways-

(i) NHAI has completed the Golden Quadrilateral project and is in the process of beginning its six laning

**(ii) Four laning of 12,109 kms (NHDP-III)**

NHDP (Phase III) involves four laning of over 10,292 kms of high-density corridors that are not covered in the earlier two phases of NHDP, namely, the Golden Quadrilateral and the East-West and North-South Corridor, covering the country's length and breadth. Tamil Nadu, Maharashtra, Rajasthan, Bihar and Madhya Pradesh have witnessed substantial highways development under NHDP-III

NHDP Phase III aims to connect state capitals and places of economic, commercial and tourist importance to stretches of National Highways. This facilitates smooth passage of high-volume traffic.

Up to February 2013, 4,955 kms have been completed and 5,394 kms are under implementation through 90 projects

**(iii) Two laning of 14,799 kms (NHDP-IV)**

To distribute the improved/widened highway network across India in a balanced and equitable manner, NHDP-IV envisages upgrading 14,799 kms of roads into two-lane highways. This will help match their capacity, speed and safety to the minimum National Highways benchmarks. Even as pre-project work has commenced, NHDP-IV is still in its early stages with only 116 Kms completed and 3,874 kms under implementation. Approximately, 10,809 kms are yet to be awarded

**(iv) Six laning of 6,500 kms (NHDP-V)**

Under NHDP-V, the Government approved the sixlaning of 6,500 kms of National Highways. Approved through PPP route on BOT (Toll) basis using Design Build Finance and Operate (DBFO) pattern with a maximum Viability Gap Funding (VGF) of 10%, this project will cost ₹ 412 billion. Construction of around 1,398 kms of the roads has been completed and 2,682 kms are under implementation. Approximately, 2,420 kms are yet to be awarded

**(v) Development of 1,000 kms of expressways (NHDP-VI)**

Importance of India's certain urban centres are on the rise. For those located within a few hundred kilometres of each other, expressways would be both viable and beneficial. Under the NHDP Phase VI, the Government approved the construction of 1,000 kms of expressways at an estimated cost of ₹ 166.80 billion through the PPP route on BOT (Toll) mode. This followed a design, build, finance, operate (DBFO) pattern with a maximum VGF of 40%. The feasibility report for this is under preparation. NHDP-VI is scheduled for completion by December 2015



**(vi) Other Highway projects (NHDP-VII)**

Under NHDP Phase-VII, the Government has envisaged the construction of 700 kms stand-alone ring roads/bypasses as well as grade separators, flyovers, elevated roads, tunnels, road over bridges, under passes and so on, at an estimated cost of ₹ 166.80 billion. These are expected to be implemented through the PPP route on BOT (Toll) basis, with a maximum VGF of 40%. As in February 2013, around 19 kms of roads have been completed and 22 kms are under implementation

**(vii) Special Accelerated Road Development Programme for the North Eastern Region (SARDP-NE)**

About 15 stretches, aggregating 388 Kms of various National Highways in the North Eastern areas, are to be developed under PPP mode through the Special Accelerated Road Development Programme for the North Eastern Region (SARDP-NE). The project has been conceived to provide connectivity to all 85 district headquarter towns of the Northeastern region by at least two-lane roads. It also aims to upgrade all two-lane National Highways connecting state capitals in the region to four-lane standards. Approximately, 57 kms of the phase have been completed and 55 kms are under implementation. Approximately, 276 kms are yet to be awarded

**Annual qualification for projects awarded by NHAI**

NHAI continued its Annual pre-qualification of bidders and envisages, awarding approximately, 4,000 kms of highways in the current fiscal year. The bidders have been pre-qualified annually for projects to be awarded by NHAI

**O&M projects**

NHAI continued with the process for awarding various National Highway stretches on Operate Maintain and Transfer (OMT) contracts. During the year ended March 31, 2013, approximately 18 OMT Projects were opened for bidding. These added to a length of 2,682.66 kms, having a Total Project Cost of ₹ 1,449.08 Crores

**State-level Initiatives**

The state governments are implementing several infrastructure projects across sectors through the PPP mode. State roads will be the next big opportunity for investors looking to invest in the sector. Almost 200,000 kms of state roads are expected to be developed/repared over the next five years; this will involve an investment of about ₹ 4 trillion. While public funding will dominate investments in state roads, the share of private investment will certainly need to be increased. The progress so far has been mixed. States, such as Karnataka, Andhra Pradesh, Maharashtra, Madhya Pradesh and Gujarat, which started the reform process early on, have made significant headway in attracting private funds. These five states together contribute around 50% of the country's total state PPP projects. Other states like Uttar Pradesh, Bihar, Haryana, Jharkhand, Odisha and Punjab are recent entrants and are trying to kick-start the PPP process

On paper, the states have lined up projects worth ₹ 1,000 billion to be developed on a PPP basis. The investment's realisation, however, will depend on factors, such as government support through right policies implementation and incentives to attract private players. The government's policies also need to facilitate pre-construction activities like land acquisition and environment clearances

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**NHAI continued with the process for awarding various National Highway stretches on Operate Maintain and Transfer (OMT) contracts. During the year ended March 31, 2013, approximately 18 OMT Projects were opened for bidding**

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Delhi Noida Toll Plaza



Meanwhile, multilateral agencies continue to show commitment towards supporting improvement programmes in the states. Investments of around USD 4 billion have been approved by the World Bank and the Asian Development Bank in the past four years

Greater focus is also required on operations and maintenance (O&M). So far, only a few states have offered OMT contracts and concessions. This, in turn, has helped build up a significant potential in this segment. At the same time, realistic pipeline projects will go a long way in attracting technology providers

## b. Railways

The Indian Railways, one of Asia's largest railway networks and the world's second largest under one management, is the country's major transport lifeline

Traditionally, capital-intensive railway projects are mostly funded by budgetary support from the Government. The railway sector's projected investment is expected to be USD 123 billion. An important source of funding the capacity augmentation, where the railway sector needs to focus, is private investment. The first step in this direction has been undertaken by Railways in the XIth Five Year Plan. However, there is still immense potential in the sector. Private investment mobilisation in the XIth Five Year Plan is likely to be to the tune of 4% of plan outlay. This is far less compared to the private capital share in other sectors, such as ports (80%), telecom (82%), electricity (44%), airports (64%) and roads (16%). PPP projects related to rolling stock manufacturing units, such as railway stations modernisation, multifunctional complexes, logistics parks, private freight terminal, freight train operators, liberalised wagon investment schemes, dedicated freight corridors and other, which are in pipeline, offer excellent private investment opportunities. These need to be speedily executed in the XIth Five Year Plan

Another major PPP project on the anvil is the Mumbai's Elevated Rail Corridor, which is estimated to cost around ₹ 240,000 million. Other notable projects initiated by Railways are the redevelopment of 40 stations, of which five are proposed to be taken up on a pilot basis. Rail port

connectivity, which have also been planned in the states of Gujarat, Karnataka and West Bengal, are in the initial phases. Once completed, these will boost India's freight transportation scenario

## Metro Rail

The working group on urban transport has identified 10 goals for the XIth Five Year Plan, which, inter alia, talks of 'Augmentation of Public Transport' by:

- Introducing organised city bus service according to urban bus specifications issued by Ministry of Urban Development in all 2 lakh+ cities and state capitals
- Adding BRTS @ 20 kms/1 million population in 51 cities with population of over 1 million
- Adding rail transit at 10 kms per million population and planning such projects in cities with population of over 2 million; starting construction in cities with population of over 3 million; estimated financial progress during the XIth Five Year plan is envisaged at 25% of the total cost
- Expanding rail transit in existing mega cities, at 10 kms per year, that is 50 kms per year in the XIth Five Year Plan
- Providing Suburban rail services in urban agglomerations with population of over 4 million
- Improving and upgrading intermediate public transport vehicles

The same study estimates investment requirement in Public Transport, including Metro Rail and Commuter/Regional Rail, at ₹ 1,307,260 million and ₹ 197,800 million, respectively

The financing of investments required in the XIth Five Year Plan is planned to be channelised through a combination of funding from the Government of India, State Government/Urban local body, development agencies, property development, loan from domestic and financial institutions as well as PPP. The financing model proposed for urban transit in this case talks of investment, primarily funded by the Government, except in case of high-density and elevated construction where PPP is feasible





The Company has a large and diversified BOT road asset portfolio. Besides, it also has an optimum mix of toll and annuity projects and significant geographical spread

### 3. THREATS

Factors, which can threaten the business model and the Company's market standing, emerge from changes in Government policies, safety and security concerns and so on. Some possible threats are discussed below:

#### a. Business Environment changes

The Business environment and relevant changes remain a key threat to the Company. As the Company ambitions to expand globally, the domestic as well as the international business environments become a risk to the Company. Hence, it needs to be wary of the changes there as well. The policy shifts in relevant international markets pose a risk to the Company's business model. However, on a domestic level, the likelihood of significant changes in the business environment is negligible

#### b. Selection Criteria

Participants are selected/qualified in a consistent manner over the past few years. Annual pre-qualification of bidders commenced by NHAI continued to be the norm in the year under review as well. The Company remains qualified under the NHAI conducted Annual Pre-qualification process. The criteria for selection/qualification by other authorities also remain similar to that adopted by NHAI

#### c. Change in law

Change in law adversely impacts the Company. However, it is mitigated through the Company's contractual arrangements. Under the Concession Agreements, the Company is protected by the change in law

#### d. Credit availability

With PPP's advent in almost all infrastructural sub-sectors, infrastructure finance remains the Company's

key concern. Its significant demand may lead institutions to impose stringent checks and could lead to a process slowdown. The Company maintains a good track record with infrastructure financiers; this ensures that the Company achieves financial closure timely for its projects

### 4. SECTOR-WISE PERFORMANCE

The Company (ITNL and its special purpose vehicles / subsidiaries) has a significant presence in different business verticals in the surface transportation segment, such as roads, urban transport, railways and development of border check posts. The Company has a large and diversified BOT road asset portfolio. Besides, it also has an optimum mix of toll and annuity projects and significant geographical spread. The Company has developed various pan-India road projects, apart from being engaged in complementary engineering, designing, planning and project monitoring skills. ITNL will focus on maintaining its record of delivering quality assets within budgeted costs and time

#### a. Roads

Despite turbulent times for the sector, the financial year ended March 31, 2013, augured well for the Company. It was awarded two new projects and is awaiting Letter of Award (LOA) for one project. Moreover, it has achieved financial closure for two road sector projects and commenced commercial operations for five road projects. The details are as follows:

- (i) The Company has received the LOA for Four Laning of the Khed-Sinnar section of NH-50 from Km 42.000 to Km 177.000 (Design Length – 137.946 Km) under Phase IV B in Maharashtra on Design-Build-Finance-Operate-Transfer (DBFOT) Basis on March 28, 2013. This is a toll project awarded by the NHAI.



- (ii) The Company has received the LOA for the six-laning of Barwa-Adda-Panagarh section of NH-2 from km 398.240 to km 521.120, including Panagarh Bypass, in Jharkhand and West Bengal under NHDP Phase V as BOT (Toll) on DBFOT Pattern on April 05, 2013. This is a toll project awarded by NHA
- (iii) The Company emerged as the lowest bidder for the bid organised by the Karnataka State Highway Improvement Project (KSHIP) for DBFOMT of the existing state highway (SH 1 and 57) from Shikaripura-Anandapuram (NH-206) and Shimoga-Shikaripura-Anavatti-Hangal (Approx. length 153.665 Km) in Karnataka on DBFOT Annuity Basis. The Company is awaiting the LOA for this project
- (iv) Financial closure has been achieved during FY 2012-13 in respect of the following projects:
  - The Company has been assigned the task of constructing new bridges/structures and repair the existing four-lane highway from Baleshwar to Kharagpur section of NH-60 from Km 0.000 to Km 119.300 including its operation and maintenance in Odisha and West Bengal on DBFOT Pattern. The Project has been awarded by the NHA on BOT (Toll) basis, at a cost of ₹ 6,600 million. Appointed date for the Project has been declared as January 01, 2013. The Company has already commenced construction and has taken over the toll collection of the existing four-lane road, with effect from the commencement date
  - The Company is going to develop and manage operations of the Sikar-Bikaner section of NH-11 from 340.188 Km to 557.775 Km via Sikar Bypass and Bikaner Bypass by Two-laning of the road from 553.869 kms of NH-11 to 267.325 Km of NH-89 with paved shoulder in the State of Rajasthan through the PPP model on a DBFOT basis. The Project was awarded by the Public Works Department, Government of Rajasthan, at a cost of ₹ 9,013.7 million. Appointed date for the Project was February 18, 2013. The Company mobilized contractors at site and has already started work in available stretches after securing the necessary clearances
- The Company is engaged in developing an integrated, multi-level automatic car parking at Khilwat, Hyderabad on BOT basis under the PPP mode. The Project has been awarded by Greater Hyderabad Municipal Corporation, Government of Andhra Pradesh, at a cost of ₹ 725.4 million
- (v) In addition to the above-mentioned projects, the Company also commenced the construction of the Mathura-Bhadothi, Rawatsar-Bhadra, Khushkhera-Kasola and Jhalawar-Ujjain stretches under Phases II and III of Rajasthan's Mega Highways Road Project
- (vi) The Company is operating and maintaining the following road projects according to norms prescribed under the Concession Agreements:
  - Pedda Amberpet - Bongulur Project (Hyderabad Outer Ring Road)
  - Kotakatta Bypass - Kurnool project, Andhra Pradesh
  - Jetpur- Gondal- Rajkot project, Gujarat
  - Belgaum - Maharashtra Border project, Karnataka
  - Thiruvananthapuram City Road Improvement project, Kerala
  - Ahmedabad - Mehsana project, Gujarat
  - Vadodara - Halol project, Gujarat
  - Various road stretches under the Mega Highways Road Project, Phase-I, Rajasthan
- (vii) During the year, the Company commenced commercial operation and maintenance of the following projects:
  - 15.7 kms of Phase II and III of the Thiruvananthapuram City Road Improvement project, Kerala



- Hazaribagh-Ranchi section of NH 33, Jharkhand
- The Ranchi Ring Road, Adityapur Kandra Road and Ranchi - Patratu Dam Road, under the Jharkhand Accelerated Road Development Programme (JARDP)
- The Jhalawar - Jhalawar Road package under the Mega Highways Road Project, Phase II, Rajasthan
- The Company also received substantial completion certificate for the Kushkhera - Kasola project with effect from March 18, 2013 and is awaiting COD from the Client as per the agreement's provisions

With the exception of the last two mentioned above, which are toll projects, all others entail fixed annuity payments for the duration of their respective concession period

- (viii) The Company is currently associated with approximately, 33 proposals with various project awarding authorities. These proposals aggregate to 3,795 Kms, which are under various stages of development

#### b. Urban transport

- (i) Rapid MetroRail Gurgaon Limited, a subsidiary of ITNL, is nearing completion. Its projects include the construction of the 5.1 kms elevated metro rail loop line. This loop will connect Sikanderpur station of Delhi Metro to the Central Business District of Gurgaon through DLF Cyber City, at an estimated cost of ₹ 10,800 million. The project achieved financial closure in June, 2010 and the construction activity commenced in December the same year. The project is likely to be opened for the use of general public in the coming year
- (ii) Rapid MetroRail Gurgaon South Limited, a subsidiary, has signed Concession Agreement to develop approximately, 7 kms metro rail from Sikanderpur to Sector 56 in Gurgaon. Once completed, the metro rail will move along the

bustling Golf Course Road. The project cost is estimated at ₹ 21,430 million and the debt tie up for the project has been secured in March 2013. The construction work shall start by June 2013

The investment commitment (net of advances) for all the afore mentioned projects, as on March 31, 2013, was ₹ 19,506.91 million. This amount will be infused in accordance with the provisions of the financing arrangements to be entered into for each respective project. Typically, lenders ask for infusion of around 40% to 50% of the equity commitment upfront. The infusion of the balance amount is required to be done in accordance with construction progression on reaching a certain specified debt-equity level. This investment commitment is, therefore, expected to be infused into respective projects in the next two to three years

### 5. RISKS AND CONCERNS

The Indian infrastructure growth story and its role in the country's economic development have driven the economy forward. This auger well for the Company and its long-term sectoral outlook. The Company's pioneer role allows it to be well placed to understand and manage the risks. Some of these risks facing the industry are discussed below:

#### (a) Market Competition

The competition, which had increased manifold in the past, has eased with market players turning cautious, leading to more rational bids. Considering the ever-changing market competition, the Company adapts its policies and procedures to ensure a sustained business model

#### (b) Government spending slowdown

The Indian Government's infrastructural spending is currently witnessing an upward curve. For India's infrastructural space, the XIIth Five Year Plan envisages an investment of USD 1 trillion, with almost 50% of this amount expected to be contributed by the private sector. Thus, the government spending as well as the private sector's contribution are rising, compared to the previous



Main Tunnel and Cross Passage to Escape Tunnel under construction at Chenani Nashri



years. This situation is expected to help the Company and enhance its growth prospects

**(c) Delay in Government clearances / approvals for the project**

Delay in receiving government approvals has been often highlighted in the recent past as a major stumbling block to execute and complete projects timely. The Company considers the Concession Agreement sacrosanct in this regard, which provides risk mitigation for delays in obtaining clearances. Besides, the Company also plays a proactive role and works jointly with the Authorities to attain the requisite clearances

**(d) Retention of experienced manpower**

The Company encourages its existing manpower to play a more significant role in its various operations. This continual role enhancement approach helps retain the best talent. It also undertakes multiple initiatives to provide the employees with a professional and, at the same time, a comfortable and congenial workplace

ITNL undertakes several learning and development activities to improve employee skill set

**(e) Price inflation risk**

The Company spends a significant amount for construction activities, thus making construction costs extremely susceptible to inflation. Hence, inflation is factored into while assessing and finalising construction cost at the bidding stage. The Company also shares this risk with the contractors, thus always ensuring that the quality objectives remain intact

**(f) Force Majeure**

Adequate protection against Force Majeure threats is first sought in the Concession Agreement, which is the guiding document for mitigation of such risks. However, if the protection is not provided by the Concession Agreements, the Company mitigates such risks by obtaining insurance cover

**(g) Increased cost of borrowings**

Infrastructure remains a capital-intensive business. Hence, significant amounts are necessary to undertake projects. The Company remains aware of the increase in borrowing costs that may occur and thus factors such cyclical movements, leading to increased borrowing costs while finalising the terms of project finance

**6. OUTLOOK**

Inclusive development has been a key concern for the Government. It can be achieved by broad-based infrastructure creation, connecting various parts of the country. This augurs well for the private sector to partner the government and consistently develop infrastructure and reduce its deficit. The Company has a diverse asset portfolio, which positions it uniquely for leveraging the emerging opportunities

ITNL is optimistic that the project portfolio would significantly improve its financial performance. It is also targeting large highway projects in the domestic and the international arena

The Company is also closely monitoring BOT project investments, and continuously reviewing and strengthening its systems and procedures. It ensured that the routine functioning was in line with the certified Quality Management System (ISO 9001:2008). During the year under review, the Company implemented its Environmental, Health and Safety Management System (ISO 14001:2004 and OHSAS 18001:2007) across its projects. It has also subscribed to the Environmental and Social Policy Framework of IL&FS and is moving towards an environmentally sustainable business model in the long run

The Company is optimistic about the growth of India's infrastructure industry and its ability to achieve targets on account of:

- (a) The number of projects in its order book
- (b) Robust pipeline arising from the priority accorded to infrastructure development
- (c) Strong, efficient and skilled workforce
- (d) Continued support from bankers





YuHe Expressway Toll Plaza

## 7. INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:

The Company has institutionalized a well-established internal audit and risk management framework, which covers all aspects of financial and operational controls. During the year, the Company implemented an internal control framework (ICF) covering various aspects of the business which enables a stage-wise/process-wise confirmation of the compliance of the control self-assessment to be provided by the maker and reviewer of transactions. It also facilitates audit, both at the Corporate and at the project levels. The internal audit is carried out by a firm of Chartered Accountants using the ICF and they report directly to the Audit Committee of the Board of Directors. The Corporate Audit function plays a key role in providing both the operating management and the Board's Audit Committee with an objective view and reassurance of the overall control systems. It also offers them perspectives on the effectiveness of the pan-organisational risk management processes across the Company. The introduction of the internal control framework has enhanced the effectiveness of audit. The Corporate Audit also assesses opportunities to improve business processes, systems and controls, and provides recommendations designed to add value to operations.

The Internal Auditor's scope and authority are derived from the Internal Audit Plan, which is approved by the Audit Committee. Internal audits are conducted every quarter and covers operations, accounting, secretarial and administration functions. It also provides special reference to compliances based on the audit plan, which is approved by the Audit Committee at the beginning of the year. The Audit Committee meets at regular intervals, when internal audit reports (relating to the period in question) are placed before the Audit Committee to review, discuss and undertake subsequent action.

Every employee plays a key role in fostering a working environment of responsibility, accountability and ethical behaviour. Risk Management and Internal Audit systems complement each other.

The Company has grown over the last three years with consequent change in the risk profile. The identification and management of risk is an integral part of its strategy

in achieving its long-term goals. It strives to identify opportunities that enhance organisational values, while managing and mitigating risks that adversely impact its future performance.

## 8. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE Standalone

During the financial year 2012-13, the Company's turnover increased by 23% to ₹ 35,662.13 million, up from ₹ 29,102.46 million in the financial year 2011-12. This is on account of the increase in construction activity in existing projects. This is also a result of the rise in the number of projects in which construction activity was undertaken, which rose from 8 in 2011-12 to 11 in 2012-13.

This has resulted in a consequential increase in construction costs. There is an increase in the Operation & Maintenance expenditure since expenditure was incurred during the full year for all the projects as against part of the year in 2011-12.

Other key operating data for the year comprises of the following:

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased from ₹ 6,898.51 million in 2011-12 to ₹ 8,433.90 million in 2012-13, registering an increase of 22%. However, the EBITDA margin for the year has remained same at 24% in 2012-13 mainly as a result of increase in construction costs and corresponding construction revenues making up almost 76% of the total revenues as against 74 % in 2011-12.

As a result of business growth, there has been an increase in employee cost and general administration arising mainly from increased head count.

Financing cost increased by ₹ 1,275.06 million as a result of higher borrowings to fund the higher level of operations and on account of continuous rise in the interest rates. The debt-equity ratio as at March 31, 2013 stood at 1.76: 1.

As a result of the above, profit before tax has increased from ₹ 4,136.48 million in 2011-12 to ₹ 4,392.27 million in 2012-13, registering 6.18% increase over the previous year. The average rate of tax applicable has reduced to 38.26%.



from 39.01%. Profit after tax has increased from ₹ 2,522.98 million to ₹ 2,711.64 million during 2012-13, an increase of 7.48%

Earnings per share on basic and diluted basis stood at ₹ 13.96 per share as at March 31, 2013 as against ₹ 12.99 per share as at March 31, 2012 translating into a price to earnings ratio of 12.73 times as against 13.69 times as on March 31, 2012. The price to book ratio was 1.63 times, compared with 1.78 times

### Consolidated

During the financial year 2012-13, Consolidated revenues increased by 18% to ₹ 67,888.09 million from ₹ 57,294.28 million over the previous year. This was largely on account of the increase in construction activity in existing projects and also increases in the number of projects in which construction activity was undertaken. The latter rose from 8 in 2011-12 to 11 in 2012-13, resulting in a consequential increase in construction and other costs

Earnings before Interest, Tax, Depreciation and Amortization increased to ₹ 19,818.41 million in 2012-13, from ₹ 15,893.56 million in 2011-12, an increase of 25%. However, the EBITDA margin increased marginally from 28% in 2011-12 to 29% in 2012-13. This was mainly as a result of the change in the composition of revenues, with the lower margin construction revenues making up almost 68% of the total revenues, as against 71% in 2011-12

As a result of the growth in the business, there has been an increase in employee costs and general administration arising from increased head count

Financing cost increased by ₹ 3,908.03 million during 2012-13 due to higher draw down of debt in project SPVs to fund higher level of construction activity and also on account increase in interest rates during the year. Debt equity ratio as at March 31, 2013 on a consolidated basis stood at 3.95:1

Profit before tax decreased to ₹ 7,684.25 million in 2012-13 from ₹ 7,845.97 million in 2011-12, registering a decrease of 2.06% as a result of factors outlined in preceding paragraphs. The average rate of tax for the financial year 2012-13 fell to 29.59% from 31.32% primarily on account of the reversal of a deferred tax liabilities in the subsidiary companies. Profit after tax increased to ₹ 5,202.11 million

in 2012-13 from ₹ 4,969.58 million in 2011-12, an increase of 4.68%

Earnings per share on basic and diluted basis stood at ₹ 26.68 per share as at March 31, 2013 as against ₹ 25.48 per share as at in the previous year, translating into a price to earnings ratio of 6.66 times as on March 31, 2013 as against 6.97 times in the previous year. The price to book ratio was 0.95 times as against 1.25 times as at March 31, 2012

## 9. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

ITNL remains committed and focused on its most valuable resources, its people. The Company believes that the employees play a pivotal role in achieving sustainable competitive advantage. A talented and engaged workforce also helps to achieve excellence in value creation

In its pursuit to attract, retain and develop the best available talent, employees are provided with opportunity for active learning and development, adopting the best-in-class processes and technology, which are viewed as the key growth drivers

Our work environment encourages innovation and creativity and promotes a culture that facilitates entrepreneurial activity within the organisation

The Company also achieved cordial and harmonious employee relations pan-organisationally and across all its locations during the year under review

## 10. CAUTIONARY STATEMENT

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control





Kotakatta Kurnool Road

# Directors' Report

The Shareholders

IL&FS Transportation Networks Limited

Your Directors have pleasure in presenting the Thirteenth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2013

## FINANCIAL RESULTS

The financial results of the Company are as under:

	₹ in million)	
	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Total Income	35,662.13	29,102.46
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	8,433.90	6,898.51
Profit Before Tax	4,392.27	4,136.48
Profit After Tax	2,711.64	2,522.98
Balance Brought Forward	6,183.90	4,816.35
Profit available for appropriation	8,895.54	7,339.33
<b>Appropriation:</b>		
Dividend Proposed/Paid	(777.07)	(777.07)
Tax on Dividend	(132.06)	(126.06)
General Reserve	(271.16)	(252.30)
Debenture Redemption Reserve	(461.37)	-
Balance carried forward	7,253.88	6,183.90

## DIVIDEND

Your Directors have recommended payment of dividend of ₹ 4/- per share (Previous Year: ₹ 4/- per share) for the year under review. The proposed dividend, if approved at the Annual General Meeting, will absorb a sum of ₹ 909.13 million including tax on dividend of ₹ 132.06 million (Previous Year: ₹ 903.13 million including dividend tax of ₹ 126.06 million)

## DEBENTURE ISSUE

During the year under review, your Company issued 4,000 and 6,000 Rated, Listed, Unsecured, Redeemable, Non-Convertible Debentures ("NCD's") having a face value of ₹ 1,000,000/- each, aggregating to ₹ 10,000 million on January 23, 2013 and March 18, 2013, respectively, by way of long term funds essentially for refinancing the existing short term loans availed by the Company

The 4,000 NCD's issued on January 23, 2013 carry a coupon rate of 12.00% per annum and are due for redemption on January 23, 2019. The NCD's issued on March 18, 2013 were in two series, namely, 700 NCD's under Series I and 5,300 NCD's under Series II with a coupon rate of 12.25% per annum and 12.00% per annum and are due for redemption on April 2, 2015 and March 18, 2019, respectively

## PERFORMANCE REVIEW

The year can be summed up as turbulent for the sector your Company operates in. Starting with the NHAI, the principal Concession grantor for highways, falling well short of its annual target, to many of the benchmark highway projects awarded to other premier road developers in the country failing to achieve financial closure or commence work owing to the inability to secure statutory clearances, the sector witnessed a fair share of downturns





**Your Company continues to maintain its growth story and the leading position in the Surface Transport Sector with 25 projects in its portfolio in various stages aggregating to 13,161 lane kilometers, of which 6,318 lane kilometers are under operation**

Despite these trying times, your Company continues to maintain its growth story and the leading position in the Surface Transport Sector with 25 projects in its portfolio in various stages aggregating to 13,161 lane kilometers, of which 6,318 lane kilometers are under operation. All the projects that were awarded during 2009-10 are in advanced stages of construction and one of the projects achieved commercial operation 4.5 months ahead of schedule

At a sectoral level, besides the National highways, the State highways - though having tremendous potential, have not fructified into awarded Concessions in the year gone by. The year has seen the sector consolidating, with significant infrastructure assets being available in the market and a variety of buyers remaining available for acquiring these assets

On the bidding front, the sector has seen reduced competition and rationalization of bids. In fact the year gone by saw projects worth ₹ 160,000 million not attracting any bids. Thus, projects which were adjudged to be unviable by the industry players did not attract any bids. The domestic market saw lesser projects being bid out by State highway development companies

The Company has undertaken efforts in furtherance of its international initiatives and has established offices in Dubai and Nigeria through one of its subsidiary based in Singapore. The International office based out of Dubai will be responsible for pursuing international mandates. The Company is pursuing projects in UAE, Nigeria and other parts of the world. The Company is also pursuing an airport expansion project in the UAE

Elsamex S.A., a subsidiary in Spain has been awarded its first road maintenance project in UAE, which is from Abu Dhabi to Al-Ain highway, on performance based payment. Elsamex

has commenced mobilization and is likely to take over the stretch from the Department of Transportation, Abu Dhabi in June 2013. This project is expected to pave the way for many more of such projects in the very attractive road operation & maintenance market that UAE has to offer

The Metro Rail project in Gurgaon is nearing completion and is scheduled to commence operations in the coming year. The Company also secured the 7 kms long Phase II of the Metro project in the region

## SUBSIDIARIES

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards 21, 23 and 27 of the Institute of Chartered Accountants of India. As required under Section 212(8) of the Companies Act, 1956, the Statement of holdings in subsidiaries and Consolidated Accounts pursuant to Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, form part of the Annual Report. In terms of the Notification dated February 8, 2011 issued by the Ministry of Corporate Affairs (MCA), amending Section 212 of the Companies Act, 1956, the Board of Directors of the Company at its Meeting held on May 7, 2013 noted the provisions of the Circular of the MCA and passed the necessary resolution granting the requisite approvals for not attaching a copy of the Balance Sheet, Profit and Loss Account and Reports etc of the subsidiaries along with the Annual Report of the Company for the financial year 2012-13. The disclosure relating to financials of the subsidiaries is included in the consolidated balance sheet. The accounts of subsidiary companies are therefore not attached with this Annual Report. However, the accounts of the subsidiaries will be made available on the website of the Company and on request, for inspection to Shareholders seeking such information, at the Registered Office of the Company



Hyderabad Outer Ring Road

## The Company has obtained ISO 9001:2008 certification, ISO 14001:2004 and OHSAS 18001:2007 certifications for its Environmental Health and Safety Management System

### DIRECTORS

Mr. Arun K Saha, Mr. R C Sinha and Mr. H P Jamdar, Directors are liable to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for re-appointment. Mr. K Ramchand and Mr. Mukund Sapre were re-appointed as Managing Director and Executive Director respectively for a period of five years effective April 1, 2013 subject to approval of the Shareholders. Your Directors recommend their re-appointment

### AUDITORS

Messrs. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors, retire at the ensuing Annual General Meeting and have expressed their willingness to continue as Statutory Auditors, if re-appointed

### DEPOSITS

Your Company has not accepted any Fixed Deposits during the year under review

### CORPORATE GOVERNANCE

Your Company believes in adhering to good governance practices and has fully complied with the requirements/disclosures that have to be made in this regard. A Report on Corporate Governance is enclosed and forms part of this Annual Report. A certificate from the Statutory Auditors on compliance with the provisions of Corporate Governance is also annexed to this Report

### ENVIRONMENTAL AND SOCIAL POLICY FRAMEWORK

In its pursuit of following the best business practices, your Company has adopted the Environmental and Social Policy Framework (ESPF) to address the environmental and social risks associated with the business of the Company. ESPF has been founded on the concept of Sustainable Development and recognizes Environmental and Social (E&S) considerations in its business operations so as to add value and minimize any adverse impact and risks on the business. Your Company being a Pan India Developer, Operator and Facilitator of infrastructure projects, recognizes the importance of ensuring proper management of E&S risk for each of its projects. ESPF will enable the Company to identify E&S risks associated with projects prior to submission of bids and depending on the outcome of Risk Rating and its impact, the Company would be able to address the relevant E&S impact and initiate suitable mitigation measures

### SAFETY

Accomplishing excellence for environmental protection, health and safety at all levels is a high priority for the Company. The Company has obtained ISO 9001:2008 certification, ISO 14001:2004 and OHSAS 18001:2007 certifications for its Environmental Health and Safety Management System. The Company carries out Safety Audits/Inspection and Safety awareness training programmes for the employees and also for the contract workmen. During the year under review, the Board has constituted a Safety Committee comprising of the Independent Directors with technical expertise in this area to look into the safety aspects for all the project sites. The Committee meets on a regular basis along with the technical



team of the Company to review and recommend the steps required for improving the safety to reduce accidents

### PARTICULARS OF EMPLOYEES

The information regarding particulars of remuneration etc of certain employees required under Section 217(2A) of the Companies Act, 1956 and the rules made thereunder is given in an Annexure which forms part of this report. In terms of Section 219(1)(b)(iv) of the Companies Act, 1956, the Director's Report and Accounts are being sent to the Shareholders without this Annexure. Any Shareholder interested in obtaining this Annexure may write to the Company Secretary at the Registered Office of the Company

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

- (1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
- (2) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period
- (3) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (4) they have prepared the annual accounts on a going concern basis

### FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The foreign exchange income during the year was ₹ 182.85 million and expenditure during the year was ₹ 59.40 million

Since the Company does not have any manufacturing facility, the other particulars required to be provided in terms of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable

### ACKNOWLEDGMENTS

The Directors place on record their appreciation for the continued support and co-operation received from the various Government Authorities including National Highways Authority of India and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company

The Directors would also like to place on record their appreciation for the contribution and dedication of the employees of the Company at all levels

By the Order of the Board

Bengaluru, May 7, 2013

**Deepak Dasgupta**  
Chairman





ITNL Board of Directors at the Company AGM

# Report on Corporate Governance

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

IL&FS Transportation Networks Limited ("The Company") believes that adhering to global standards of corporate governance is essential to enhance shareholder value and achieve long term corporate goals. The Company is committed to ethical conduct of business, manages its affairs with fairness to all stakeholders and operates with integrity and accountability. The Company undertakes periodic review of business plans, performance and compliance to regulatory requirements

The Corporate Governance framework in the Company has been strengthened with the adoption of the Code of Conduct and the Code of Conduct for Prevention of Insider Trading. The Company is committed to meet aspirations of its Stakeholders and is striving to be a part of the social development of the country

## 2. BOARD OF DIRECTORS

### (i) Composition

The Company's policy is to maintain an optimum combination of Executive & Non-Executive Directors. The Board presently comprises of 11 Directors, including 2 Executive and 9 Non-Executive Directors, of which 4 are Independent Directors. The Directors are professionals, have expertise in their respective functional areas and bring a wide range of skills and experience to the Board

None of the Directors on the Board is a member of more than ten committees or Chairman of more than five committees across all the companies in which he is a director. As required under Clause 49 of the Listing Agreement, necessary disclosures regarding committee positions have been made by the Directors

During the year under review, the Board met 4 (four) times on the following dates:

i) May 4, 2012, (ii) August 9, 2012, (iii) November 6, 2012 and (iv) February 4, 2013

The Agenda and the explanatory notes forming part of agenda are prepared and circulated in advance to the Directors. Presentations are made on operations / business to the Board by the Managing Director / Executive Director

### (ii) Category & Attendance of Directors

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year under review, alongwith the number of directorships and committee memberships held by them in other companies as on March 31, 2013 are given below. The directorships in other companies exclude those held in private limited companies, associations, companies incorporated outside India and alternate directorships. The Chairmanship / Membership of the Committees include memberships of Audit and Shareholders' / Investors' Grievance Committees





The details of attendance of the Directors at the Annual General Meeting held on August 9, 2012 is also provided

Name	Category	Attendance at Board meeting		Attended Annual General Meeting	Number of Directorships in other public companies		Number of Committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Deepak Dasgupta (Chairman)	Non-Executive, Independent	4	4	Yes	-	5	-	3
Mr. R. C. Sinha	Non-Executive, Independent	4	4	Yes	-	1	-	-
Mr. H P Jamdar	Non-Executive, Independent	4	3	Yes	-	1	-	-
Mr. Deepak Satwalekar	Non- Executive, Independent	4	3	Yes	-	5	2	2
Mr. Ravi Parthasarathy	Non-Executive, Non-Independent	4	4	Yes	8	3	-	-
Mr. Hari Sankaran	Non-Executive, Non-Independent	4	4	Yes	-	13	-	3
Mr. Arun K Saha	Non-Executive, Non-Independent	4	4	Yes	3	11	2	5
Mr. Vibhav Kapoor	Non-Executive, Non-Independent	4	4	Yes	-	5	-	-
Mr. Pradeep Puri	Non-Executive, Non-Independent	4	4	Yes	-	9	2	2
Mr. K Ramchand (Managing Director)	Executive, Non-Independent	4	4	Yes	1	13	1	4
Mr. Mukund Sapre (Executive Director)	Executive, Non-Independent	4	4	Yes	-	13	-	6

### (iii) Directors seeking re-appointment

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as required under Clause 49 IV (G) of the Listing Agreement are annexed to the Notice convening the Annual General Meeting and forms part of this Annual Report

### 3. COMMITTEES OF BOARD

#### (I) Audit Committee

- (i) The Company has constituted Audit Committee in accordance with the provisions of Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956
- (ii) The broad terms of reference of the Committee inter alia, include overseeing of the company's financial reporting process, reviewing the financial statements with the Management,

recommending appointment / reappointment of auditors, fixation of audit fees, reviewing the adequacy of internal audit function, periodic discussions with auditors about their scope and adequacy of internal control systems, discussion on any significant findings made by Internal Auditors and follow up action. The Committee also reviews information prescribed under Clause 49(II)(E) of the Listing Agreement with the Stock Exchanges

- (iii) The Composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of Director	Designation	Category of Directorship	No of Meetings	
			Held	Attended
Mr. R C Sinha	Chairman	Non- Executive, Independent	4	4
Mr. Deepak Dasgupta	Member	Non- Executive, Independent	4	4
Mr. H P Jamdar	Member	Non- Executive, Independent	4	3
Mr. Arun K Saha	Member	Non- Executive, Non-Independent	4	4

The Managing Director, Executive Director and Chief Financial Officer of the Company attend the meetings. The representatives of the Statutory and Internal Auditors are also present at the meetings. Mr. Krishna Ghag, Company Secretary is the Secretary of the Audit Committee

- (iv) During the year under review, four Audit Committee meetings were held on the following dates:
  - (i) May 4, 2012, (ii) August 9, 2012, (iii) November 6, 2012 and (iv) February 4, 2013
- (v) The last Annual General Meeting (AGM) of the Company was held on August 9, 2012 and Mr. R.C. Sinha, Chairman of the Audit Committee was present at the AGM

#### (II) Shareholders' / Investors' Grievance Committee

- (i) The Company has a Shareholders' / Investors' Grievance Committee to look into redressal of shareholders/investors grievances pertaining to transfer/dematerialisation / rematerialisation of shares, non-receipt of dividend /annual report/ notices, etc
- (ii) The composition of the Shareholders'/Investors' Grievance Committee and the details of meetings attended by its members are given below:

Name of Director	Designation	Category of Directorship	No. of Meetings	
			Held	Attended
Mr. Arun K Saha	Chairman	Non- Executive, Non-Independent	4	4
Mr. K Ramchand, Managing Director	Member	Executive, Non-Independent	4	4

- (iii) During the year under review, four Committee meetings were held on the following dates:
  - (i) April 9, 2012, (ii) July 24, 2012, (iii) October 15, 2012 and (iv) January 16, 2013
- (iv) Details of Investor complaints received and redressed during the financial year 2012-13:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
-	36	35	1

One complaint was received on March 31, 2013 which was subsequently resolved on April 16, 2013

**(III) Committee of Directors**

- (i) The Company has a Committee of Directors to approve the proposals concerning day to day operations for smooth conduct of the business. The Committee comprises of Mr. Hari Sankaran, Mr. Arun K Saha, Mr. Pradeep Puri, Non Executive Directors, Mr. K. Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director as Members
- (ii) The Committee of Directors met 9 times during the period under review on (i) April 09, 2012, (ii) June 14, 2012, (iii) July 30, 2012, (iv) September 06, 2012 (v) October 04, 2012, (vi) November 07, 2012, (vii) December 12, 2012, (viii) January 9, 2013 and (ix) February 18, 2013

**(IV) Remuneration Committee**

- (i) The Company has a Remuneration Committee of Directors
- (ii) The terms of reference *inter alia* include determining the Company's policy on specific remuneration packages including pension rights and other compensation for employees of the Company, reviewing the performance of the employees, approving the annual remuneration and performance related pay to Whole-time Directors and the employees of the Company

- (iii) The composition of the Remuneration Committee and the details of meetings attended by its members are given below:

Name of Director	Designation	Category of Directorship	No. of Meetings	
			Held	Attended
Mr. Deepak Satwalekar	Chairman	Non- Executive, Independent	1	1
Mr. Ravi Parthasarathy	Member	Non- Executive, Non-Independent	1	1
Mr. Hari Sankaran	Member	Non-Executive, Non-Independent	1	1

- (iv) One Meeting of the Remuneration Committee was held during the year under review on May 4, 2012
- (v) Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the Company and the individual employee. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance related pay. The performance related pay is determined by business performance and the performance of individual employee measured through the annual appraisal process

**(a) Executive Directors**

The Company pays remuneration to its Managing Director and Executive Director by way of salary, perquisites and allowances (fixed component) & performance related pay (variable component). This is determined based on individual employee wise performance and the Company's overall performance in a financial year, as may be determined by the Remuneration Committee of the Board, at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956

The details of remuneration and perquisites paid to Mr K Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director for the financial year ended March 31, 2013 are as follows:

Terms of Agreement	Mr K Ramchand (Managing Director)	Mr Mukund Sapre (Executive Director)
Period of appointment	5 years	5 years
Date of appointment	August 13, 2008	August 13, 2008
Salary (₹)	24,603,600	9,179,180
Perquisites (₹)	4,441,371	3,851,600
Retirement Benefits (₹)	6,379,362	2,250,000
Performance Linked Incentive (₹)	28,750,000	20,000,000
Notice Period	Three months	
Severance Fees	There is no separate provision for payment of severance fees	
Stock Option	The Company does not have any Stock Option Plan for its employees	

**(b) Non-Executive Directors:**

- (i) The Non-Executive Directors are paid remuneration by way of Commission and Sitting fees. In terms of the Shareholders' approval obtained at the Annual General Meeting held on August 4, 2010, the Commission payable to the Non-Executive Directors shall not exceed 1% of the net profit of the Company computed in accordance with Section 309(5) of the Companies Act, 1956. The commission is distributed on uniform basis to reinforce the principle of collective responsibility of Directors. However, an additional amount is also paid to the Chairman of the Board and Chairman/Members of the Audit and Remuneration Committees for the responsibility and time spent by them. The payment of commission is decided each year by the Board of Directors
- (ii) The Company pays Sitting Fees @ ₹ 20,000 per meeting (subject to tax) to its Non-Executive Directors for attending meetings of the Board and Committees of the Board. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings on the recommendation of the Remuneration Committee
- (iii) The details of Sitting Fees and Commission paid during the period April 1, 2012 to March 31, 2013 are given below:

Name of Director	Sitting fees (₹)	Commission (₹)
Mr. Deepak Dasgupta	200,000	1,680,000
Mr. R. C. Sinha	200,000	1,440,000
Mr. H P Jamdar	160,000	1,200,000
Mr. Deepak Satwalekar	80,000	1,200,000
Mr. Ravi Parthasarathy	100,000	1,200,000
Mr. Hari Sankaran	280,000	1,200,000
Mr. Arun K Saha	424,944	1,200,000
Mr. Vibhav Kapoor	80,000	960,000
Mr. Pradeep Puri	80,000	960,000
Mr. R S Chandra*	-	960,000

\* ceased to be a director since May 18, 2012

- (iv) Details of shares held by the Non-Executive Directors as on March 31, 2013 are given below:

Sr. No.	Name of Director	No of shares held
1	Mr. Deepak Dasgupta	79
2	Mr. Ravi Parthasarathy	314,800
3	Mr. Hari Sankaran	340,957
4	Mr. Vibhav Kapoor	314,800
5	Mr. Arun K Saha	319,537
6	Mr. R C Sinha	53
7	Mr. Pradeep Puri	31,573

- (v) None of the Non-Executive Directors had any material pecuniary relationship or transactions with the Company

**(V) Safety Committee**

- (i) A Safety Committee of Directors has been constituted on August 9, 2012 to review and recommend the steps required to be taken by the Company in improving the safety aspects at the Projects to reduce accidents
- (ii) The composition of the Safety Committee and the details of meetings attended by its members are given below:

Name of Director	Designation	Category of Directorship	No of Meetings	
			Held	Attended
Mr. H P Jamdar	Chairman	Non- Executive, Independent	2	2
Mr. Deepak Dasgupta	Member	Non - Executive, Independent	2	2
Mr. R C Sinha	Member	Non –Executive, Independent	2	2

Mr. K Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director also attend the Meeting along with the Technical team of the Company

- (iii) Two Meetings of the Safety Committee were held during the period under review on:

- (i) November 5, 2012 (ii) February 3, 2013



#### 4. GENERAL MEETINGS

- (a) Annual General Meetings (AGM) for past 3 years were held at Y. B. Chavan Auditorium, Gen. J. Bhosale, Marg, Mumbai 400021 at 3.30 pm. The details of which are given below:

Financial Year	Date	Special Resolutions
2009-10	August 4, 2010	1. Approving the change in the place of keeping its Registers and Index of Members and copies of Annual Return at the office premises of the Company's Register & Share Transfer Agents 2. Payment of Commission to Non-Executive Directors of the Company in any Financial Year under provision of Section 309(4) of the Companies Act, 1956
2010-11	August 5, 2011	-
2011-12	August 9, 2012	-

- (b) No Postal Ballot was conducted during the year. None of the resolutions proposed for the ensuing AGM needs to be passed by Postal Ballot

#### 5. DISCLOSURES

- (a) The Company has followed all relevant Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 while preparing the Financial Statements
- (b) There were no materially significant related party transactions i.e. transactions of a material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. during the financial year under review that may have potential conflict with the interests of the Company at large except for those disclosed in the financial statements for the year ended March 31, 2013
- (c) There was no material non-listed Indian subsidiary of the Company for the year ended March 31, 2013
- (d) Pursuant to the disclosures made by the Senior Management personnel of the Company to the Board, there were no material, financial and commercial transactions undertaken by them, which could have potential conflict with the interest of the Company at large
- (e) Presentations made to the Institutional Investors and Analysts are posted on the Company's website
- (f) There were no instances of non-compliance by the Company, no penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matters related to the capital markets during the period April 1, 2012 to March 31, 2013
- (g) In terms of Clause 49(V) of the Listing Agreement, the Managing Director and Chief Financial Officer have furnished the requisite certificates to the Board of Directors
- (h) The Board of Directors has adopted a Code of Conduct which lays down various principles of ethics and compliance. The Code has been circulated to all the Directors and employees of the Company and has also been posted on the Company's website
- (i) The Company has complied with all the mandatory requirements under the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance for the period April 1, 2012 to March 31, 2013
- (j) A Reconciliation of Share Capital Audit is conducted every quarter by a qualified Practising Company Secretary to reconcile the total admitted capital with both the depositories namely, National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital. The said report confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of shares in dematerialised form with the depositories
- (k) Compliance with Non Mandatory requirements;
- The Code of Conduct adopted by the Company provides a mechanism for employees to report about unethical behavior, actual or suspected fraud or violation of the Code
  - The Company continues to adopt best practices to ensure the regime of unqualified financial statements. No audit qualifications have been reported on the Company's Financial Statement for the year ended March 31, 2013
  - The Company has set up a Remuneration Committee as per the provisions of Clause 49 of the Listing Agreement

#### 6. MEANS OF COMMUNICATION

The Quarterly and Annual Consolidated Financial Results are published in leading newspapers in India. The Financial Results are also filed with the Stock Exchanges and posted on the Company's website

All the official news releases are sent to the Stock Exchanges as well as displayed on the Company's website

The Company's website: [www.itnlindia.com](http://www.itnlindia.com) provides comprehensive information about its business. Section on "Investors Relations" serves to inform and service the Shareholders allowing them to access information at their convenience. Presentations made to Institutional Investors and the shareholding pattern of the Company on weekly basis is also displayed on the website

A Management Discussion & Analysis Statement is a part of the Company's Annual Report

Further, all the members of the Board and Senior Management personnel have affirmed compliance with the Company's Code of Conduct. A declaration to this effect by the Managing Director forms part of this report

## 7. GENERAL SHAREHOLDER INFORMATION:

### I. Annual General Meeting(AGM) :

Day/Date Thursday, August 8, 2013  
 Time 3.00 pm  
 Venue Y B Chavan Auditorium  
 Gen. J. Bhosale Marg,  
 Mumbai 400 021

### II. Financial year : 1st April to 31st March

### III. Date of Book Closure : Wednesday, August 1, 2013 to Thursday, August 8, 2013

### IV. Dividend Payment Date : The dividend, if declared, shall be paid/credited before September 6, 2013

### V. Listing on Stock Exchanges : (i) National Stock Exchange of India Limited (NSE) (ii) Bombay Stock Exchange Limited (BSE)

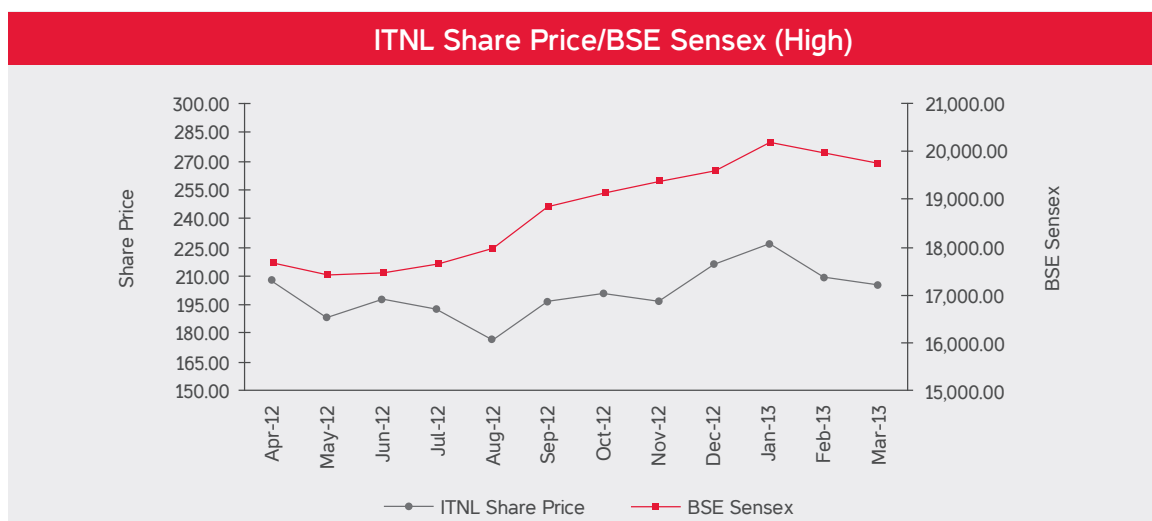
Listing fees have been paid to both  
 the Stock Exchanges before April 30, 2013

### VI. Scrip Code : IL&FSTRANS EQ – NSE 533177 – BSE

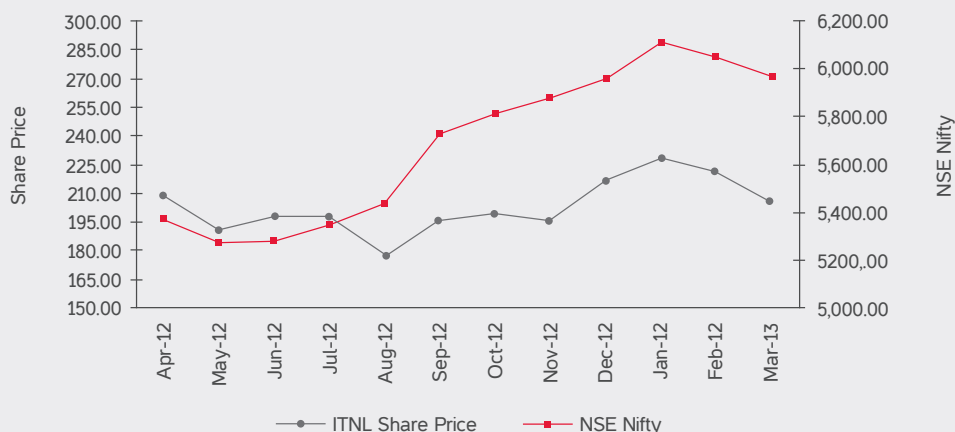
### VII. Market Price Data (High/Low during each month) on NSE & BSE:

Month	NSE		BSE	
	High	Low	High	Low
Apr-12	209.00	185.25	207.50	186.15
May-12	190.75	153.75	188.00	156.65
Jun-12	197.90	170.10	197.50	171.00
Jul-12	198.00	163.60	192.75	162.00
Aug-12	178.00	161.00	176.55	163.00
Sep-12	196.60	156.55	196.85	156.60
Oct-12	200.00	168.10	200.20	178.80
Nov-12	196.90	180.70	197.00	181.00
Dec-12	216.75	193.00	215.75	193.25
Jan-13	228.90	195.95	227.00	196.00
Feb-13	221.00	189.00	208.90	189.00
Mar-13	206.30	171.85	206.25	172.00

### VIII. Performance of Company's share price in comparison with NSE NIFTY and BSE SENSEX during the FY 2012-13



## ITNL Share Price/NSE Nifty (High)

**IX. Registrar and Share Transfer Agents:**

Name & Address : Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S Marg, Bhandup (West),  
Mumbai 400 078

Telephone No : +91-22-25960320

Fax : +91-22-25960329

Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**X. Share Transfer System**

The share transfer requests received for physical shares at the Registrar and Share Transfer Agents will be processed and delivered within a month from the date of lodgement, if the documents are complete

in all respects. Requests for dematerialisation / rematerialisation of shares are processed and confirmation given to the depositories within 15 days from the date of receipt

In order to expedite the process of share transfers, the Board has delegated the powers to Shareholders' / Investors' Grievance Committee comprising of the Managing Director and Non-Executive Director, who shall attend to the share transfer formalities on a periodical basis to ensure that the transfer requests are processed in time. The Committee will also consider requests received for transmission of shares, issue of duplicate certificates and split / consolidation of certificates

**XI. Distribution of shareholding as on March 31, 2013**

Number of Equity Share holdings	Number of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
1-5000	40,259	94.76	3,222,753	1.66
5001-10000	942	2.22	745,742	0.38
10001-20000	475	1.12	712,794	0.37
20001-30000	211	0.50	547,046	0.28
30001- 40000	107	0.25	375,760	0.20
40001- 50000	78	0.18	370,153	0.19
50001-100000	144	0.34	1,055,114	0.54
100001 & above	268	0.63	187,238,370	96.38
<b>Total</b>	<b>42,484</b>	<b>100.00</b>	<b>194,267,732</b>	<b>100.00</b>

**XII. Shareholding Pattern as on March 31, 2013**

Sr. No	Category	No. of Shares	Percentage
1	Promoter Holding	135,000,000	69.49
2	Promoter Group Holding	5,763,003	2.97
3	Mutual Funds	5,670,340	2.92
4	Financial Institutions / Banks	1,208,674	0.62
5	Foreign Institutional Investors/ Foreign Venture Capital	7,770,321	4.00
6	Bodies Corporate	11,586,309	5.96
7	Foreign Bodies Corporate	13,841,028	7.12
8	NRI	495,788	0.26
9	Individuals	12,932,269	6.66
<b>Total</b>		<b>194,267,732</b>	<b>100.00</b>

**XIII. Dematerialisation of Shares as on March 31, 2013**

The shares of the Company are compulsorily traded in electronic mode and are available for trading with both the depositories in India namely, National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2013, 194,265,630 shares representing 99.99% of the Company's total paid-up share capital (including 72.46% held by the Promoter & Promoter Group) were held in dematerialised mode

**XIV. Unclaimed Shares under IPO**

The details of the Shares remaining unclaimed and lying in the Escrow Account of the Company are given below:

Particulars	Details
(i) Number of shareholders at the beginning of the year	14
(ii) Number of outstanding shares in the suspense account at the beginning of the year	656
(i) Number of shareholders who approached the Company and to whom shares were transferred from suspense account during the year	1
(ii) Number of shares transferred from the suspense account during the year	79
(i) Number of shareholders at the end of the year	13
(ii) Number of outstanding shares in the suspense account at the end of the year	577

The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares

**XV. The Company has not issued any GDR/ADR Warrants or any other convertible instruments****XVI. The Company does not have any manufacturing plant****XVII. Address for correspondence:****IL&FS Transportation Networks Limited**

Registered office:

The IL&FS Financial Centre,

C-22, G-Block, Bandra – Kurla Complex,

Bandra (East), Mumbai 400 051

Telephone: + 91 22 26533333

Fax: + 91 22 26523979

Email: itninvestor@ilfsindia.com

**Link Intime India Private Limited**

Registrar & Share Transfer Agent

C-13, Pannalal Silk Mills Compound,

L.B.S Marg, Bhandup (West), Mumbai 400 078

Telephone No: +91-22-25960320

Fax: +91-22-25960329

Email: rnt.helpdesk@linkintime.co.in



## Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

The Company has adopted a Code of Conduct for the Board of Directors and the employees of the Company. The Code has been circulated to all the members of the Board of Directors and the employees of the Company, which is also put on the Company's website, [www.itnlindia.com](http://www.itnlindia.com)

I hereby confirm that the Company has in respect of the financial year ended March 31, 2013 received from all the members of the Board of Directors and the Senior Management Personnel a declaration of compliance with the Code of Conduct of the Company as applicable to them

For IL&FS Transportation Networks Limited

**K Ramchand**  
Managing Director

Mumbai, April 30, 2013

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## Auditors' Certificate

To  
The Members of  
IL&FS Transportation Networks Limited

We have examined the compliance of conditions of Corporate Governance by IL&FS TRANSPORTATION NETWORKS LIMITED ("the Company") for the year ended on March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Registration No. 117366W)

**Kalpesh J. Mehta**  
Partner  
(Membership No. 48791)

Bengaluru, May 7, 2013

# Independent Auditors' Report

for the year ended March 31, 2013

To the Members of

**IL&FS TRANSPORTATION NETWORKS LIMITED**

## REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of IL&FS TRANSPORTATION NETWORKS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

## AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

## OPINION

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

6. Further to our comments above, we report as follows:

- A. As required by the Companies (Auditor's Report) Order, 2003("CARO") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of CARO
- B. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act; and
  - (e) On the basis of the written representations received from the Directors as on March 31, 2013 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013 from being appointed as a Director in terms of Section 274(1)(g) of the Act

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 117366W)

**Mr. Kalpesh J. Mehta**  
Partner  
(Membership No. 48791)

Bengaluru, May 7, 2013

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Re: IL&FS TRANSPORTATION NETWORKS LIMITED)

(Referred to in paragraph 6 (A) above of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/ results during the year, clauses (ii), (x), (xii), (xiii), (xiv) and (xx) of CARO are not applicable to the Company
- (ii) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets
  - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification
  - The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company
- (iii) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- The Company has granted unsecured loans aggregating ₹ 10,689.71 million to eight parties during the year. At the year-end, the outstanding balances of such loans aggregated ₹ 6,300.62 million to seven parties and the maximum amount involved during the year was ₹ 14,430.16 million to eleven parties
  - The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie*, not prejudicial to the interests of the Company
  - The receipts of principal amounts and interest have been generally regular during the year
  - According to the information and explanation given to us, in respect of outstanding overdue interest as at the March 31, 2013 aggregated ₹ 175.14 million pertaining to two parties, Management has taken reasonable steps for recovery of the interest amounts
- In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- The Company has taken unsecured loans aggregating ₹ 6,390.00 million from four parties during the year. At the year-end, the outstanding balances of such loans aggregated ₹ 700.00 million from one party and the maximum amount involved during the year was ₹ 6,950.00 million from five parties
  - The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie*, not prejudicial to the interests of the Company
  - The payments of principal amounts and interest in respect of such loans have been regular / as per stipulations during the year
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system
- (v) To the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needed to be entered in the register maintained under the said Section (other than loans reported under paragraph (iii) above). Accordingly, sub-clause (b) of clause (v) of paragraph 4 of CARO is not applicable to the Company
- (vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- (ix) According to the information and explanations given to us in respect of statutory dues:
- The Company has been generally regular in depositing undisputed dues relating to Service Tax and has been regular in depositing undisputed dues relating to Provident Fund, Income-tax, Wealth Tax, Sales Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year
  - There were no undisputed amounts payable on account of the above dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable
  - There were no disputed dues as regards Income-tax, Wealth Tax, Sales Tax and Service Tax that have not been deposited as at the year end
- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders
- (xi) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company
- (xii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained
- (xiii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956
- (xv) According to the information and explanations given to us, during the current year, the Company has issued 10,000 unsecured non-convertible debentures of ₹ 1.00 million each
- (xvi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 117366W)

**Mr. Kalpesh J. Mehta**  
Partner  
(Membership No. 48791)

Bengaluru, May 7, 2013

# Balance Sheet

as at March 31, 2013

₹ in million			
Particulars	Note	As at March 31, 2013	As at March 31, 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share capital	2	1,942.68	1,942.68
(b) Reserves and surplus	3	19,306.00	17,495.41
		<b>21,248.68</b>	<b>19,438.09</b>
<b>2 Non-Current Liabilities</b>			
(a) Long-term borrowings	4	18,600.00	4,000.00
(b) Deferred tax liabilities (Net)	7	5.74	21.22
(c) Other long term liabilities	9	3,319.13	2,533.93
(d) Long-term provisions	8	16.25	6.11
		<b>21,941.12</b>	<b>6,561.26</b>
<b>3 Current Liabilities</b>			
(a) Current maturities of long-term debt	5	9,850.00	8,500.00
(b) Short-term borrowings	6	8,933.70	14,760.60
(c) Trade payables	11	6,225.43	4,452.28
(d) Other current liabilities	10	3,125.05	5,546.13
(e) Short-term provisions	12	1,159.26	1,145.47
		<b>29,293.44</b>	<b>34,404.48</b>
<b>Total</b>		<b>72,483.24</b>	<b>60,403.83</b>
<b>II ASSETS</b>			
<b>1 Non Current Assets</b>			
(a) Fixed assets	13		
(i) Tangible assets (net)		146.54	142.83
(ii) Intangible assets (net)		104.59	158.76
(iii) Capital work-in-progress		25.67	3.19
(b) Non-current investments (net)	14	31,462.11	25,145.90
(c) Long-term loans and advances	15	12,951.51	15,109.50
(d) Other non-current assets	17	2,181.58	1,021.28
		<b>46,872.00</b>	<b>41,581.46</b>
<b>2 Current Assets</b>			
(a) Trade receivables (net)	19	15,977.52	9,939.56
(b) Cash and cash equivalents	20	54.86	40.78
(c) Short-term loans and advances	16	7,115.42	7,677.82
(d) Other current assets	18	2,463.44	1,164.21
		<b>25,611.24</b>	<b>18,822.37</b>
<b>Total</b>		<b>72,483.24</b>	<b>60,403.83</b>

Notes 1 to 38 form part of the financial statements.

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**Mr. Kalpesh J. Mehta**  
Partner

For and on behalf of the Board

**K. Ramchand**  
Managing Director

**Arun K. Saha**  
Director

**George Cherian**  
Chief Financial Officer

**Krishna Ghag**  
Company Secretary

Bengaluru, May 7, 2013

Bengaluru, May 7, 2013



# Statement of Profit and Loss

for the year ended March 31, 2013

		₹ in million	
Particulars	Note	Year ended March 31, 2013	Year ended March 31, 2012
<b>I REVENUE FROM OPERATIONS</b>	24	33,691.91	27,725.82
<b>II OTHER INCOME</b>	25	1,970.22	1,376.64
<b>III TOTAL REVENUE (I + II)</b>		<b>35,662.13</b>	<b>29,102.46</b>
<b>IV EXPENSES</b>			
Operating expenses	26	25,410.26	20,471.91
Employee benefits expense	27	632.92	631.31
Finance costs	28	3,931.40	2,656.34
Depreciation and amortization expense	13	110.23	105.69
Administrative and general expenses	29	1,185.05	1,100.73
<b>Total expenses</b>		<b>31,269.86</b>	<b>24,965.98</b>
<b>V PROFIT BEFORE TAXATION (III-IV)</b>		<b>4,392.27</b>	<b>4,136.48</b>
<b>VI TAX EXPENSE:</b>			
(1) Current tax		1,700.00	1,600.76
(2) Tax relating to earlier years		-	4.04
(3) Deferred tax (net)		(19.37)	8.70
<b>Total tax expenses (VI)</b>		<b>1,680.63</b>	<b>1,613.50</b>
<b>VII PROFIT FOR THE YEAR (V - VI)</b>		<b>2,711.64</b>	<b>2,522.98</b>
Earnings per equity share (Face value per share ₹ 10/-):	33		
(1) Basic		13.96	12.99
(2) Diluted		13.96	12.99

Notes 1 to 38 form part of the financial statements.

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**Mr. Kalpesh J. Mehta**  
Partner

For and on behalf of the Board

**K. Ramchand**  
Managing Director

**Arun K. Saha**  
Director

**George Cherian**  
Chief Financial Officer

**Krishna Ghag**  
Company Secretary

Bengaluru, May 7, 2013

Bengaluru, May 7, 2013

# Cash Flow Statement

for the year ended March 31, 2013

		₹ in million
Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	4,392.27	4,136.48
<b>Adjustments for</b>		
Interest Income	(1,722.37)	(1,145.78)
Employee benefits (net)	2.61	1.95
Profit on sale of fixed assets (net)	(0.40)	(0.22)
Depreciation and amortization expense	110.23	105.69
Amortisation of premium on forward contract	(31.53)	(4.56)
Unrealised exchange loss on forward contract	-	30.96
Unrealised exchange gain on conversion of loans into investments	(4.62)	-
Finance Costs	3,931.40	2,656.34
Dividend Income on non-current investments	(23.60)	(23.60)
Provision for diminution in the value of investments	-	110.00
<b>Operating profit before Working Capital Changes</b>	<b>6,653.99</b>	<b>5,867.26</b>
Increase in trade receivables	(6,411.39)	(1,741.54)
Decrease / (Increase) in other assets & loans and advances (current and non current)	700.44	(118.83)
Increase in liabilities (current and non current)	53.45	1,841.00
<b>Cash Generated from Operations</b>	<b>996.49</b>	<b>5,847.89</b>
Direct Taxes paid (Net)	(1,320.17)	(1,627.83)
<b>Net Cash (used in) / generated from Operating Activities (A)</b>	<b>(323.68)</b>	<b>4,220.06</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets and CWIP	(82.76)	(39.68)
Proceeds from sale of fixed assets	0.91	0.59
Investment in / Purchase of equity shares of subsidiaries	(2,336.47)	(2,636.14)
Investment in Others	(583.38)	(1,385.72)
Long term loans given	(2,994.20)	(4,703.18)
Long term loans recovered	2,591.99	790.12
Short term loans given (net)	(813.35)	(2,006.07)
Amount refunded as inter-corporate deposits (net)	-	120.00
Interest received	1,291.61	733.11
Dividend received	23.60	23.60
Refund of Advance towards Share Application Money	-	0.05
Capital Advances	(1,000.00)	-
Incidental costs in relation to Investment property	(48.75)	-
<b>Net Cash used in Investing Activities (B)</b>	<b>(3,950.80)</b>	<b>(9,103.32)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds / (repayment) of loans on demand from Banks (net)	(308.85)	319.74
Proceeds from long term borrowings	24,450.00	10,650.00
Repayment of long term borrowings	(8,500.00)	(8,000.00)
Proceeds from short term borrowings	17,961.78	15,450.00
Repayment of short term borrowings	(23,538.70)	(10,100.00)
Finance Costs paid	(4,102.70)	(2,681.27)

## Cash Flow Statement (contd.)

for the year ended March 31, 2013

₹ in million		
Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Dividend paid	(777.07)	(679.94)
Tax on Dividend paid	(126.06)	(110.30)
Fixed deposits placed as security against borrowings	(770.00)	-
<b>Net Cash generated from Financing Activities (C)</b>	<b>4,288.40</b>	<b>4,848.23</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>13.92</b>	<b>(35.03)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>40.43</b>	<b>75.46</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>54.35</b>	<b>40.43</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	0.42	1.08
Balances with Banks in current accounts	52.63	38.15
Fixed deposits	1.30	1.20
	<b>54.35</b>	<b>40.43</b>
Unpaid Dividend Accounts	0.51	0.35
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>54.86</b>	<b>40.78</b>
Notes 1 to 38 form part of the financial statements.		

### Notes

- During the year ended March 31, 2013, the Company has converted ₹ 69.8 million from Advance towards Share Application Money given to Hyderabad Expressway Limited in earlier years to zero interest subordinate loan under Loans to other than related parties. Thus, the impact of this has not been given in the cash flow statement above
- During the year ended March 31, 2013, the Company has exercised an option by virtue of which it has become entitled to 49,555 sq. ft. area in a commercial development project in lieu of the outstanding balance of advance given of ₹ 1,118.46 million (including interest accrued of ₹ 127.68 million). The Company has received letter of allotment for the above mentioned area. Thus, the amount has been transferred from "Loans to others" and "Interest accrued but not due" to "Investment property". The impact of this has not been given in the cash flow statement above
- The Company had given long-term and short-term loans to its subsidiary, ITNL International Pte. Ltd., Singapore aggregating USD 33,000,000. Out of this the Company received USD 25,000,000 during the year and the outstanding amount aggregating USD 8,000,000 (equivalent ₹ 421.57 million) has been converted into 8,000,000 equity shares of USD 1/- each by way of allotment of shares with effect from October 5, 2012, the impact of this has not been given in the cash flow statement above
- Company's investment in 7,864,000 Optionally Convertible Debentures (Face value ₹ 100 each) aggregating ₹ 786.40 million issued by Andhra Pradesh Expressway Limited ("APEL") and loans given to APEL of ₹ 1,262.04 million and interest accrued ₹ 151.56 million were converted on November 7, 2012 into 220,000,000 Non-Convertible Non-Cumulative Redeemable Preference Shares (Face value ₹ 10 each) aggregating to ₹ 2,200.00 million. The impact of this has not been given in the cash flow statement above

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**Mr. Kalpesh J. Mehta**  
Partner

For and on behalf of the Board

**K. Ramchand**  
Managing Director

**Arun K. Saha**  
Director

**George Cherian**  
Chief Financial Officer

**Krishna Ghag**  
Company Secretary

Bengaluru, May 7, 2013

Bengaluru, May 7, 2013

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

### Background :

IL&FS Transportation Networks Limited ("ITNL") is a surface transportation infrastructure company incorporated in the year 2000 under the provisions of the Companies Act, 1956, by Infrastructure Leasing & Financial Services Limited, a promoter company, in order to consolidate their existing road infrastructure projects and to pursue various new project initiatives in the area of surface transportation infrastructure. ITNL is a developer, operator and facilitator of surface transportation infrastructure projects, taking projects from conceptualisation through commissioning to operations and maintenance under public to private partnership on build-operate transfer ("BOT") basis in India

### I Basis for preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, and the applicable accounting standards issued pursuant to the Companies (Accounting Standards) Rules, 2006. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis

### II Use of estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as of the date of the Financial Statements and the reported Income and Expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. In case the actual results are different are those from estimates, the effect thereof is given in the financial statements of the period in which the events materialise. Any change in such estimates is accounted prospectively

### III Fixed Assets and Depreciation/Amortisation

#### (a) Tangible assets and depreciation

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use

Depreciation on tangible fixed assets is computed as under:

- (i) In respect of premises, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV of the Companies Act, 1956
- (ii) The Company has adopted the Straight Line Method of depreciation so as to depreciate 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

Asset Type	Estimated Useful Life
Data processing equipment	4 years
Specialised office equipment	3 years
Assets provided to employees	3 years

- (iii) Leasehold improvement costs are capitalised and amortised on a straight-line basis over the period of lease agreement
- (iv) All categories of assets costing less than ₹ 5,000 each, mobile phones, etc. are fully depreciated in the year of purchase
- (v) Depreciation on fixed assets, other than on assets specified in Notes III(a) (i), (ii), (iii) and (iv) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV to the Companies Act, 1956. Depreciation is computed pro-rata from the date of acquisition of and up to the date of disposal

#### (b) Intangible assets and amortisation

Intangible assets comprise of software and amounts paid for acquisition of commercial rights under an "Operation and Maintenance" agreement of a toll road project

Intangible assets are reported at acquisition cost with deductions for accumulated amortisation and impairment losses, if any

Intangible assets are amortised on a "straight line" basis over their estimated useful lives. The estimated useful life of software is four years. The amount



# Notes

forming part of the financial statements for the year ended March 31, 2013

paid for the Commercial Rights acquired under the "Operations and Maintenance" agreement, is amortised over the minimum balance period of the concession agreement relating to the corresponding toll road project as it existed at the time of acquisition

## IV Impairment of Assets

The carrying values of assets of the Company's cash-generating unit are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor

## V Investments

- (a) Investments are capitalised at actual cost including costs incidental to acquisition. Dividend received attributable to the period prior to acquisition of investment is reduced from the cost of investment in the year of receipt
- (b) Cost of investment property acquired in exchange for an asset is determined by reference to the fair value of the asset given up
- (c) Investments are classified as long-term or current at the time of making such investments
- (d) Long-term investments are individually valued at cost, less provision for diminution that is other than temporary
- (e) Current investments are valued at the lower of cost and fair value

## VI Revenue Recognition

The Company's service offerings include advisory and management services, supervisory services (including as lenders' engineers), operation and maintenance services, toll collection services for toll road projects and rendering assistance to applicant for toll road concessions with the bidding process

Revenue is recognised when it is realised or realisable and earned. Revenue is considered as realised or realisable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collectability is reasonably assured

Revenue in respect of arrangements made for rendering services is recognised over the contractual term of the arrangement. In respect of arrangements, which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognised is based on the services delivered in the period as stated in the contract. In respect of arrangements where fees for services rendered are success based (contingent fees), revenue is recognised only when the factor(s) on which the contingent fees is based, actually occur and the collectability is reasonably assured

Revenue from development projects under fixed - price contracts, where there is no uncertainty as to measurement or collectability of consideration is recognised based on the milestones reached under the contracts

Contract revenue and costs associated with the construction of roads is recognised as by reference to the stage of completion of the projects at the Balance Sheet date. The stage of completion of a project is determined by the proportion that the contract cost incurred for work performed up to the Balance Sheet date bears to the estimated total contract costs

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable provided it is not unreasonable to expect ultimate collection

Dividend, other than attributable to the period prior to acquisition of investment, is recognised as income when the unconditional right to receive the payment is established

## VII Foreign Currency Transactions

Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange difference arising on settlement thereof during the period is recognised as income or expense in the Statement of Profit and Loss

Foreign currency denominated cash and cash equivalents, assets (other than those that are in substance the Company's net investment in a non integral foreign operation), and liabilities (monetary items) outstanding as at the period end are valued at closing-date rates, and unrealised translation differences are included in the Statement of Profit and Loss

Non monetary items (such as equity investments) denominated in foreign currencies are reported using the exchange rate as at the date of the transaction. Where such items are carried at fair value, these are reported using exchange rates that existed on dates when the fair values were determined

# Notes

forming part of the financial statements for the year ended March 31, 2013

Inter-company receivables or payables for which settlement is neither planned nor likely to occur in the foreseeable future and are in substance an extension to or a deduction from the Company's net investments in a non - integral foreign operations are also translated at closing rates but the exchange differences arising are accumulated in the foreign currency translation reserve until disposal of the net investment, at which time they are recognised as income or expense in the Statement of Profit and Loss. Any repayment of receivables or payables forming part of net investment in foreign operations is considered as partial disposal of investments in foreign operations and amounts previously recognised in the foreign currency translation reserve is adjusted on such recovery

## VIII Employee Benefits

### (a) Short term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company

### (b) Long term

The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees

#### (i) Defined-contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Company's payments to the defined-contribution plans are reported as expenses in period in which the employees perform the services that the payment covers

#### (ii) Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government

bonds with a remaining term that is almost equivalent to the average balance working period of employees

The actuarial gains and losses are recognised immediately in the Statement of Profit and Loss

### (c) Others

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the period end are reported as expenses in the period in which the employees perform the services that the benefit covers at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method

## IX Taxes on Income

Taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Current tax is the amount of income tax determined to be payable (recoverable) in respect of the taxable income for the year

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they are recognised in the financial statements

Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available in future against which deductible timing differences can be utilised

When the Company carries forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised

# Notes

forming part of the financial statements for the year ended March 31, 2013

## X Lease Accounting

Leases of assets where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated

## XI Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision for final dividend payable (including dividend tax thereon) is made in the financial statements of the period to which the dividend relates when the same is proposed by the Board of Directors after the Balance Sheet date but before the approval of financial statements of the period to which the dividend relates. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed

## XIII Borrowing Costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Borrowing Costs are capitalised up to the date when the asset is ready for its intended use. The amount of borrowing costs capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period

## XIV Cash and Cash Equivalents

Cash comprises of Cash on Hand, Cheques on Hand, current account and demand deposits with Banks. Cash Equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value

## XV Cash Flow Statement

The Cash Flow Statement is prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 on Cash Flow Statements

## XVI Earnings per Share

Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the period

Diluted earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the Company by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities

## XVII Derivative Transactions

Premium paid on option contracts acquired is treated as an asset until maturity. Premium received on option contracts written is treated as liability until maturity. In case of Forward exchange contracts which are not intended for trading or speculation purposes, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 2: SHARE CAPITAL

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	₹ in million	Number of Shares	₹ in million
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	250,000,000	2,500.00	250,000,000	2,500.00
<b>Issued</b>				
Equity Shares of ₹ 10/- each	194,267,732	1,942.68	194,267,732	1,942.68
<b>Subscribed and Paid up</b>				
Equity Shares of ₹ 10/- each fully paid (Refer Foot Note no. i, ii, iii and iv)	194,267,732	1,942.68	194,267,732	1,942.68
<b>Total</b>	<b>194,267,732</b>	<b>1,942.68</b>	<b>194,267,732</b>	<b>1,942.68</b>

### Foot Notes:

- Of the above 135,000,000 (As at March 31, 2012 : 135,000,000) shares are held by the Holding Company viz. Infrastructure Leasing & Financial Services Limited ("IL&FS") and 2,440,534 (As at March 31, 2012 : 2,440,534) shares are held by a fellow subsidiary viz. IL&FS Financial Services Limited
- Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Shares outstanding at the beginning of the year	194,267,732	1,942.68	194,267,732	1,942.68
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	194,267,732	1,942.68	194,267,732	1,942.68

- Shareholding more than 5% of issued, subscribed and paid up equity share capital

Shareholder	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	% of total holding	Number of Shares	% of total holding
IL&FS	135,000,000	69.49%	135,000,000	69.49%

- The Company has one class of equity shares with face value of ₹ 10 each fully paid-up. Each shareholder has a voting right in proportion to his holding in the paid-up equity share capital of the Company. Where final dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the Annual General Meeting



# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 3: RESERVES AND SURPLUS

Particulars	₹ in million			
	As at March 31, 2013		As at March 31, 2012	
<b>(a) Securities Premium Account</b>		10,320.57		10,320.57
<b>(b) General Reserve</b>				
Opening balance	967.82		715.52	-
(+) Current year transfer	271.16	1,238.98	252.30	967.82
<b>(c) Foreign Currency Translation Reserve (Refer Note VII of Note 1)</b>				
Opening Balance [net of deferred tax asset (net) of ₹ 15.08 million, (previous year ₹ 29.20 million)]	23.12		52.53	-
Foreign exchange translation gain / (loss) [net of deferred tax asset of ₹ 3.89 million (Previous Year ₹ 14.12 million)]	8.08	31.20	(29.41)	23.12
<b>(d) Debenture Redemption Reserve</b>				
Opening balance	-		-	
(+) Current year transfer	461.37	461.37	-	-
<b>(e) Surplus in the Statement of Profit and Loss</b>				
Opening balance	6,183.90		4,816.35	-
(+) Profit for the year	2,711.64		2,522.98	-
(-) Transfer to general reserve	271.16		252.30	-
(-) Transfer to debenture redemption redemption reserve	461.37		-	-
(-) Provision for proposed dividend	777.07		777.07	-
(-) Provision for Dividend Distribution Tax on proposed dividend	132.06	7,253.88	126.06	6,183.90
<b>Total</b>		<b>19,306.00</b>		<b>17,495.41</b>

## NOTE 4: LONG-TERM BORROWINGS

Particulars	₹ in million		
	As at March 31, 2013		As at March 31, 2012
<b>(a) Debentures</b>			
Unsecured Redeemable Non-Convertible Debentures [NCDs] (Refer Foot Note no.1 (a))	10,000.00		-
<b>(b) Term Loans from banks (Refer Foot Note no.1 (b))</b>			
(i) Secured (Secured by Residual charge over current assets and receivables)	5,500.00		-
(ii) Unsecured	3,100.00		4,000.00
<b>Total</b>	<b>18,600.00</b>		<b>4,000.00</b>

### Foot Note

- During the year ended March 31, 2013, the Company has Listed 3 series of Rated, Unsecured Redeemable, Non-Convertible Debentures ("NCDs") of the face value of ₹ 1,000,000 per unit on a private placement basis. These NCDs were allotted to J. P. Morgan Securities Asia Private Limited, J. P. Morgan Securities India Private Limited and Yes Bank Limited

# Notes

forming part of the financial statements for the year ended March 31, 2013

## (a) The details of Unsecured Redeemable Non-Convertible Debentures [NCDs] :

Series of NCDs	As at March 31, 2013					
	No. of NCDs issued	No. of NCDs outstanding as at March 31, 2013	Face value per NCD (₹)	Rate of interest % p.a.	Terms of repayment	Earliest date of redemption
ITNL, 12.00%, 2019 Series II	5,300	5,300	1,000,000	12.00	Bullet repayment	March 18, 2019
ITNL, 12.00%, 2019	4,000	4,000	1,000,000	12.00	Bullet repayment	January 23, 2019
ITNL, 12.25%, 2015 Series I	700	700	1,000,000	12.25 compounded annually	Bullet repayment	April 2, 2015
<b>Total</b>	<b>10,000</b>	<b>10,000</b>				

The details of utilisation of proceeds of above issue are as below :

Particulars	₹ in million		
	Series of NCDs		
	ITNL, 12.00%, 2019	ITNL, 12.25%, 2015	ITNL, 12.00%, 2019
Amount received from the issue	4,000.00	700.00	5,300.00
Utilisation :			
For repayment of loans	4,000.00	700.00	5,300.00
Balance amount unutilised as on March 31, 2013	Nil	Nil	Nil

## (b) Terms of Repayment for long term borrowings from banks outstanding as on March 31, 2013

Name of Bank	As at March 31, 2013		
	₹ in million	Terms of repayment	Due Date for repayment
Yes Bank Limited	5,500.00	20 installments of ₹ 68.75 million to ₹ 412.50 million	September 30, 2014 to March 31, 2019
Bank of India	1,100.00	2nd of 2 installments	March 20, 2015
United Bank of India	1,000.00	Bullet repayment	June 30, 2014
Jammu & Kashmir Bank Limited	500.00	2nd of 2 installments	June 29, 2014
The Nainital Bank Limited	500.00	Bullet repayment	April 17, 2014
<b>Total</b>	<b>8,600.00</b>		

Terms of Repayment for long term borrowings from banks outstanding as on March 31, 2012

Name of Bank	As at March 31, 2012		
	₹ in million	Terms of repayment	Due Date for repayment
State Bank of Travancore	500.00	Bullet repayment	March 22, 2014
Bank of Baroda	2,000.00	Bullet repayment	March 21, 2014
South Indian Bank Limited	1,000.00	Bullet repayment	December 9, 2013
Bank of India	500.00	Bullet repayment	August 25, 2013
<b>Total</b>	<b>4,000.00</b>		

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 5: CURRENT MATURITIES OF LONG-TERM DEBT

Particulars	₹ in million	
	As at March 31, 2013	As at March 31, 2012
Unsecured loan from Banks	9,850.00	8,500.00
<b>Total</b>	<b>9,850.00</b>	<b>8,500.00</b>

## NOTE 6: SHORT-TERM BORROWINGS

Particulars	₹ in million	
	As at March 31, 2013	As at March 31, 2012
<b>(a) Secured</b>		
Loans repayable on demand from Banks (Secured by First pari passu charge over current assets and receivables)	65.75	410.60
<b>(b) Unsecured</b>		
(i) Loans repayable on demand from Banks	36.00	-
(ii) Commercial Paper	2,000.00	-
Less : Unexpired discount	(112.55)	-
<b>Net amount</b>	<b>1,887.45</b>	<b>-</b>
(iii) Short term loans		
from banks	6,244.50	12,650.00
from Other parties	-	1,000.00
(iv) Loans from related parties	700.00	700.00
<b>Total</b>	<b>8,933.70</b>	<b>14,760.60</b>

## NOTE 7: DEFERRED TAX LIABILITIES (NET)

The Company has a net deferred tax liability of ₹ 5.74 million (As at March 31, 2012 : ₹ 21.22 million). The components are as under (Refer Foot Note no. 1):

Particulars	₹ in million		
	As at March 31, 2012	Movement during the year (Refer Foot Note 2)	As at March 31, 2013
In respect of depreciation	30.36	(14.15)	16.21
In respect of employee benefits	(8.17)	(1.29)	(9.46)
in respect of provision for doubtful debts	(0.97)	(0.04)	(1.01)
<b>Deferred Tax Liabilities (Net)</b>	<b>21.22</b>	<b>(15.48)</b>	<b>5.74</b>

### Foot Note

- The Company has not recognised any deferred tax asset against provision created for diminution in value of investments in absence of virtual certainty of future taxable capital gains against which the deferred tax asset could be offset
- Deferred tax credit (net) during the year includes deferred tax credit of ₹ 3.89 million on account of deferred tax asset created during the year which has been directly adjusted against Foreign Currency translation reserve recognised in respect of the foreign exchange translation differences on the Company's receivables which were regarded as an extension to the Company's net investments in a foreign entity and have not been included above

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 8: LONG-TERM PROVISIONS

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
(a) Provision for employee benefits	8.81	-
(b) Others		
Provision for tax (net)	7.44	6.11
<b>Total</b>	<b>16.25</b>	<b>6.11</b>

## NOTE 9: OTHER LONG TERM LIABILITIES

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
(a) Retention Money Payable	1,152.47	735.90
(b) Mobilisation Advances Received	2,127.44	1,758.81
(c) Option Premium Liabilities (Refer Note 22 (a))	39.22	39.22
<b>Total</b>	<b>3,319.13</b>	<b>2,533.93</b>

## NOTE 10: OTHER CURRENT LIABILITIES

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
(a) Interest accrued but not due on borrowings	153.95	24.77
(b) Mobilisation Advances Received	1,497.59	3,741.19
(c) Unearned Revenue (Refer Note 30)	1,161.36	1,361.94
(d) Unpaid Dividends	0.51	0.35
(e) Option Premium Liabilities (Refer Note 22 (a))	76.87	76.87
(f) Other Payables (Refer Foot Note below)	234.77	341.01
<b>Total</b>	<b>3,125.05</b>	<b>5,546.13</b>

### Foot Note

Other payables includes deferred premium on forward contract of ₹ Nil (As at March 31, 2012 : ₹ 31.53 million) and statutory dues payable of ₹ 234.77 million (As at March 31, 2012 : ₹ 300.83 million)



# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 11: TRADE PAYABLES

Based on information received by the Company from its vendors, the amount of principal outstanding in respect of Micro and Small Enterprises as at Balance Sheet date covered under the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ Nil. There were no delays in the payment of dues to Micro and Small Enterprises

## NOTE 12: SHORT-TERM PROVISIONS

		₹ in million	
Particulars	As at March 31, 2013	As at March 31, 2012	
(a) Provision for employee benefits (net) (Refer Foot Note no. 2(b) of Note 27)	250.13	242.34	
(b) Others			
Provision for Proposed Dividend	777.07	777.07	
Provision for Dividend Distribution Tax	132.06	126.06	
<b>Total</b>	<b>1,159.26</b>	<b>1,145.47</b>	

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 13: FIXED ASSETS

Current year:

Gross Block (at cost)							Accumulated Depreciation and Amortisation				Net Block
Particulars	Balance as at April 1, 2012	Additions	Deletions / Adjustments	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation for the year	Deletions / Adjustments	Balance as at March 31, 2013	Balance as at March 31, 2013		
<b>a Tangible Assets</b>											
Buildings	14.96	-	-	14.96	1.09	0.24	-	1.33	13.63		
Plant and Machinery	63.86	4.32	-	68.18	19.62	6.49	-	26.11	42.07		
Furniture and Fixtures	16.71	2.68	0.06	19.33	11.09	1.96	0.06	12.99	6.34		
Vehicles	82.90	19.76	1.67	100.99	33.74	16.07	1.24	48.57	52.42		
Office Equipments	28.51	4.23	0.40	32.34	16.31	4.53	0.32	20.52	11.82		
Data Processing Equipments	36.30	7.21	-	43.51	22.83	6.58	-	29.41	14.10		
Leasehold Improvements	12.45	6.83	-	19.28	8.18	4.94	-	13.12	6.16		
(Operating Lease)											
<b>Total</b>	<b>255.69</b>	<b>45.03</b>	<b>2.13</b>	<b>298.59</b>	<b>112.86</b>	<b>40.81</b>	<b>1.62</b>	<b>152.05</b>	<b>146.54</b>		
<b>b Intangible Assets</b>											
Computer Software (Acquired)	266.41	15.25	-	281.66	150.70	66.77	-	217.47	64.19		
Commercial Rights (Acquired)	60.00	-	-	60.00	16.95	2.65	-	19.60	40.40		
<b>Total</b>	<b>326.41</b>	<b>15.25</b>	<b>-</b>	<b>341.66</b>	<b>167.65</b>	<b>69.42</b>	<b>-</b>	<b>237.07</b>	<b>104.59</b>		
<b>c Capital Work-In-Progress</b> (Refer Foot Note)	3.19	25.67	3.19	25.67	-	-	-	-	25.67		
<b>Grand Total</b>	<b>585.29</b>	<b>85.95</b>	<b>5.32</b>	<b>665.92</b>	<b>280.51</b>	<b>110.23</b>	<b>1.62</b>	<b>389.12</b>	<b>276.80</b>		

**Foot Note:** Capital Work-In-progress of ₹ 25.67 (As at March 31, 2012 ₹ Nil) is advance payment towards Intangible Assets.

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 13: FIXED ASSETS

Previous year:

Particulars	Gross Block (at cost)				Accumulated Depreciation and Amortisation				₹ in million	
	Balance as at April 1, 2011	Additions	Deletions / Adjustments	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation for the year	Deletions / Adjustments	Balance as at March 31, 2012	Balance as at March 31, 2012	Net Block
<b>a Tangible Assets</b>										
Buildings	14.96	-	-	14.96	0.85	0.24	-	1.09		13.87
Plant and Machinery	60.15	3.71	-	63.86	12.75	6.87	-	19.62		44.24
Furniture and Fixtures	15.40	1.31	-	16.71	9.17	1.92	-	11.09		5.62
Vehicles	62.42	21.90	(1.42)	82.90	20.69	14.12	(1.07)	33.74		49.16
Office Equipments	23.05	5.77	(0.31)	28.51	12.59	4.01	(0.29)	16.31		12.20
Data Processing Equipments	30.77	5.53	-	36.30	17.04	5.79	-	22.83		13.47
Leasehold Improvements (Operating Lease)	12.45	-	-	12.45	3.66	4.52	-	8.18		4.27
<b>Total</b>	<b>219.20</b>	<b>38.22</b>	<b>(1.73)</b>	<b>255.69</b>	<b>76.75</b>	<b>37.47</b>	<b>(1.36)</b>	<b>112.86</b>		<b>142.83</b>
<b>b Intangible Assets</b>										
Computer Software (Acquired)	264.95	1.46	-	266.41	85.13	65.57	-	150.70		115.71
Commercial Rights (Acquired)	60.00	-	-	60.00	14.30	2.65	-	16.95		43.05
<b>Total</b>	<b>324.95</b>	<b>1.46</b>	<b>-</b>	<b>326.41</b>	<b>99.43</b>	<b>68.22</b>	<b>-</b>	<b>167.65</b>		<b>158.76</b>
<b>c Capital Work-In-Progress</b>	-	3.19	-	3.19	-	-	-	-		3.19
<b>Grand Total</b>	<b>544.15</b>	<b>39.68</b>	<b>(1.73)</b>	<b>582.10</b>	<b>176.18</b>	<b>105.69</b>	<b>(1.36)</b>	<b>280.51</b>		<b>301.59</b>

₹ in million

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 14: NON-CURRENT INVESTMENTS

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
Investment property (Refer Foot Note no. 9)	1,153.02	-
Trade Investments (Refer A below)		
(a) Investments in Equity shares	24,229.60	21,013.34
(b) Investments in preference shares	3,492.93	804.40
(c) Investments in debentures	320.00	1,106.40
(d) Investments in Covered Warrants	1,693.00	1,693.00
(e) Investments in units	1,083.56	1,038.76
sub- total	30,819.09	25,655.90
Less : Provision for diminution in the value of Investments	510.00	510.00
Total Trade Investments	30,309.09	25,145.90
Total investments	31,462.11	25,145.90

### A. Details of Trade Investments (Refer Foot Notes no.1 to 8)

Sr. No.	Name of the Entity	As at March 31, 2013			As at March 31, 2012		
		Quantity	Face Value per unit (₹)	₹ in million	Quantity	Face Value per unit (₹)	₹ in million
(a)	Investment in Equity shares						
	in Subsidiaries (Unquoted; Fully paid - At Cost)						
	Gujarat Road and Infrastructure Company Limited	76,542,250	10	442.50	76,542,250	10	442.50
	North Karnataka Expressway Limited	7,720,823	10	77.21	7,720,823	10	77.21
	East Hyderabad Expressway Limited	21,689,400	10	216.89	21,689,400	10	216.89
	ITNL International Pte. Ltd., Singapore (Nominal value US\$ 1 each) (Refer Foot Note no. 7)	36,050,001	Not Applicable	1,761.72	28,050,001	Not Applicable	1,340.15
	ITNL Road Infrastructure Development Company Limited	52,000,000	10	520.00	40,000,000	10	400.00
	Elsamex S.A. (Nominal value Euro 60.10121 each) (Refer Foot Note no. 2)	260,949	Not Applicable	2,722.34	260,949	Not Applicable	2,722.34
	Vansh Nimay Infraprojects Limited (Refer Foot Note no. 3)	14,300,000	10	145.00	14,300,000	10	145.00
	IL&FS Rail Limited	144,678,870	10	1,446.79	116,408,550	10	1,164.09
	Hazaribagh Ranchi Expressway Limited	37,000	10	0.37	37,000	10	0.37
	Pune Sholapur Road Development Company Limited	160,000,000	10	1,600.00	160,000,000	10	1,600.00
	West Gujarat Expressway Limited	14,799,985	10	100.50	14,799,985	10	100.50
	Moradabad Bareilly Expressway Limited	221,660,000	10	2,216.60	221,660,000	10	2,216.60

# Notes

forming part of the financial statements for the year ended March 31, 2013

Sr. No.	Name of the Entity	As at March 31, 2013			As at March 31, 2012		
		Quantity	Face Value per unit (₹)	₹ in million	Quantity	Face Value per unit (₹)	₹ in million
	Jharkhand Road Projects Implementation Company Limited	228,123,000	10	2,281.23	228,090,000	10	2,280.90
	Chenani Nashri Tunnelway Limited	372,000,000	10	3,720.00	372,000,000	10	3,720.00
	MP Border Checkposts Development Company Limited	48,943,847	10	489.44	8,352,051	10	83.52
	Badarpur Tollway Operations Management Limited	49,994	10	0.50	49,994	10	0.50
	Rapid MetroRail Gurgaon Limited	27,083	10	0.27	27,083	10	0.27
	Futureage Infrastructure India Limited	3,000,000	10	30.00	3,000,000	10	30.00
	Charminar Robopark Limited	4,180,000	10	41.80	300,000	10	3.00
	Karyavattom Sports Facilities Limited	15,049,940	10	150.50	49,940	10	0.50
	Kiratpur Ner Chowk Expressway Limited	28,500,000	10	285.00	8,550,000	10	85.50
	ITNL Offshore Pte. Ltd., Singapore (Nominal value US\$ 1 each)	50,000	Not Applicable	2.61	50,000	Not Applicable	2.61
	Baleshwar Kharagpur Expressway Limited	55,840,000	10	558.40	-	-	-
	Sikar Bikaner Highway Limited	98,800,000	10	988.00	-	-	-
	Rapid MetroRail Gurgaon South Limited	17,500	10	0.18	-	-	-
	ITNL Africa Projects Ltd., Nigeria (Nominal value Nigerian Naira 1 each)	2,500,000	Not Applicable	0.86	-	-	-
	<b>in Joint Ventures (Fully paid - At Cost)</b>						
	Jorabat Shillong Expressway Limited (Unquoted)	26,000,000	10	260.00	21,000,000	10	210.00
	NAM Expressway Limited (Unquoted)	116,754,970	10	1,167.55	116,754,970	10	1,167.55
	Noida Toll Bridge Company Limited (Quoted)	47,195,007	10	1,871.58	47,195,007	10	1,871.58
	<b>in Associates (Unquoted; Fully paid - At Cost)</b>						
	Thiruvananthapuram Road Development Company Limited	17,030,000	10	170.30	17,030,000	10	170.30
	Andhra Pradesh Expressway Limited	16,513,060	10	165.13	16,513,060	10	165.13
	ITNL Toll Management Services Limited	24,500	10	0.25	24,500	10	0.25
	Warora Chandrapur Ballarpur Toll Road Limited	61,708,500	10	617.08	61,708,490	10	617.08
	<b>in Others (Unquoted; Fully paid - At Cost)</b>						
	Pipavav Railway Corporation Limited	12,000,000	10	179.00	12,000,000	10	179.00
	<b>sub-total (a)</b>			<b>24,229.60</b>			<b>21,013.34</b>
	<b>(b) Investments in Preference Shares (Unquoted; Fully paid - At Cost)</b>						
	<b>in Subsidiaries</b>						
	West Gujarat Expressway Limited (Refer Foot Note no. 5)	200,00,000	10	296.90	200,00,000	10	296.90



# Notes

forming part of the financial statements for the year ended March 31, 2013

Sr. No.	Name of the Entity	As at March 31, 2013			As at March 31, 2012		
		Quantity	Face Value per unit (₹)	₹ in million	Quantity	Face Value per unit (₹)	₹ in million
	Rapid MetroRail Gurgaon Limited (Refer Foot Note no. 6)	99,603,000	10	996.03	50,750,000	10	507.50
	<b>in Associates</b>						
	Andhra Pradesh Expressway Limited (Refer Foot Note no. 8)	220,000,000	10	2,200.00	-	-	-
	<b>sub-total (b)</b>			<b>3,492.93</b>			<b>804.40</b>
<b>(c)</b>	<b>Investments in Debentures (Unquoted; Fully paid - At Cost)</b>						
	5% Optionally Convertible Debentures of Andhra Pradesh Expressway Limited (Associate) (Refer Foot Note no. 8)	-	-	-	7,864,000	100	786.40
	11.50% Non-Convertible Debentures of Road Infrastructure Development Company of Rajasthan Limited	32,000,000	10	320.00	32,000,000	10	320.00
	<b>sub-total (c)</b>			<b>320.00</b>			<b>1,106.40</b>
<b>(d)</b>	<b>Investments in Covered Warrants (Unquoted; Fully paid - At Cost)</b>						
	Infrastructure Leasing & Financial Services Limited (Refer Foot Note no. 4)	169,300,000	10	1,693.00	169,300,000	10	1,693.00
<b>(e)</b>	<b>Investments in Units (Unquoted; Fully paid - At Cost)</b>						
	ITNL Road Investment Trust (a Subsidiary)	1,083,562	1000	1,083.56	1,038,762	1000	1,038.76
	<b>Grand Total (a+b+c+d+e)</b>			<b>30,819.09</b>			<b>25,655.90</b>

Particulars	₹ in million	
	As at March 31, 2013	As at March 31, 2012
Aggregate cost of quoted investments (Market value of ₹ 941.54 million; as at March 31, 2012 : ₹ 1,057.70 million)	1,871.58	1,871.58
Aggregate cost of unquoted investments	28,947.51	23,784.32
<b>Total</b>	<b>30,819.09</b>	<b>25,655.90</b>

# Notes

forming part of the financial statements for the year ended March 31, 2013

## Foot Notes

- 1 The Company has given non-disposal undertakings to the lenders and / or equity investors of certain infrastructure companies promoted by it with regard to its investments in the equity share capital of these companies as a part of promoter's undertaking to such lenders and / or equity investors. Also, the Company has given non-disposal undertakings to the grantors of the Concession to certain infrastructure companies promoted by the Company with regard to its investments in the equity share capital of these companies
- 2 The Company has pledged 171,959 (As at March 31, 2012 - 171,959) equity shares representing 51% of the overall shareholding in Elsamex S.A., in favour of certain lenders for a Term Loan facility availed by Elsamex S.A
- 3 The Company has pledged 14,300,000 (As at March 31, 2012- 14,300,000) shares of Vansh Nimay Infraprojects Limited ("Borrower") with IL&FS Trust Company Limited ("Security Trustee") to secure the dues of the Borrower including without limitation all principal amounts, interest expenses, penalties, costs, fees, etc payable by the Borrower in relation to the facility extended by the Consortium of Financial Institutions and Banks under the Pooled Municipal Debt Obligation Facility ("PMDO")
- 4 The Company's investment in "Covered Warrants" aggregating to ₹ 1,693.00 million (As at March 31, 2012 ₹ 1693.00 million) issued by Infrastructure Leasing & Financial Services Limited ("IL&FS") are variable interest debt instruments under which the holder is entitled to a proportionate share of the dividend, if any, declared by Road Infrastructure Development Company of Rajasthan Limited ("RIDCOR"), Jharkhand Accelerated Road Development Company Limited ("JARDCL"), Chhatisgarh Highways Development Company Limited ("CHDCL") and Jharkhand Road Projects Implementation Company Limited ("JRPICL") on the equity shares held by IL&FS as well as the interest granted by RIDCOR on the Fully Convertible Debentures ("FCDs") held by IL&FS. However, the Company is not entitled to rights and privileges, which IL&FS enjoys as a shareholder / debentureholder. The instruments are unsecured
- 5 The Company's investment in redeemable / optionally convertible cumulative preference shares of West Gujarat Expressway Limited ("WGEL") are convertible, at the option of the Company, into 1 equity share and carry a coupon of 2% per annum upto the conversion, accrued annually in arrears ("Coupon"). An additional coupon consisting of 95% of the balance distributable profits, that may be available with WGEL after it has met all other obligations, would also accrue on the said preference shares ("Additional Coupon")
- 6 The Company's investments in compulsorily convertible preference shares of Rapid MetroRail Gurgaon Limited are fully and compulsorily convertible into equity shares within 90 days from achieving the commercial operation date of the project, which is not achieved as at March 31, 2013
- 7 The Company had given long-term and short-term loans to one of its subsidiary companies, ITNL International Pte. Ltd. aggregating USD 33,000,000. Out of this the Company received USD 25,000,000 during the year and the outstanding amount aggregating USD 8,000,000 (equivalent ₹ 421.57 million) has been converted into 8,000,000 equity shares of USD 1/- each by way of allotment of shares with effect from October 5, 2012
- 8 The Company has made investment in 7,864,000 Optionally Convertible Debentures (Face value ₹ 100 each) amounting ₹ 786.40 million issued by Andhra Pradesh Expressway Limited ("APEL") and given loans to APEL aggregating ₹ 1,262.04 million. The loan and interest accrued ₹ 151.56 million were converted on November 7, 2012 into 220,000,000 1% Non-Convertible Non-Cumulative Redeemable preference shares (Face value ₹ 10 each) aggregating to ₹ 2,200.00 million redeemable at the end of its tenor of 14 years at the amount equal to the aggregate of face value alongwith premium amount calculated at the rate of 15% per annum on the face value
- 9 During the year ended March 31, 2013, the Company has exercised an option available vide an Agreement entered into by it, by virtue of which it has become entitled to 49,555 sq. ft. area in a commercial development project in lieu of the outstanding balance of advance given of ₹ 1,118.46 million (including interest accrued of ₹ 127.68 million). The Company has received letter of allotment for the above mentioned area. Thus, the amount has been transferred from "Loans to others" and "Interest accrued but not due" to "Investment property" (including an advance of ₹ 14.19 million given during the year). The fair value of the amount of advances and the interest accrued thereon amounting to ₹ 1,118.46 million has been considered to be the cost of acquisition of the said investment property. Also, the Company has paid ₹ 34.56 million towards incidental expenses in relation to conversion which has been added to the carrying value of the investment property

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 15: LONG-TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise mentioned)

		₹ in million
Particulars	As at March 31, 2013	As at March 31, 2012
<b>a. Security Deposits</b>	595.12	54.69
<b>b. Capital Advances (Refer Foot Note no. 3)</b>	1,000.00	-
<b>c. Loans and advances to related parties</b>		
Long term loans (Secured)	-	308.80
Long term loans (Refer Foot Note no. 7 and 8 under Note 14)	4,808.47	4,842.57
Advance towards Share Application Money (Refer Foot Note no. 1)	2,095.09	2,503.30
<b>sub-total (c)</b>	<b>6,903.56</b>	<b>7,654.67</b>
<b>d. Other Loans and Advances</b>		
Prepaid expenses	168.10	101.68
Inter corporate deposits	38.66	-
Preconstruction and Mobilisation Advances paid to contractors	2,762.93	4,479.27
Advance towards Share Application Money (Refer Foot Note no. 2)	200.05	269.80
Advance payment of taxes (net of provision)	490.29	868.79
Loans to others (Refer Foot Note no. 2 below and Foot Note no. 9 under Note 14)	792.80	1,680.60
<b>sub-total (d)</b>	<b>4,452.83</b>	<b>7,400.14</b>
<b>Total</b>	<b>12,951.51</b>	<b>15,109.50</b>

### Foot Note

- As required under the restructuring package of Gujarat Road and Infrastructure Company Limited ("GRICL"), approved by the Corporate Debt Restructuring Cell on June 17, 2004, the Company as one of the promoters of GRICL advanced ₹ 600.00 million towards Preference Share Capital. Out of the above advance, ₹ 150.00 million was to be applied against issue of 1% Non Cumulative Convertible Preference Shares and ₹ 450.00 million against issue of 8% Redeemable Convertible Preference Shares. GRICL proposes to convert this advance into subordinated debt. Pending completion of the process for the conversion, the Company has classified the amount as "Advance towards Share Application Money"
- During the year ended March 31, 2013, the Company has converted ₹ 69.80 million given to Hyderabad Expressway Limited as "Advance towards Share Application Money" to zero interest subordinate loan under "Loans to other than related parties"
- During the year ended March 31, 2013, the Company has paid ₹ 1,000 million to acquire right to invest in equity of a special purpose vehicle ("SPV") to be formed for construction, operation and maintenance of Z-morh Tunnel including approaches on National Highway no. 1 (Srinagar Sonamarg Gumri Road) in the state of Jammu and Kashmir. Since the SPV has not been formed as at March 31, 2013 the amount paid has been shown as capital advance. On the formation of the SPV and the allotment of shares to the Company, the amount will be transferred to intangible assets and amortised over the concession period of the SPV

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 16: SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>a. Loans and Advances to Related Parties</b>		
Advances receivable	367.19	147.10
Short-term loans (Refer foot note no. 7 and 8 under Note 14)	2,944.05	3,832.47
	<b>3,311.24</b>	<b>3,979.57</b>
<b>b. Others</b>		
Advances receivable	44.97	153.52
Prepaid expenses	129.66	52.60
Short-term loans	1,836.36	1,075.50
Current maturities of Long term loans and advances	42.50	42.50
Staff loans	14.13	8.68
Mobilisation and other Advances	1,736.56	2,365.45
	<b>3,804.18</b>	<b>3,698.25</b>
<b>Total</b>	<b>7,115.42</b>	<b>7,677.82</b>

## NOTE 17: OTHER NON-CURRENT ASSETS

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
Retention Money Receivable (Unsecured, considered good) (Refer Note 30)	719.20	345.77
Interest Accrued but not due (Refer foot note no. 9 under Note 14)	357.43	675.51
Balances with Banks in deposit accounts (Restricted)	777.50	-
Unamortised borrowing costs	327.45	-
<b>Total</b>	<b>2,181.58</b>	<b>1,021.28</b>

## NOTE 18: OTHER CURRENT ASSETS

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
Interest Accrued and due	338.55	174.67
Interest Accrued but not due	355.93	57.70
Unbilled revenue (Refer Note 30)	1,737.06	926.71
Unamortised borrowing costs	31.90	-
Receivable on account of Forward Exchange Contract	-	5.13
<b>Total</b>	<b>2,463.44</b>	<b>1,164.21</b>

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 19: TRADE RECEIVABLES

		₹ in million
Particulars	As at March 31, 2013	As at March 31, 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	15,076.93	9,072.31
	<b>15,076.93</b>	<b>9,072.31</b>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	900.59	867.25
Unsecured, considered doubtful	3.00	3.00
Less: Provision for doubtful debts	(3.00)	(3.00)
	<b>900.59</b>	<b>867.25</b>
<b>Total</b>	<b>15,977.52</b>	<b>9,939.56</b>

## NOTE 20: CASH AND CASH EQUIVALENTS

		₹ in million
Particulars	As at March 31, 2013	As at March 31, 2012
<b>a. Cash and cash equivalents</b>		
Cash on hand	0.42	1.08
Balances with Banks in current accounts	52.63	38.15
Balances with Banks in deposit accounts	1.30	1.20
	<b>54.35</b>	<b>40.43</b>
<b>b. Others</b>		
Unpaid Dividend accounts	0.51	0.35
	<b>0.51</b>	<b>0.35</b>
<b>Total</b>	<b>54.86</b>	<b>40.78</b>
Included in above, the balances that meet the definition of cash and cash equivalents as per AS-3 "Cash Flow Statements"	<b>54.35</b>	<b>40.43</b>



# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 21: CONTINGENT LIABILITIES AND COMMITMENTS

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>(i) Contingent Liabilities (Refer Foot Note no. 1)</b>		
a) Claims against the Company not acknowledged as debts		
Income tax demands contested by the Company	70.10	12.92
b) Guarantees		
Guarantees/counter guarantees issued in respect of borrowing facilities of subsidiary companies (Refer Foot Note no. 2)	17,598.61	12,321.95
(c) Letter of financial support has been issued to ITNL Road Infrastructure Development Company Limited and to West Gujarat Expressway Limited to enable them to continue their operations and meet their financial obligation as and when they fall due		
<b>(ii) Commitments</b>		
(a) Investment Commitments [net of advances of ₹ 1,695.14 million, (As at March 31, 2012 : ₹ 2,173.10 million)]	19,506.91	11,757.95
(b) During the year, the Company has assigned loans aggregating to ₹ 3,000 million at its book value, out of which in the case of loans of ₹ 1,000 million, the lender has a put option on the Company on specified future dates till the maturity of the loans assigned and in the case of loans of ₹ 2,000 million the lenders are having a recourse to the Company in case of default by the borrower on the due dates		

### Foot Note

- The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof
- Certain bankers have issued guarantees which have been shown under "Guarantees/counter guarantees issued in respect of borrowing facilities of subsidiary companies" aggregating ₹ 1,516.02 million (as at March 31, 2012 : ₹ 1,480.05 million) against a first charge on the receivables (including loans and advances) of the company

## NOTE 22: DERIVATIVES AND FOREIGN CURRENCY EXPOSURES

- a The Company as a part of its strategic initiatives to consolidate/restructure its investments in surface transport sector, has made direct investments in certain special purpose entities ("SPE"s) engaged in that sector and also invested in units of a scheme of ITNL Road Investment Trust (the "Scheme") which in turn has made investments in such SPEs. Amounts invested include derivative instruments in the form of call options

The amounts outstanding as at March 31, 2013 in respect of derivative transactions are summarised below:

Particulars	Number of instruments	Call option premium (₹ in million)	Exercise price receivable (₹ in million)
Call options written for sale of equity shares	2	116.09	6.11
	(2)	(116.09)	(6.11)

Figures in brackets relate to March 31, 2012

Premium received by the Company towards call option sold by it have been aggregated under the head "Option Premium Liabilities" classified as a part of "Other Long Term Liabilities" and "Other Current Liabilities". Options in respect of "Option Premium Liabilities" amounting ₹ 39.22 million (As at March 31, 2012 : ₹ 39.22 million) are to be exercised after a period of 12 months from the year end

The underlying instruments in respect of the options are unquoted and the Company expects that the options shall be exercised, as these transactions have been entered into for strategic reasons. No losses have been identified in respect of the above derivatives necessitating a charge to the Statement of Profit and Loss

# Notes

forming part of the financial statements for the year ended March 31, 2013

## b Foreign currency exposures:

The period end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

(i) Amounts receivable/Investments in foreign currency on account of the following: -

Particulars	As at March 31, 2013		As at March 31, 2012	
	₹ in million	Foreign currency in million	₹ in million	Foreign currency in million
Investments in subsidiary companies (At historical cost)	2,722.34	EUR 41.59	2,722.34	EUR 41.59
Investments in subsidiary companies (At historical cost)	1,764.33	USD 36.10	1,342.76	USD 28.10
Interest accrued on loans given	8.01	USD 0.15	15.18	USD 0.30
	0.12	EUR 0.00	-	-
Loans to subsidiary companies	244.75	USD 4.50	153.47	USD 3.00
	4.17	EURO 0.06	4.07	EURO 0.06

(ii) Amounts payable in foreign currency on account of the following: -

Particulars	As at March 31, 2013		As at March 31, 2012	
	₹ in million	Foreign currency in million	₹ in million	Foreign currency in million
Fees for Legal and Technical fees	-	-	127.89	USD 2.50

## c Outstanding forward contracts entered into by the company:-

As at	Number of Contracts	Notional Amount USD in million
March 31, 2013	-	-

As at	Number of Contracts	Notional Amount USD in million
March 31, 2012	1	30.00

## NOTE 23: PROPOSED DIVIDEND

Particulars	As at March 31, 2013		As at March 31, 2012	
	Total ₹ in million	Per share ₹	Total ₹ in million	Per share ₹
Dividend proposed to be distributed to equity shareholders	777.07	4.00	777.07	4.00

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 24: REVENUE FROM OPERATIONS

₹ in million		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
(a) Sale of services		
Advisory and project development fees	4,616.39	4,046.83
Supervision fees	1,069.41	1,681.97
Operation and maintenance income	800.62	596.45
(b) Construction Revenue (Refer Note 30)	27,205.49	21,400.57
<b>Total</b>	<b>33,691.91</b>	<b>27,725.82</b>

## NOTE 25: OTHER INCOME

₹ in million		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
(a) Interest Income		
Interest on loans	1,539.37	907.86
Interest on advance against property	-	141.86
Interest on debentures	65.56	72.50
Interest on covered warrants	98.49	14.09
Interest on call money	5.78	9.35
Interest on bank deposits	8.51	0.12
Other interest income	4.66	3.83
(b) Dividend Income on non-current investments	23.60	23.60
(c) Profit on sale of fixed assets (net)	0.40	0.22
(d) Foreign Exchange fluctuation gain (net)	14.90	74.86
(e) Miscellaneous income	208.95	128.35
<b>Total</b>	<b>1,970.22</b>	<b>1,376.64</b>

## NOTE 26: OPERATING EXPENSES

₹ in million		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Construction Contract Costs	24,457.09	19,413.92
Fees for Legal and technical services	387.00	686.94
Operation and maintenance expenses	566.17	371.05
<b>Total</b>	<b>25,410.26</b>	<b>20,471.91</b>

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 27: EMPLOYEE BENEFITS EXPENSE

		₹ in million
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Salaries and wages (Refer Foot Note no.1)	502.02	471.51
Contribution to provident and other funds (Refer Foot Note no. 2)	38.96	33.11
Staff welfare expenses	39.68	89.69
Deputation Cost	52.26	37.00
<b>Total</b>	<b>632.92</b>	<b>631.31</b>

### Foot Note

1 Employee cost is net of salaries of ₹ 15.51 million (for the year ended March 31, 2012 : ₹ 16.73 million), and contribution to provident and other funds of ₹ 1.54 million (for the year ended March 31, 2012 : ₹ 1.50 million) towards amounts recovered / recoverable in respect of staff on deputation with other entities

### 2 Employee Benefit Obligations

#### (a) Defined-Contribution Plans

The Company offers its employees defined contribution plans in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the period into separate funds under certain statutory/fiduciary-type arrangements. While both the employees and the Company pay predetermined contributions into the provident fund and pension fund, the contribution to superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary

A sum of ₹ 25.51 million (for the year ended March 31, 2012 : ₹ 23.84 million) has been charged to the Statement of Profit and Loss in this respect

#### (b) Defined-Benefits Plans

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are typically based on years of service rendered and the employee's eligible compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Company contributes funds to the Life Insurance Corporation of India which administers the scheme on behalf of the Company. Commitments are actuarially determined at year-end. Actuarial valuation is based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss

The net value of the defined-benefit commitment is detailed below:

		₹ in million
Particulars	As at March 31, 2013	As at March 31, 2012
Present Value of Commitments	50.61	37.29
Fair value of Plans	(59.56)	(46.23)
Provision / (Prepaid) amount taken to the balance sheet	(8.95)	(8.94)

# Notes

forming part of the financial statements for the year ended March 31, 2013

	₹ in million	
Defined benefit Commitments : Gratuity	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Opening balance	37.29	31.29
Interest costs	2.88	2.39
Current service cost	9.83	7.80
Benefits paid	(4.96)	(6.29)
Transfer to other employer	-	(0.16)
Transfer from other employer	0.28	1.33
Actuarial loss	5.29	0.93
Closing Balance	50.61	37.29

	₹ in million	
Plan Assets: Gratuity	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Opening balance	46.23	39.66
Expected return on plan assets	4.23	3.44
Contributions by the Company	13.46	7.99
Benefits paid	(4.96)	(6.29)
Transfer to other employer	-	(0.16)
Transfer from other employer	0.28	1.33
Actuarial gain	0.32	0.26
Fair value of plan assets	59.56	46.23

	₹ in million	
Return on plan assets: Gratuity	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Expected return on plan assets	4.23	3.44
Actuarial gain	0.32	0.26
Actual return on plan assets	4.55	3.70

Expenses on defined benefit plan recognised in the Statement of Profit and Loss:

	₹ in million	
Return on plan assets: Gratuity	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Current service costs	9.83	7.80
Interest expense	2.88	2.39
Expected return on investment	(4.23)	(3.44)
Net actuarial loss	4.97	0.67
Charge to the Statement of Profit and Loss	13.45	7.42



# Notes

forming part of the financial statements for the year ended March 31, 2013

The actuarial calculations used to estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size, funding requirements and pension expense

Particulars	For the Year ended March 31, 2013	For the Year ended March 31, 2012
Rate for discounting liabilities	8.28%	8.50%
Expected salary increase rate	6.50%	6.50%
Expected return on scheme assets	8.00%	8.00%
Attrition rate	2.00%	2.00%
Mortality table used	Indian Assured Lives Mortality (2006-08) (modified) Ultimate	Indian Assured Lives Mortality (1994 - 96) (modified) Ultimate

The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the current period and previous four annual periods are given below:

₹ in million					
Particulars	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Defined benefit obligations	50.61	37.29	31.29	22.98	18.19
Plan Assets	59.56	46.23	39.66	29.07	22.34
Unfunded liability transferred from Group Company	-	-	0.64	-	-
Surplus / (Deficit)	8.95	8.94	7.73	6.09	4.15

₹ in million					
Experience adjustments on	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009
Plan liabilities (loss) / gain	(4.14)	(0.27)	(1.00)	0.85	(6.54)
Plan assets gain / (loss)	0.32	(0.26)	(0.27)	3.10	(1.23)

The contributions expected to be made by the Company during the financial year 2013-14 is ₹ 60.45 million (Previous Year ₹ 45.09 million)

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 28: FINANCE COSTS

₹ in million		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
(a) Interest expenses		
Interest on loans	3,871.10	2,638.80
(b) Other borrowing costs		
Upfront fees and other finance charges	60.30	17.54
<b>Total</b>	<b>3,931.40</b>	<b>2,656.34</b>

## NOTE 29: ADMINISTRATIVE AND GENERAL EXPENSES

₹ in million		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Electricity	8.48	6.28
Travelling and conveyance	143.83	94.92
Printing and stationery	11.04	8.62
Rent (Refer Note 32)	134.97	114.88
Rates and taxes	27.44	3.01
Repairs and maintenance (other than building and machinery)	44.53	36.19
Communication expenses	26.13	19.95
Insurance	119.89	69.16
Legal and consultation fees	75.99	67.82
Directors' fees	1.60	1.53
Bank commission	54.80	73.94
Bid documents	18.13	20.75
Brand Subscription Fees	290.33	218.25
Provision for diminution in value of investments	-	110.00
Miscellaneous expenses (Refer Foot Note below)	227.89	255.43
<b>Total</b>	<b>1,185.05</b>	<b>1,100.73</b>

### Foot Note

Miscellaneous expenses includes payment to auditors for the following:

₹ in million		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Payment to Auditor as :		
Audit Fees	11.13	9.50
Tax Audit Fees	0.58	0.50
Other Services (assurance)	5.19	6.86
Reimbursement of Expenses	0.13	0.14

Miscellaneous expenses include provision made for commission to non whole-time directors of ₹ 15.00 million (previous year : ₹ 12.00 million)

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 30: DISCLOSURE IN RESPECT OF CONSTRUCTION CONTRACTS

₹ in million		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Contract revenue recognised as revenue during the year	27,205.49	21,400.57

Particulars	As at March 31, 2013	As at March 31, 2012
Cumulative revenue recognised	57,270.26	32,667.51
Advances received	3,625.03	5,500.00
Retention Money receivable	719.20	345.77
Gross amount due from customers for contract work, disclosed as asset(i.e. Unbilled Revenue)	1,737.06	926.71
Gross amount due to customers for contract work, disclosed as liability (i.e. Unearned Revenue)	1,161.36	1,361.94

## NOTE 31: JOINTLY CONTROLLED ENTITIES

The Company has the following Jointly Controlled Entities as on March 31, 2013 and its proportionate share in the assets, liabilities, income and expenditure of the Jointly Controlled Entities on the basis of the financial statements as at / for the year ended of those entities is given below:

₹ in million								
Name of the Jointly Controlled Entities	Country of Incorporation / residence	Percentage of holding	Share in Assets	Share in Liabilities	Share in Contingent Liabilities	Share in Capital Commitments	Share in Income	Share in Expenditure
Noida Toll Bridge Company Limited	India	25.35%	1,703.96	466.06	-	-	290.67	124.13
		(25.35%)	(1,633.52)	(446.56)	(-)	(-)	(256.94)	(120.56)
Jorabat Shillong Expressway Limited	India	50.00%	3,268.69	3,014.09	-	671.82	-	0.55
		(50.00%)	(1,988.28)	(1,783.14)	(-)	(1,596.72)	(-)	(0.51)
N.A.M. Expressway Limited	India	50.00%	7,004.81	4,434.57	-	1,686.00	0.25	1.18
		(50.00%)	(4,306.29)	(3,136.57)	(-)	(3,892.73)	(6.26)	(3.35)

Figure in brackets relate to previous year

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 32: LEASE

The Company holds certain properties under a non-cancellable operating lease. The Company's future lease rentals under the operating lease arrangements as at the period ends are as under:

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>Future lease rentals:</b>		
Within one year	20.25	20.15
Over one year but less than 5 years	76.71	86.75
More than 5 years	5.44	15.66
	<b>For the Year ended March 31, 2013</b>	<b>For the Year ended March 31, 2012</b>
Amount charged to the Statement of Profit and Loss for rent in respect of these properties	54.82	70.51

The lease terms do not contain any exceptional / restrictive covenants nor are there any options given to Company to renew the lease or purchase the properties. The agreements provide for changes in the rentals if the taxes leviable on such rentals change

## NOTE 33: EARNINGS PER EQUITY SHARE:

Particulars	Unit	Year ended March 31, 2013	Year ended March 31, 2012
Profit after tax	₹ in million	2,711.64	2,522.98
Weighted average number of equity shares outstanding	Number	194,267,732	194,267,732
Nominal value per equity share	₹	10.00	10.00
Basic / Diluted earnings per share	₹	13.96	12.99

## NOTE 34: INCOME AND EXPENDITURE IN FOREIGN CURRENCY

₹ in million		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
<b>Income</b>		
Guarantee Fees	165.93	64.51
Interest income	16.92	17.86
<b>Expenditure</b>		
Foreign Travel	4.58	0.02
Legal and consultation Fees	10.18	176.20
Seminar and conference expenses	2.31	1.03
Deputation cost	15.00	-
Others	27.33	32.99

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES

### (i) Current Year

#### (a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
<b>Holding Company</b>	Infrastructure Leasing & Financial Services Limited	ILFS
<b>Subsidiaries - Direct</b>	ITNL Road Infrastructure Development Company Limited	IRIDCL
	Gujarat Road and Infrastructure Company Limited	GRICL
	East Hyderabad Expressway Limited	EHEL
	ITNL International Pte Ltd, Singapore	I IPL
	Elsamex S.A.Spain	ELSA
	Vansh Nimay Infraprojects Limited	VNIL
	Hazaribagh Ranchi Expressway Limited	HREL
	Pune Sholapur Road Development Company Limited	PSRDCL
	West Gujarat Expressway Limited	WGEL
	ITNL Road Investment Trust	IRIT
	Moradabad Bareilly Expressway Limited	MBEL
	Jharkhand Road Projects Implementation Company Limited	JRPICL
	Chenani Nashri Tunnelway Limited	CNTL
	MP Border Checkposts Development Company Limited	MPBCDCL
	Badarpur Tollway Operations Management Limited	BTOML
	Charminar RoboPark Limited	CRL
	Futureage Infrastructure India Limited (formerly known as FIIL Global Parking Plaza Limited)	
	IL&FS Rail Limited (formerly known as ITNL Enso Rail Systems Limited)	IRL
	ITNL Offshore Pte Ltd, Singapore	IOPL
	ITNL International JLT(from May 17, 2012)	IJLT
	ITNL Africa Projects Limited (effective since February 28, 2013)	IAPL
	Kiratpur Ner Chowk Expressway Limited	KNCEL
	Karyavattom Sports Facilities Limited	KSFL
	Baleshwar Kharagpur Expressway Limited (from April 9,2012)	BKEL
	Sikar Bikaner Highways Limited (from May 9, 2012)	SBHL
<b>Subsidiaries - Indirect</b>	North Karnataka Expressway Limited	NKEL
	Elsamex Internacional, SLR	
	Grusamar Ingenieria Y Consulting, SL	.
	Sánchez Marcos Señalización e Imagen, S.A (upto September 24, 2012)	
	Elsamex India Private Limited	ELSAIND
	CIESM-INTEVIA S.A. Sociedad Unipersonal	
	Control 7, S. A	
	Mantenimiento Y Conservacion De Vialidades, DE C.V	
	ESM Mantenimiento Integral DE S.A DE C.V	
	Elsamex Portugal S.A	
	Inteval-Gestao Integral Rodoviaria S.A	
	Grusamar Albania SHPK	
	Antenea Seguridad Y Medico Ambiente SA	
	Proyectos Y Promociones Inmobiliarias Sanchez Marcos SL (upto September 24,2012)	
	Senalizacion Viales E Imagen, SA	



# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

Nature of Relationship	Name of Entity	Abbreviation used
	Yala Construction Company Private Limited	YCCPL
	Rapid MetroRail Gurgaon Limited	RMGL
	Rapid MetroRail Gurgaon South Limited (effective since December 6, 2012)	RMGSL
	Area De Servicio Coiros S.L.	
	Beasolarta S.L. Sociedad Unipersonal	
	Conservacion de Infraestructuras De Mexico SD DE CV	
	Alcantarilla Fotovoltaica SA, Sociedad Unipersonal	
	Area De Servicio Punta Umbria SL, Sociedad Unipersonal	
	Grusamar India Limited (Effective since March 21, 2013)	GIL
	Elsamex Brazil LTDA	
<b>Fellow Subsidiaries</b> (Only with whom there have been transaction during the year/ there was balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Environmental Infrastructure Services Limited	IEISL
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Township & Urban Assets Limited	ITUAL
	IL&FS Renewable Energy Limited	IREL
	IL&FS Securities Services Limited	ISSL
	IL&FS Airport Limited	IAL
	Chattisgarh Highways Development Company Limited	CHDCL
	IMICL Dighi Maritime Limited	IDML
	Jharkhand Accelerated Road Development Company Limited	JARDCL
Associates - Direct	Andhra Pradesh Expressway Limited (also a Fellow Subsidiary)	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
Associates - Indirect	Centro de Investigaciones de Curretros Andalucia S.A.	
	Labetec Ensayos Técnicos Canarios, S.A.	
	CGI 8 S.A.	
	Elsamex Road Technology Company Limited	
	Sociedad Concesionaria Autovía A-4 Madrid S.A	
	VCS-Enterprises Limited	
	Ramky Elsamex Ring Road Limited, Hyderabad	
	Emprsas Pame sa De CV	
Jointly Controlled Entities - Direct	Noida Toll Bridge Company Limited	NTBCL
	Jorabat Shillong Expressway Limited	JSEL
	N.A.M. Expressway Limited	NAMSL
Jointly Controlled Entities - Indirect	Geotecnia y Control De Qualitat, S.A.	
	Chongqing Yuhe Expressway Co. Ltd.	
	Consorcio De Obras Civiles S.R.L	
	Vies Y Construcciones S. R. L.	
Key Management Personnel	Mr K Ramchand-Managing Director and his relatives	
	Mr Mukund Sapre-Executive Director and his relatives	

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 35 (i) (a) above)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
<b>BALANCES:</b>							
<b>Investment in Preference Shares</b>							
APEL	-	-	-	* 2,200.00	-	-	2,200.00
RMGL	-	996.03	-	-	-	-	996.03
OTHERS	-	296.90	-	-	-	-	296.90
	-	<b>1,292.93</b>	-	<b>2,200.00</b>	-	-	<b>3,492.93</b>
<b>Retention Money Receivable</b>							
HREL	-	79.30	-	-	-	-	79.30
PSRDCL	-	374.52	-	-	-	-	374.52
JSEL	-	-	-	-	222.25	-	222.25
OTHERS	-	43.13	-	-	-	-	43.13
	-	<b>496.95</b>	-	-	<b>222.25</b>	-	<b>719.20</b>
<b>Advances Receivable</b>							
ELSA	-	69.92	-	-	-	-	69.92
WGEL	-	72.55	-	-	-	-	72.55
IOPL	-	42.78	-	-	-	-	42.78
OTHERS	-	151.00	21.02	9.70	0.22	-	181.94
	-	<b>336.25</b>	<b>21.02</b>	<b>9.70</b>	<b>0.22</b>	-	<b>367.19</b>
<b>Trade Payables</b>							
ILFS	73.16	-	-	-	-	-	73.16
IETS	-	-	23.63	-	-	-	23.63
IFIN	-	-	34.39	-	-	-	34.39
OTHERS	-	60.39	10.89	11.47	-	-	82.75
	<b>73.16</b>	<b>60.39</b>	<b>68.91</b>	<b>11.47</b>	-	-	<b>213.93</b>
<b>Trade Receivables</b>							
CNTL	-	1,723.82	-	-	-	-	1,723.82
MBEL	-	1,561.96	-	-	-	-	1,561.96
OTHERS	-	9,271.71	0.51	412.64	2,248.64	-	11,933.50
	-	<b>12,557.49</b>	<b>0.51</b>	<b>412.64</b>	<b>2,248.64</b>	-	<b>15,219.28</b>
<b>Investment in Covered Warrants</b>							
ILFS	1,693.00	-	-	-	-	-	1,693.00
	<b>1,693.00</b>	-	-	-	-	-	<b>1,693.00</b>

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
<b>Option premium liabilities</b>							
IRIT	-	116.09	-	-	-	-	116.09
	-	116.09	-	-	-	-	116.09
<b>Interest Accrued and due</b>							
JRPICL	-	117.07	-	-	-	-	117.07
WGEL	-	58.07	-	-	-	-	58.07
TRDCL	-	-	-	40.90	-	-	40.90
NAMEL	-	-	-	-	85.18	-	85.18
OTHERS	-	24.94	0.02	-	-	-	24.96
	-	200.08	0.02	40.90	85.18	-	326.18
<b>Short-term Lendings</b>							
HREL	-	730.00	-	-	-	-	730.00
IRIDCL	-	660.00	-	-	-	-	660.00
VNIL	-	387.80	-	-	-	-	387.80
TRDCL	-	-	-	416.00	-	-	416.00
OTHERS	-	467.25	3.00	-	280.00	-	750.25
	-	2,245.05	3.00	416.00	280.00	-	2,944.05
<b>Long-term Lendings</b>							
JRPICL	-	3,262.70	-	-	-	-	3,262.70
HREL	-	500.00	-	-	-	-	500.00
MPBCDCL	-	485.00	-	-	-	-	485.00
OTHERS	-	217.17	-	343.60	-	-	560.77
	-	4,464.87	-	343.60	-	-	4,808.47
<b>Short-term Borrowings</b>							
NKEL	-	700.00	-	-	-	-	700.00
	-	700.00	-	-	-	-	700.00
<b>Advance towards Share Application Money (Long-term)</b>							
GRICL	-	600.00	-	-	-	-	600.00
HREL	-	964.50	-	-	-	-	964.50
MPBCDCL	-	530.56	-	-	-	-	530.56
OTHERS	-	0.03	-	-	-	-	0.03
	-	2,095.09	-	-	-	-	2,095.09

# Notes

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## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
<b>Interest Accrued and not due (Current)</b>							
IPL	-	7.82	-	-	-	-	7.82
JRPICL	-	18.15	-	-	-	-	18.15
TRDCL	-	-	-	11.31	-	-	11.31
OTHERS	-	-	0.65	-	-	-	0.65
	-	25.97	0.65	11.31	-	-	37.93
<b>Interest Accrued and not due (Non-current)</b>							
JRPICL	-	211.29	-	-	-	-	211.29
TRDCL	-	-	-	68.24	-	-	68.24
	-	211.29	-	68.24	-	-	279.53
<b>Interest accrued but not due on borrowings</b>							
NKEL	-	84.62	-	-	-	-	84.62
	-	84.62	-	-	-	-	84.62
<b>Investments in Units</b>							
IRIT	-	1,083.56	-	-	-	-	1,083.56
	-	1,083.56	-	-	-	-	1,083.56
<b>Mobilisation Advances Received (Long-term)</b>							
CNTL	-	1,273.81	-	-	-	-	1,273.81
BKEL	-	316.59	-	-	-	-	316.59
SBHL	-	361.73	-	-	-	-	361.73
OTHERS	-	175.16	-	-	0.15	-	175.31
	-	2,127.29	-	-	0.15	-	2,127.44
<b>Mobilisation Advances Received (Short-term)</b>							
CNTL	-	309.08	-	-	-	-	309.08
MBEL	-	348.23	-	-	-	-	348.23
MPBCDCL	-	194.09	-	-	-	-	194.09
PSRDCL	-	167.14	-	-	-	-	167.14
JSEL	-	-	-	-	198.19	-	198.19
OTHERS	-	173.53	-	-	107.34	-	280.87
	-	1,192.07	-	-	305.53	-	1,497.60
<b>Cost of Investment in equity shares</b>							
CNTL	-	3,720.00	-	-	-	-	3,720.00
ELSA	-	2,722.34	-	-	-	-	2,722.34

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
OTHERS	-	13,356.37	-	952.76	3,299.13	-	17,608.26
	-	19,798.71	-	952.76	3,299.13	-	24,050.60
<b>Retention Money Payable</b>							
ELSAIND	-	0.20	-	-	-	-	0.20
IEISL	-	-	0.09	-	-	-	0.09
	-	0.20	0.09	-	-	-	0.29
<b>Transactions:</b>							
<b>Investment in Call Money - Matured</b>							
ILFS	3,730.00	-	-	-	-	-	3,730.00
	3,730.00	-	-	-	-	-	3,730.00
<b>Investment in Call Money made</b>							
ILFS	3,730.00	-	-	-	-	-	3,730.00
	3,730.00	-	-	-	-	-	3,730.00
<b>Dividend paid</b>							
ILFS	540.00	-	-	-	-	-	540.00
IFIN	-	-	9.76	-	-	-	9.76
	540.00	-	9.76	-	-	-	549.76
<b>Repayment of Lendings</b>							
EHEL	-	955.00	-	-	-	-	955.00
HREL	-	1,030.00	-	-	-	-	1,030.00
JRPICL	-	1,000.00	-	-	-	-	1,000.00
IIPL	-	# 2,010.76	-	-	-	-	2,010.76
APEL	-	-	-	* 2,123.04	-	-	2,123.04
OTHERS	-	1,344.80	70.00	84.00	686.00	-	2,184.80
	-	6,340.56	70.00	2,207.04	686.00	-	9,303.60
<b>Repayment of Borrowings</b>							
ILFS	3,000.00	-	-	-	-	-	3,000.00
ISSL	-	-	2,250.00	-	-	-	2,250.00
IRL	-	640.00	500.00	-	-	-	1,140.00
	3,000.00	640.00	2,750.00	-	-	-	6,390.00



# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
<b>Interest on Loans (Expense)</b>							
ILFS	74.18	-	-	-	-	-	74.18
NKEL	-	66.50	-	-	-	-	66.50
ISSL	-	-	106.03	-	-	-	106.03
OTHERS	-	7.78	16.44	-	-	-	24.22
	74.18	74.28	122.47	-	-	-	270.93
<b>Investment made / purchased</b>							
APEL	-	-	-	* 2,200.00	-	-	* 2,200.00
SBHL	-	988.00	-	-	-	-	988.00
OTHERS	-	2,711.59	-	-	50.00	-	2,761.59
	-	3,699.59	-	* 2,200.00	50.00	-	5,949.59
<b>Loans Given</b>							
HREL	-	1,260.00	-	-	-	-	1,260.00
JRPICL	-	2,803.30	-	-	-	-	2,803.30
APEL	-	-	-	897.44	-	-	897.44
OTHERS	-	2,037.77	-	422.80	636.00	-	3,096.57
	-	6,101.07	-	1,320.24	636.00	-	8,057.31
<b>Loans Taken</b>							
ILFS	3,000.00	-	-	-	-	-	3,000.00
JRPICL	-	640.00	-	-	-	-	640.00
ISSL	-	-	2,250.00	-	-	-	2,250.00
OTHERS	-	-	500.00	-	-	-	500.00
	3,000.00	640.00	2,750.00	-	-	-	6,390.00
<b>Other Income</b>							
ILFS	104.26	-	-	-	-	-	104.26
JRPICL	-	386.08	-	-	-	-	386.08
OTHERS	-	711.82	9.46	212.64	122.93	-	1,056.85
	104.26	1,097.90	9.46	212.64	122.93	-	1,547.19
<b>Revenue from Operations</b>							
CNTL	-	6,703.27	-	-	-	-	6,703.27
MBEL	-	5,041.49	-	-	-	-	5,041.49
PSRDCL	-	5,381.17	-	-	-	-	5,381.17
OTHERS	-	9,864.06	70.00	138.22	4,557.23	-	14,629.51
	-	26,989.99	70.00	138.22	4,557.23	-	31,755.44

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
<b>Administrative and general expenses</b>							
ILFS	385.04	-	-	-	-	-	385.04
IETS	-	-	54.36	-	-	-	54.36
OTHERS	-	23.73	28.19	-	0.24	-	52.16
	<b>385.04</b>	<b>23.73</b>	<b>82.55</b>	<b>-</b>	<b>0.24</b>	<b>-</b>	<b>491.56</b>
<b>Deputation Cost</b>							
ELSA	-	15.00	-	-	-	-	15.00
	<b>-</b>	<b>15.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.00</b>
<b>Operating expenses</b>							
ELSAIND	-	173.71	-	-	-	-	173.71
IIDCL	-	79.65	-	-	-	-	79.65
BTOML	-	-	48.32	-	-	-	48.32
OTHERS	-	0.91	2.56	-	-	-	3.47
	<b>-</b>	<b>254.27</b>	<b>50.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>305.15</b>
<b>Inter corporate deposit received</b>							
ITUAL	-	-	50.00	-	-	-	50.00
	<b>-</b>	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.00</b>
<b>Inter corporate deposit repaid</b>							
ITUAL	-	-	50.00	-	-	-	50.00
	<b>-</b>	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.00</b>
<b>Director Remuneration</b>							
Mr K Ramchand	-	-	-	-	-	64.17	64.17
Mr Mukund Sapre	-	-	-	-	-	35.28	35.28
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99.45</b>	<b>99.45</b>

\* Refer foot note no. 8 of Note 8

# Refer foot note no. 7 of Note 8

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES

### (ii) Previous year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Acronym used
<b>Holding Company</b>	Infrastructure Leasing & Financial Services Limited	ILFS
<b>Subsidiaries - Direct</b>	ITNL Road Infrastructure Development Company Limited	IRIDCL
	Gujarat Road and Infrastructure Company Limited	GRICL
	East Hyderabad Expressway Limited	EHEL
	ITNL International Pte Ltd, Singapore	IPL
	Elsamex SA, Spain	ELSA
	Vansh Nimay Infraprojects Limited	VNIL
	Hazaribagh Ranchi Expressway Limited	HREL
	Pune Sholapur Road Development Company Limited	PSRDCL
	West Gujarat Expressway Limited	WGEL
	ITNL Road Investment Trust	IRIT
	Moradabad Bareilly Expressway Limited	MBEL
	Jharkhand Road Projects Implementation Company Limited	JRPICL
	Chenani Nashri Tunnelway Limited	CNTL
	MP Border Checkposts Development Company Limited	MPBCDCL
	Badarpur Tollway Operations Management Limited	BTOML
	Charminar RoboPark Limited (from July 27, 2011)	CRL
	Futureage Infrastructure India Limited (formerly known as FIIL Global Parking Plaza Limited) (from July 14, 2011)	
	IL&FS Rail Limited (formerly known as ITNL Enso Rail Systems Limited)	IRL
	ITNL Offshore Pte Ltd, Singapore (from December 5, 2011)	IOPL
	Kiratpur Ner Chowk Expressway Limited (from February 12, 2012)	KNCEL
	Karyavattom Sports Facilities Limited (from February 8, 2012)	KSFL
<b>Subsidiaries - Indirect</b>	North Karnataka Expressway Limited	NKEL
	Elsamex Internacional, SL	
	Grusamar Ingenieria Y Consulting, SL (Proyectos De Gestion Sistemas Calculo Y Analisis S.A was merged with grusamar effective December 13, 2011)	
	Sánchez Marcos Señalización e Imagen, S.A	
	Elsamex India Private Limited	ELSAIND
	CIESM-INTEVIA S.A. Sociedad Unipersonal	
	Control 7, S. A	
	Mantenimiento Y Conservacion De Vialidades, DE C.V	
	ESM Mantenimiento Integral DE S.A DE C.V	
	Elsamex Portugal S.A	
	Inteval-Gestao Integral Rodoviaria S.A	
	Grusamar Albania SHPK	
	Antenea Seguridad Y Medico Ambiente SA	
	Proyectos Y Promociones Inmobiliarias Sanchez Marcos SL	
	Senalizacion Viales E Imagen, SA	
	Yala Construction Company Private Limited	YCCPL
	Rapid MetroRail Gurgaon Limited	RMGL
	Area De Servicio Coiros S.L.	

# Notes

forming part of the financial statements for the year ended March 31, 2013

Nature of Relationship	Name of Entity	Acronym used
	Conservacion de Infraestructuras De Mexico SD DE CV	
	Alcantarilla Fotovoltaica SA, Sociedad Unipersonal	
	Area De Serviceo Punta Umbria SL. Sociedad Unipersonal	
	Elsamex Brazil LTDA	
<b>Fellow Subsidiaries</b> (Only with whom there have been transaction during the year/ there was balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environmental Infrastructure Services Limited	IEISL
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Investment Managers Limited	IIML
	IL&FS Maritime Infrastructure Company Limited	IMICL
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Securities Services Limited	ISSL
	IMICL Dighi Maritime Limited	IDML
	Jharkhand Accelerated Road Development Company Limited	JARDCL
Associates - Direct	Andhra Pradesh Expressway Limited (also a Fellow Subsidiary)	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
Associates - Indirect	Centro de Investigaciones de Curretros Andalucia S.A.	
	Labetec Ensayos Técnicos Canarios, S.A.	
	CGI 8 S.A.	
	Elsamex Road Technology Company Limited	
	Sociedad Concesionaria Autovía A-4 Madrid S.A	
	VCS-Enterprises Limited	
	Yala Construction Company Limited	
	Ramky Elsamex Ring Road Limited, Hyderabad	
	Emprsas Pame sa De CV	
Jointly Controlled Entities - Direct	Noida Toll Bridge Company Limited	NTBCL
	Jorabat Shillong Expressway Limited	JSEL
	N.A.M. Expressway Limited	NAMEL
Jointly Controlled Entities - Indirect	Geotecnia y Control De Qualitat, S.A.	
	Chongqing Yuhe Expressway Co. Ltd.	
	Consorcio De Obras Civiles S.R.L	
	Vies Y Construcciones S. R. L.	
Key Management Personnel	Mr K Ramchand-Managing Director and his relatives	
	Mr Mukund Sapre-Executive Director and his relatives	

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

(b) transactions/ balances with above mentioned related parties (mentioned in note 35 (ii) (a) above)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
<b>BALANCES:</b>							
<b>Advance towards Share Application Money (Long-term)</b>							
GRICL	-	600.00	-	-	-	-	600.00
HREL	-	964.50	-	-	-	-	964.50
MPBCDCL	-	936.48	-	-	-	-	936.48
OTHERS	-	2.32	-	-	-	-	2.32
	-	<b>2,503.30</b>	-	-	-	-	<b>2,503.30</b>
<b>Trade Receivables</b>							
NAMEL	-	-	-	-	1,594.66	-	1,594.66
CNTL	-	1,241.42	-	-	-	-	1,241.42
MPBCDCL	-	1,045.73	-	-	-	-	1,045.73
PSRDCL	-	1,945.98	-	-	-	-	1,945.98
OTHERS	-	1,582.87	387.15	728.98	820.04	-	3,519.04
	-	<b>5,816.00</b>	<b>387.15</b>	<b>728.98</b>	<b>2,414.70</b>	-	<b>9,346.83</b>
<b>Interest Accrued - Asset (Current and Non-current)</b>							
ILFS	14.10	-	-	-	-	-	14.10
JRPICL	-	141.85	-	-	-	-	141.85
APEL	-	-	-	265.56	-	-	265.56
OTHERS	-	30.95	1.56	91.86	1.17	-	125.54
	<b>14.10</b>	<b>172.80</b>	<b>1.56</b>	<b>357.42</b>	<b>1.17</b>	-	<b>547.05</b>
<b>Interest accrued but not due on borrowings</b>							
NKEL	-	24.77	-	-	-	-	24.77
	-	<b>24.77</b>	-	-	-	-	<b>24.77</b>
<b>Investments in equity shares</b>							
CNTL	-	3,720.00	-	-	-	-	3,720.00
ELSA	-	2,722.34	-	-	-	-	2,722.34
JRPICL	-	2,280.90	-	-	-	-	2,280.90
MBEL	-	2,216.60	-	-	-	-	2,216.60
OTHERS	-	5,692.61	-	952.76	3,249.13	-	9,894.50
	-	<b>16,632.45</b>	-	<b>952.76</b>	<b>3,249.13</b>	-	<b>20,834.34</b>



# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
<b>Investments in Preference Shares</b>							
WGEL	-	296.90	-	-	-	-	296.90
RMGL	-	507.50	-	-	-	-	507.50
	-	804.40	-	-	-	-	804.40
<b>Investments in Units</b>							
IRIT	-	1,038.76	-	-	-	-	1,038.76
	-	1,038.76	-	-	-	-	1,038.76
<b>Investments in Debentures</b>							
APEL	-	-	-	786.40	-	-	786.40
	-	-	-	786.40	-	-	786.40
<b>Investments in Covered Warrants</b>							
ILFS	1,693.00	-	-	-	-	-	1,693.00
	1,693.00	-	-	-	-	-	1,693.00
<b>Short-term Lendings</b>							
APEL	-	-	-	751.00	-	-	751.00
HREL	-	500.00	-	-	-	-	500.00
EHEL	-	470.00	-	-	-	-	470.00
IRIDCL	-	540.00	-	-	-	-	540.00
WGEL	-	425.00	-	-	-	-	425.00
OTHERS	-	494.47	73.00	249.00	330.00	-	1,146.47
	-	2,429.47	73.00	1,000.00	330.00	-	3,832.47
<b>Long-term Lendings</b>							
IPL	-	1,534.70	-	-	-	-	1,534.70
JRPICL	-	1,459.40	-	-	-	-	1,459.40
OTHERS	-	1,510.87	-	646.40	-	-	2,157.27
	-	4,504.97	-	646.40	-	-	5,151.37
<b>Short-term Borrowings</b>							
NKEL	-	700.00	-	-	-	-	700.00
	-	700.00	-	-	-	-	700.00
<b>Option premium liabilities</b>							
IRIT	-	116.09	-	-	-	-	116.09
	-	116.09	-	-	-	-	116.09

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
<b>Trade Payables</b>							
ILFS	61.00	-	-	-	-	-	61.00
ELSA	-	114.39	-	-	-	-	114.39
OTHERS	-	16.87	28.73	8.74	0.11	-	54.45
	<b>61.00</b>	<b>131.26</b>	<b>28.73</b>	<b>8.74</b>	<b>0.11</b>	-	<b>229.84</b>
<b>Advances receivable</b>							
ELSA	-	47.30	-	-	-	-	47.30
IPL	-	18.84	-	-	-	-	18.84
WGEL	-	55.35	-	-	-	-	55.35
OTHERS	-	9.43	14.51	1.63	0.04	-	25.61
	-	<b>130.92</b>	<b>14.51</b>	<b>1.63</b>	<b>0.04</b>	-	<b>147.10</b>
<b>Mobilisation Advances Received (Short-term)</b>							
JSEL	-	-	-	-	466.40	-	466.40
CNTL	-	1,160.00	-	-	-	-	1,160.00
MBEL	-	1,024.97	-	-	-	-	1,024.97
PSRDCL	-	421.02	-	-	-	-	421.02
OTHERS	-	355.40	-	-	313.40	-	668.80
	-	<b>2,961.39</b>	-	-	<b>779.80</b>	-	<b>3,741.19</b>
<b>Mobilisation Advances Received (Long-term)</b>							
CNTL	-	1,240.00	-	-	-	-	1,240.00
PSRDCL	-	215.19	-	-	-	-	215.19
OTHERS	-	221.21	-	-	82.41	-	303.62
	-	<b>1,676.40</b>	-	-	<b>82.41</b>	-	<b>1,758.81</b>
<b>Retention Money Receivable</b>							
JSEL	-	-	-	-	116.11	-	116.11
HREL	-	67.72	-	-	-	-	67.72
PSRDCL	-	150.97	-	-	-	-	150.97
OTHERS	-	10.97	-	-	-	-	10.97
	-	<b>229.66</b>	-	-	<b>116.11</b>	-	<b>345.77</b>

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
<b>TRANSACTIONS:</b>							
<b>Advance Towards Share Application Money made</b>							
JRPICL	-	749.25	-	-	-	-	749.25
MPBCDCL	-	806.15	-	-	-	-	806.15
IRL	-	715.59	-	-	-	-	715.59
OTHERS	-	245.30	-	-	0.05	-	245.35
	-	<b>2,516.29</b>	-	-	<b>0.05</b>	-	<b>2,516.34</b>
<b>Interest on Loans (Expense)</b>							
ILFS	2.96	-	-	-	-	-	2.96
NKEL	-	66.68	-	-	-	-	66.68
OTHERS	-	-	4.27	-	-	-	4.27
	<b>2.96</b>	<b>66.68</b>	<b>4.27</b>	-	-	-	<b>73.91</b>
<b>Inter-corporate deposits - matured</b>							
ILFS	5,020.00	-	-	-	-	-	5,020.00
	<b>5,020.00</b>	-	-	-	-	-	<b>5,020.00</b>
<b>Inter-corporate deposits - placed</b>							
ILFS	4,900.00	-	-	-	-	-	4,900.00
	<b>4,900.00</b>	-	-	-	-	-	<b>4,900.00</b>
<b>Investments made / purchased</b>							
ILFS	1,047.50	-	-	-	-	-	1,047.50
WCBTRL	-	-	-	616.91	-	-	616.91
JRPICL	-	749.25	-	-	-	-	749.25
IRL	-	715.59	-	-	-	-	715.59
OTHERS	-	722.70	-	-	-	-	722.70
	<b>1,047.50</b>	<b>2,187.54</b>	-	<b>616.91</b>	-	-	<b>3,851.95</b>
<b>Loan Given</b>							
APEL	-	-	-	791.00	-	-	791.00
HREL	-	750.00	-	-	-	-	750.00
IPL	-	2,525.72	-	-	-	-	2,525.72
JRPICL	-	989.40	-	-	-	-	989.40
OTHERS	-	1,813.57	73.00	199.00	330.00	-	2,415.57
	-	<b>6,078.69</b>	<b>73.00</b>	<b>990.00</b>	<b>330.00</b>	-	<b>7,471.69</b>

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 35: RELATED PARTY DISCLOSURES (Contd.)

							₹ in million
Particulars	Holding Company	Subsidiaries	Fellow Subsidiaries	Associates	Jointly Controlled Entities	Key Management personnel and relatives	Total
<b>Loans Taken</b>							
ILFS	800.00	-	-	-	-	-	800.00
	<b>800.00</b>	-	-	-	-	-	<b>800.00</b>
<b>Repayment of Lendings</b>							
APEL	-	-	-	651.00	-	-	651.00
EHEL	-	344.40	-	-	-	-	344.40
IPL	-	790.13	-	-	-	-	790.13
OTHERS	-	9.00	-	-	-	-	9.00
	-	<b>1,143.53</b>	-	<b>651.00</b>	-	-	<b>1,794.53</b>
<b>Repayment of Borrowings</b>							
ILFS	800.00	-	-	-	-	-	800.00
ISSL	-	-	1,000.00	-	-	-	1,000.00
	<b>800.00</b>	-	<b>1,000.00</b>	-	-	-	<b>1,800.00</b>
<b>Revenue from Operations</b>							
CNTL	-	5,535.99	-	-	-	-	5,535.99
HREL	-	4,072.38	-	-	-	-	4,072.38
MBEL	-	4,406.23	-	-	-	-	4,406.23
NAMEL	-	-	-	-	3,461.00	-	3,461.00
OTHERS	-	6,314.51	390.14	514.20	1,641.67	-	8,860.52
	-	<b>20,329.11</b>	<b>390.14</b>	<b>514.20</b>	<b>5,102.67</b>	-	<b>26,336.12</b>
<b>Mobilisation Advance Received</b>							
MPBCDCL	-	295.90	-	-	-	-	295.90
JSEL	-	-	-	-	134.60	-	134.60
NAMEL	-	-	-	-	510.20	-	510.20
	-	<b>295.90</b>	-	-	<b>644.80</b>	-	<b>940.70</b>
<b>Other Income</b>							
ILFS	23.35	-	-	-	-	-	23.35
APEL	-	-	-	230.49	-	-	230.49
JRPICL	-	142.71	-	-	-	-	142.71
IPL	-	351.37	1.73	36.54	30.91	-	420.55
	<b>23.35</b>	<b>494.08</b>	<b>1.73</b>	<b>267.03</b>	<b>30.91</b>	-	<b>817.10</b>
<b>Administrative and general expenses</b>							
ILFS	302.05	-	-	-	-	-	302.05
ELSA	-	133.17	-	-	-	-	133.17
OTHERS	-	-	70.01	-	0.22	2.75	72.98
	<b>302.05</b>	<b>133.17</b>	<b>70.01</b>	-	<b>0.22</b>	<b>2.75</b>	<b>508.20</b>
<b>Operating expenses</b>							
ELSAIND	-	46.61	-	-	-	-	46.61
BTOML	-	69.69	-	-	-	-	69.69
OTHERS	-	-	7.80	-	-	-	7.80
	-	<b>116.30</b>	<b>7.80</b>	-	-	-	<b>124.10</b>
<b>Dividend paid</b>							
ILFS	472.50	-	-	-	-	-	472.50
	<b>472.50</b>	-	-	-	-	-	<b>472.50</b>
<b>Director Remuneration</b>							
Mr K Ramchand	-	-	-	-	-	53.08	53.08
Mr Mukund Sapre	-	-	-	-	-	28.77	28.77
	-	-	-	-	-	<b>81.85</b>	<b>81.85</b>

# Notes

forming part of the financial statements for the year ended March 31, 2013

## NOTE 36: DISCLOSURE OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO SUBSIDIARIES AND ASSOCIATES

₹ in million				
Name of the Company	March 31, 2013		March 31, 2012	
	Amount as at March 31, 2013	Maximum amount outstanding during the year	Amount as at March 31, 2012	Maximum amount outstanding during the year
<b>Subsidiaries</b>				
East Hyderabad Expressway Limited	72.50	781.40	470.00	644.40
Gujarat Road and Infrastructure Company Limited	-	308.80	308.80	308.80
ITNL International Pte. Ltd., Singapore	244.75	1,997.19	1,688.16	2,525.72
ITNL Road Infrastructure Development Company Limited	873.00	1,053.00	753.00	753.00
Vansh Nimay Infraprojects Limited	387.80	387.80	173.00	173.00
West Gujarat Expressway Limited	150.00	550.00	425.00	425.00
Elsamex India Private Limited	-	6.00	6.00	15.00
Hazaribagh Ranchi Expressway Limited	1,230.00	1,680.00	1,000.00	1,000.00
Jharkhand Road Projects Implementation Company Limited	3,262.70	4,192.70	1,459.40	1,459.40
MP Border Checkposts Development Company Limited	485.00	485.00	485.00	485.00
Pune Sholapur Road Development Company Limited	-	350.00	162.00	162.00
Elsamex S.A., Spain	4.17	4.34	4.07	4.07
<b>Associates</b>				
Andhra Pradesh Expressway Limited	-	1,540.60	1,225.60	1,555.60
Thiruvananthapuram Road Development Company Limited	759.60	809.60	386.80	386.80
Warora Chandrapur Ballarpur Toll Road Limited	-	34.00	34.00	34.00

## NOTE 37

Segment Disclosures: The Company operates in a single business segment viz. Surface Transportation Business. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Accounting Standard (AS) 17 on 'Segment Reporting' are not applicable

## NOTE 38

Figures for the previous year have been regrouped and reclassified wherever considered necessary to conform to the classification for the current year

For and on behalf of the Board

**K. Ramchand**  
Managing Director

**Arun K. Saha**  
Director

**George Cherian**  
Chief Financial Officer

**Krishna Ghag**  
Company Secretary

Bengaluru, May 7, 2013



# Independent Auditors' Report

for the year ended March 31, 2013

To the Board of Directors of

IL&FS TRANSPORTATION NETWORKS LIMITED

## REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of IL&FS TRANSPORTATION NETWORKS LIMITED (the "Company"), its subsidiaries and jointly controlled entities/operations (the Company, its subsidiaries and jointly controlled entities/operations constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

## AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

## OPINION

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries, jointly controlled entities and associates referred to in the Other Matters paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date

## EMPHASIS OF MATTER

7. We draw attention to Note 13 and Note 19 to the consolidated financial statements, wherein significant elements of the consolidated financial statements have been determined based on management estimates (which in turn are based on technical evaluations by independent experts). These include:

- i. Intangible Assets and Intangible Assets under Development covered under service concession arrangements aggregating to carrying value of ₹ 94,426.28 million (45.86% of the total assets), the useful lives and the annual amortisation thereof;
- ii. Provision for Overlay carried at ₹ 776.29 million in respect of intangible assets covered under service concession arrangements; and
- iii. Financial Assets covered under service concession arrangements, included as a part of Receivables against Service Concession Arrangements, carried at ₹ 65,556.50 million (31.84% of the total assets) and revenue recognised thereon based on the effective interest method which in turn is based on evaluations

of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof

Our opinion is not qualified in respect of this matter

#### OTHER MATTERS

8. We did not audit the financial statements / financial information of thirty nine subsidiaries, whose financial statements reflect total assets of ₹ 129,899.38 million as at March 31, 2013, total revenues of ₹ 19,908.99 million and net cash inflows amounting to ₹ 1,324.45 million for the year ended on that date as considered in the consolidated financial statements. We also did not audit the financial statements of seven jointly controlled entities, in which the Group's proportionate share in total assets is ₹ 28,448.16 million as at March 31, 2013, in total revenues is ₹ 6,078.38 million and in net cash inflows is ₹ 225.79 million as considered in the consolidated financial statements. The consolidated financial statements also include the Group's

share of net profit amounting to ₹ 46.86 million for the year ended March 31, 2013 of twelve associates whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities is based solely on the reports of the other auditors

Our opinion is not qualified in respect of this matter

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For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 117366W)

**Mr. Kalpesh J. Mehta**  
Partner  
(Membership No. 48791)

Bengaluru, May 7, 2013

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# Consolidated Balance Sheet

as at March 31, 2013

₹ in million					
Particulars	Note	As at March 31, 2013		As at March 31, 2012	
<b>I EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' Funds</b>					
(a) Share capital	2	1,942.68		1,942.68	
(b) Reserves and surplus	3	34,455.45	36,398.13	25,695.22	27,637.90
<b>2 Minority Interest</b>	4,5		3,577.22		2,934.65
<b>3 Non-Current Liabilities</b>					
(a) Long-term borrowings	6	121,849.42		69,737.62	
(b) Deferred tax liabilities (net)	8	2,425.06		2,046.51	
(c) Other long term liabilities	9	2,950.86		2,291.01	
(d) Long-term provisions	11	634.12	127,859.46	750.91	74,826.05
<b>4 Current Liabilities</b>					
(a) Current maturities of long-term debt	6A	13,220.08		10,590.75	
(b) Short-term borrowings	7	8,521.99		21,930.82	
(c) Trade payables		11,066.69		11,304.42	
(d) Other current liabilities	10	3,279.53		1,860.04	
(e) Short-term provisions	12	1,979.46	38,067.75	1,395.19	47,081.22
<b>Total</b>			<b>205,902.56</b>		<b>152,479.82</b>
<b>II ASSETS</b>					
<b>1 Non-Current Assets</b>					
(a) Fixed assets	13				
(i) Tangible assets (net)		1,415.49		1,251.63	
(ii) Intangible assets (net)		27,716.93		27,612.84	
(iii) Capital work-in-progress		475.99		195.20	
(iv) Intangible assets under development		66,969.81		34,812.66	
(b) Goodwill on consolidation (net)		5,232.59		5,265.68	
(c) Non-current investments (net)	14	6,527.51		3,831.91	
(d) Deferred tax assets	8	110.60		5.23	
(e) Long-term loans and advances (net)	16	7,916.57		9,247.03	
(f) Other non-current assets	18	67,824.49	184,189.98	48,690.68	130,912.86
<b>2 Current Assets</b>					
(a) Current investments	15	343.74		122.22	
(b) Inventories	20	168.87		210.10	
(c) Trade receivables (net)	21	7,516.96		8,820.13	
(d) Cash and cash equivalents	22	4,552.42		2,837.87	
(e) Short-term loans and advances	17	6,253.00		7,895.73	
(f) Other current assets	19	2,877.59	21,712.58	1,680.91	21,566.96
<b>Total</b>			<b>205,902.56</b>		<b>152,479.82</b>

Notes 1 to 41 form part of the consolidated financial statements.

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**Mr. Kalpesh J. Mehta**  
Partner

For and on behalf of the Board

**K. Ramchand**  
Managing Director

**Arun K. Saha**  
Director

**George Cherian**  
Chief Financial Officer

**Krishna Ghag**  
Company Secretary

Bengaluru, May 7, 2013

Bengaluru, May 7, 2013

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2013

		₹ in million	
Particulars	Note	Year ended March 31, 2013	Year ended March 31, 2012
<b>I REVENUE FROM OPERATIONS</b>	24	66,448.38	56,056.21
<b>II OTHER INCOME</b>	25	1,439.71	1,238.07
<b>III TOTAL REVENUE (I + II)</b>		<b>67,888.09</b>	<b>57,294.28</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	26	1,557.37	1,242.04
Operating expenses	27	39,489.14	33,254.59
Employee benefits expense	28	3,819.26	3,693.91
Finance costs	29	11,190.10	7,282.07
Depreciation and amortisation expense	13	944.06	765.52
Administrative and general expenses	30	3,203.91	3,210.18
<b>Total expenses (IV)</b>		<b>60,203.84</b>	<b>49,448.31</b>
<b>V PROFIT BEFORE TAXATION (III-IV)</b>		<b>7,684.25</b>	<b>7,845.97</b>
<b>VI TAX EXPENSE:</b>			
(1) Current tax		2,154.16	1,966.01
(2) Deferred tax (net)		274.41	626.27
(3) MAT Credit entitlement		(154.55)	(135.07)
<b>Total tax expense (VI)</b>		<b>2,274.02</b>	<b>2,457.21</b>
<b>VII PROFIT BEFORE SHARE OF ASSOCIATES &amp; SHARE OF MINORITY INTEREST (V-VI)</b>		<b>5,410.23</b>	<b>5,388.76</b>
<b>VIII SHARE OF PROFIT / (LOSS) OF ASSOCIATES (NET)</b>		<b>46.82</b>	<b>38.53</b>
<b>IX SHARE OF PROFIT TRANSFERRED TO MINORITY INTEREST (NET)</b>		<b>(254.94)</b>	<b>(457.71)</b>
<b>Profit for the year (VII+VIII+IX)</b>		<b>5,202.11</b>	<b>4,969.58</b>
Earnings per equity share (Face value per share ₹ 10/-)	31		
(1) Basic		26.68	25.48
(2) Diluted		26.68	25.48

Notes 1 to 41 form part of the consolidated financial statements.

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**Mr. Kalpesh J. Mehta**  
Partner

For and on behalf of the Board

**K. Ramchand**  
Managing Director

**Arun K. Saha**  
Director

**George Cherian**  
Chief Financial Officer

**Krishna Ghag**  
Company Secretary

Bengaluru, May 7, 2013

Bengaluru, May 7, 2013

# Consolidated Cash Flow Statement

for the year ended March 31, 2013

		₹ in million
Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Taxes, Minority Interest and Share of Associates	7,684.25	7,845.97
Adjustments for :-		
Interest earned	(1,080.24)	(930.95)
Profit on sale of investments (net)	(11.68)	(8.58)
Dividend income	(1.18)	(2.10)
Finance costs	11,190.10	7,282.07
Profit / (Loss) on sale of fixed assets (net)	(0.44)	2.97
Provision for employee benefits (net)	166.00	0.66
Depreciation and amortization expense	944.06	765.52
Provision for Bad and Doubtful Debts	(54.33)	316.85
Provision for Overlay expenses	92.54	130.48
Reversal of provision for diminution in value of investments	(25.20)	(37.03)
Amortisation of goodwill	115.53	-
Foreign Currency Translation reserve and other adjustment	8.07	80.74
Preliminary expense written off	0.05	0.04
Excess provisions written back	(7.70)	(33.06)
<b>Operating profit before Working Capital Changes</b>	<b>19,019.83</b>	<b>15,413.58</b>
Adjustments changes in working capital:		
(Increase) / Decrease in Trade receivables	839.05	(1,171.61)
Decrease in other assets & loans and advances (current and non current)	476.45	2,226.40
Increase in liabilities (current and non current)	645.44	1,419.05
<b>Cash Generated from Operations</b>	<b>20,980.77</b>	<b>17,887.42</b>
Direct Taxes paid (Net)	(1,582.70)	(1,962.04)
<b>Net Cash generated from Operating Activities (A)</b>	<b>19,398.07</b>	<b>15,925.38</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to fixed assets	(30,621.07)	(19,353.80)
Increase in Receivable under Service Concession Arrangement (net)	(18,766.70)	(21,520.44)
Proceeds from sale of fixed assets	47.01	76.27
Purchase of / advance towards investments (net)	(195.97)	(1,869.51)
Interest received	982.93	637.30
Dividend received	1.18	2.10
(Investment in) / Proceeds from redemption of Mutual Funds units (net)	(208.66)	29.68
Long term loans given (net)	(201.21)	(1,520.78)
Short term loans given (net)	(947.69)	(741.87)
Movement in other bank balances	(1,316.63)	895.00
Inter-corporate deposits encashed / (placed) (net)	673.30	(403.30)
Acquisition of a Subsidiary / Jointly Controlled Entities	-	(9,130.97)
<b>Net Cash used in Investing Activities (B)</b>	<b>(50,553.51)</b>	<b>(52,900.32)</b>



# Consolidated Cash Flow Statement (contd.)

for the year ended March 31, 2013

₹ in million		
Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	57,558.47	50,753.90
Repayment of borrowings	(15,711.72)	(10,232.23)
Finance costs paid	(13,713.18)	(6,740.31)
Dividend paid	(777.07)	(687.83)
Tax on Dividend paid	(129.89)	(106.47)
Capital Grant received	4,554.45	1,929.09
Proceeds from minority interest	515.30	377.16
<b>Net Cash generated from Financing Activities (C)</b>	<b>32,296.36</b>	<b>35,293.31</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,140.92</b>	<b>(1,681.63)</b>
Cash and Cash Equivalent at the beginning of the year	2,742.62	4,359.70
Impact of Foreign Currency translation	34.50	64.55
Cash and Cash Equivalent at the end of the year	3,918.04	2,742.62
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>1,140.92</b>	<b>(1,681.63)</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	23.42	14.81
Balances with Banks in current accounts	2,339.20	1,373.19
Balances with Banks in deposit accounts	1,555.42	1,354.62
	<b>3,918.04</b>	<b>2,742.62</b>
Unpaid dividend accounts	0.51	0.35
Balances held as margin money or as security against borrowings	633.87	94.90
Cash and Cash Equivalents as per Note 22	<b>4,552.42</b>	<b>2,837.87</b>
Notes 1 to 41 form part of the consolidated financial statements.		

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**Mr. Kalpesh J. Mehta**  
Partner

Bengaluru, May 7, 2013

For and on behalf of the Board

**K. Ramchand**  
Managing Director

**George Cherian**  
Chief Financial Officer

Bengaluru, May 7, 2013

**Arun K. Saha**  
Director

**Krishna Ghag**  
Company Secretary

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## NOTE - 1: PRINCIPLES OF CONSOLIDATION, SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of Consolidation

- (a) The Consolidated Financial Statements ("CFS") relates to IL&FS Transportation Networks Limited (the "Company"), its subsidiaries, jointly controlled entities, jointly controlled operations and associates. The Company, its subsidiaries, jointly controlled entities and jointly controlled operations constitute "the Group"
- (b) The CFS have been prepared under the historical cost convention in accordance with the generally accepted accounting principles ("GAAP") in India, as adopted by the Company and the applicable Accounting Standards notified under the Companies (Accounting Standards), Rules, 2006. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis
- (c) The preparation of the financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the consolidated financial statements, the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of its consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. In case the actual results are different are those from estimates, the effect thereof is given in the consolidated financial statements of the period in which the events materialise

### B. Principles of Consolidation

- (a) The CFS have been prepared by the Company in accordance with Accounting Standards (AS) 21 on "Consolidated Financial Statements", AS 27 on "Financial Reporting of Interests in Joint Ventures" and AS 23 on "Accounting for Investments in Associates in Consolidated Financial Statements"

Investments in Associates are accounted for under the equity method in accordance with AS 23 on "Accounting for Investments in Associates in Consolidated Financial Statements"

The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses

As the financial assets and intangible assets recognized under service concession arrangement

are acquired in exchange for infrastructure construction / upgrading services, gains / losses on intra group transactions are treated as realized and not eliminated on consolidation

In case of foreign subsidiaries, revenue items are consolidated by applying the average rate prevailing during the period to the foreign currency amounts. All assets and liabilities are consolidated by applying the rates prevailing at the period end to the foreign currency amounts. Shareholder's funds are consolidated by applying the transaction date rates to the foreign currency amounts

- (b) The accounting policies of subsidiaries have been adjusted, as necessary and to the extent practicable, so as to ensure consistent accounting within the Group
- (c) The excess of cost of the Group's investments in each subsidiary, jointly controlled entity and associates over the Group's share in equity of such entities, at the date on which such investment is made, is recognised as Goodwill and included as an asset in the Consolidated Balance Sheet. The excess of the Group's share in equity of each subsidiary, jointly controlled entity and associates at the date on which the investment is made, over the cost of the investment is recognised as Capital Reserve and included as Reserves and Surplus under Shareholders' Equity in the Consolidated Balance Sheet. Any change in the cost of the investment in subsidiary or jointly controlled entity post the acquisition thereof is effected by way of change in the goodwill on consolidation or capital reserve on consolidation, as the case may be
- (d) Minority interest in the net assets of subsidiaries consists of amounts of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments
- (e) The financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2013 except for one overseas subsidiary viz. Elsamex S.A. whose audited financial statements (incorporating the financial statements of its subsidiaries, jointly controlled operations and its associates) have been drawn for a period of twelve months up to December 31, 2012 and adjusted for effects of significant transactions and other events that have occurred between January 01, 2013 and March 31, 2013

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

- C. The list of subsidiaries, which are included in the CFS with their respective country of incorporation and the Group's holding therein are given below:

Name of the Subsidiary	Country of Incorporation	Proportion of Group's Interest (%)		Date of Acquisition of Control
		2012-13	2011-12	
<b>1. Held directly:</b>				
Gujarat Road and Infrastructure Company Limited ("GRICL")	India	83.61	83.61	January 11, 2007
Scheme of ITNL Road Investment Trust ("IRIT")	India	100.00	100.00	March 13, 2007
East Hyderabad Expressway Limited ("EHCL")	India	74.00	74.00	September 5, 2007
ITNL Road Infrastructure Development Company Limited ("IRIDCL")	India	100.00	100.00	January 17, 2008
IL&FS Rail Limited (formerly known as ITNL Enso Rail Systems Limited) ("IRL")	India	69.29	69.29	February 4, 2008
Elsamex SA (includes 22.61 % shares held through IIPL, previous year 22.61%) ("Elsamex")	Spain	100.00	100.00	March 18, 2008
ITNL International Pte. Ltd. ("IIPL")	Singapore	100.00	100.00	September 19, 2008
Vansh Nimay Infraprojects Limited ("VNIL")	India	90.00	90.00	March 25, 2009
West Gujarat Expressway Limited ("WGEL")	India	74.00	74.00	June 10, 2009
Hazaribagh Ranchi Expressway Limited ("HREL")	India	74.00	74.00	August 1, 2009
Pune Sholapur Road Development Company Limited ("PSRDCL")	India	100.00	100.00	September 25, 2009
Moradabad Bareilly Expressway Limited ("MBEL")	India	100.00	100.00	February 4, 2010
Jharkhand Road Projects Implementation Company Limited ("JRPICL")	India	93.04	93.04	February 27, 2010
Chenani Nashri Tunnelway Limited ("CNTL")	India	100.00	100.00	June 2, 2010
MP Border Checkpost Development Company Limited ("MPBCDCL")	India	51.00	51.00	October 28, 2010
Badarpur Tollway Operations Management Limited ("BTOML")	India	100.00	100.00	December 9, 2010
Futureage Infrastructure India Limited ("FIIL") [formerly known as Global Parking Plaza Limited]	India	61.22	61.22	July 14, 2011
Charminar RoboPark Limited ("CRL")	India	89.92##	97.85	July 27, 2011
ITNL Offshore Pte. Ltd. ("IOPL")	Singapore	100.00	100.00	December 5, 2011
Karyavattom Sports Facility Limited ("KSFL")	India	99.88	99.88	February 8, 2012
Kiratpur Ner Chowk Expressway Limited ("KNCEL")	India	100.00	100.00	February 12, 2012
Baleshwar Kharagpur Expressway Limited ("BKEL")	India	99.88	-	April 4, 2012
Sikar Bikaner Highway Limited ("SBHL")	India	99.88	-	May 9, 2012

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

Name of the Subsidiary	Country of Incorporation	Proportion of Group's Interest (%)		Date of Acquisition of Control
		2012-13	2011-12	
2. Held through subsidiaries:				
North Karnataka Expressway Limited ("NKL")	India	93.50@	87.00@	March 21, 2007
Proyectos y Promociones Inmobiliarias Sanchez Marcos SL	Spain	NA	100.00 *	March 18, 2008
Atenea Seguridad y Medio Ambiente S.A.	Spain	100.00 \$	100.00 *	March 18, 2008
Proyectos De Gestion Sistemas Calculo Y Analisis S.A (merged with "Grusamar Ingenieria Y Consulting, S.L.U.")	Spain	NA	100.00 *	March 18, 2008
Sanchez Marcos Senalizacion e Imagen S.A.	Spain	NA	100.00 *	March 18, 2008
Senalizacion Viales e Imagen S.U.	Spain	100.00 \$	100.00 *	March 18, 2008
Elsamex Internacional SL	Spain	100.00 \$	100.00 *	March 18, 2008
Grusamar Ingenieria Y Consulting, S.L.U.	Spain	100.00 \$	100.00 *	March 18, 2008
Elsamex Portugal Engheneria e Sistemas de Gestao S.A.	Portugal	73.50 \$	73.50 *	March 18, 2008
Inteval Gestao Integral Rodoviaria, S.A.	Portugal	100.00 \$	100.00 *	March 18, 2008
Elsamex India Private Limited	India	99.15 \$	99.15 *	March 18, 2008
Yala Construction Co Private Limited	India	96.03 \$	88.78 *	March 18, 2008
Mantenimiento y Conservacion de Vialidades S.A. de C.V.	Mexico	64.00 \$	64.00 *	March 18, 2008
ESM Mantenimiento Integral de SA de CV	Mexico	100.00 \$	100.00 *	March 18, 2008
CISEM-INTEVIA, S.A. (formerly Instiuto Tecnico De La Vialidad Y Del Transporte, S.A.)	Spain	100.00 \$	100.00 *	March 18, 2008
Control 7, S.A.	Spain	100.00 \$	100.00 *	March 18, 2008
Geotecnia 7, S.A.U. (merged with "Control 7, S.A.")	Spain	NA	100.00 *	March 18, 2008
Grusamar Albania SHPK	Albania	51.00 \$	51.00 *	March 18, 2008
Elsamex Brazil LTDA	Portugal	45.34 \$\$	45.34 \$\$	March 18, 2008
Rapid MetroRail Gurgaon Limited ("RMGL")	India	59.26#	59.26#	July 30, 2009
Area De Servicio Coiros S.L.U.	Spain	100.00 \$	100.00 *	May 31, 2010
Conservacion De Infraestructuras De Mexico S.A. De C.V.	Mexico	96.40 \$	96.40 *	September 1, 2010
Alcantarilla Fotovoltaica, S.L.	Spain	100.00 \$	100.00 *	December 17, 2010
Area De Servicio Punta Umbria, S.L.U.	Spain	100.00 \$	100.00 *	December 17, 2010
ITNL International JLT ("IJLT")	Dubai	100.00	-	May 17, 2012
Rapid MetroRail Gurgaon South Limited ("RMGSL")	India	80.04@@	-	December 6, 2012
ITNL Africa Projects Ltd. ("IAPL")	Nigeria	100.00^	-	February 28, 2013
Beasolarta S.A.U	Spain	100.00 \$	-	November 29, 2012

\$ Proportion of Group's Interest as at December 31, 2012

\* Proportion of Group's Interest as at December 31, 2011

@ Out of the above 13.00% is held directly by the Company and balance 80.50% through the scheme of IRIT (Previous year 13.00% held by the Company and balance 74.00% through the scheme of IRIT).

@@ Out of the above 35.00% is held directly by the Company and balance 45.04% through the IRL.

# Out of the above 26.00% is directly held by the Company and balance 33.26% through IRL (Previous year 26.00% held by Company and balance 33.26% held through IRL)

## Out of the above 74.00% is directly held by the Company and balance 15.92% through FIIL (Previous year 94.45% held by Company and balance 3.40% held through FIIL)

^ Out of the above 0.50 % is directly held by the Company and balance 99.50% through IIPL (Previous year NIL)

\$\$ Represents effective holding of the group 45.34%

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

The financial position and results (after eliminations) of BKEL, SBHL, IJLT, IAPL, RMGSL and Beasolarta S.L.U. which became subsidiaries during the year ended March 31, 2013 are given below:

	₹ in million					
	BKEL	SBHL	IJLT	Beasolarta SLU	IAPL	RMGSL
Equity and Liability as at	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
Shareholder's Funds (including share application money)	101.75	117.65	(21.38)	(0.31)	(9.73)	(0.35)
Non-current liabilities	-	-	-	-	-	0.52
Current liabilities	111.16	4.93	3.23	146.88	0.17	281.42
	212.91	122.58	(18.15)	146.59	(9.56)	281.59
Assets as at	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
Fixed Assets (Net Block)	1,317.90	1,733.89	44.44	147.54	34.22	1,484.90
Non-current assets	0.01	2.14	4.15	0.86	-	8.43
Current assets	90.27	9.23	13.79	0.47	156.27	28.61
	1,408.18	1,745.26	62.38	148.87	190.49	1,521.94
<b>Income for the period (from the date of incorporation / acquisition to March 31, 2013 )</b>						
Operating income	1,251.92	1,663.61	-	0.31	-	1,214.57
Other income	0.01	-	-	-	-	-
<b>Total Income</b>	<b>1,251.93</b>	<b>1,663.61</b>	<b>-</b>	<b>0.31</b>	<b>-</b>	<b>1,214.57</b>
<b>Expenses for the period (from the date of incorporation / acquisition to March 31, 2013 )</b>						
Operating expenses	77.32	86.75	-	-	-	235.57
Depreciation	-	-	0.95	0.03	-	0.02
Other administrative expenses	7.91	10.50	21.78	0.59	10.08	0.33
<b>Total Expenses</b>	<b>85.23</b>	<b>97.25</b>	<b>22.73</b>	<b>0.62</b>	<b>10.08</b>	<b>235.92</b>
Profit/(Loss) for the period before tax	1,166.70	1,566.36	(22.73)	(0.31)	(10.08)	978.65
Taxes	-	-	-	-	-	-
<b>Profit/(Loss) for the period after tax</b>	<b>1,166.70</b>	<b>1,566.36</b>	<b>(22.73)</b>	<b>(0.31)</b>	<b>(10.08)</b>	<b>978.65</b>

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

- D.** The financial position and results (after eliminations) of KSFL, KNCCEL, IOPL, FIIL and CRL which became subsidiaries during the year ended March 31, 2012 are given below:

	₹ in million				
	FIIL	CRL	KNCCEL	KSFL	IOPL
Equity and Liability as at	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
Shareholder's Funds (including share application money)	( 2.02)	( 1.10)	( 1.37 )	( 0.24 )	( 0.49 )
Non-current liabilities	-	0.17	-	-	-
Current liabilities	16.43	-	78.80	62.63	0.10
	14.41	(0.93)	77.43	62.39	(0.39)
Assets as at	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
Fixed Assets (Net Block)	3.11	-	435.69	62.45	-
Non-current assets	60.88	-	-	-	-
Current assets	0.66	0.86	36.57	0.45	2.22
	64.65	0.86	472.26	62.90	2.22
<b>Income for the period (from the date of incorporation / acquisition to March 31, 2012)</b>					
Operating income	-	-	343.70	-	-
<b>Total Income</b>	-	-	343.70	-	-
<b>Expense for the period (from the date of incorporation / acquisition to March 31, 2012)</b>					
Operating expenses	-	-	32.10	-	-
Depreciation	0.72	-	-	-	-
Other administrative expenses	2.49	1.06	1.35	0.24	0.43
<b>Total Expenses</b>	3.21	1.06	33.45	0.24	0.43
Profit/(Loss) for the period before tax	(3.21)	(1.06)	310.25	(0.24)	(0.43)
Taxes	-	-	-	-	-
<b>Profit/(Loss) for the period before tax</b>	(3.21)	(1.06)	310.25	(0.24)	(0.43)

**E. Interest in Jointly Controlled Entities**

- The financial statements (consolidated financial statements where applicable) of jointly controlled entities have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as required by AS 27 using the proportionate consolidation method
- The accounting policies in the jointly controlled entities have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company
- The Group's interest in jointly controlled entities are:



# Notes

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Name of the Company	Country of Incorporation	Date of Acquisition of Joint Control	Proportion of Group's Interest (%)	
			2012-13	2011 - 12
<b>Held Directly :</b>				
Noida Toll Bridge Company Limited (NTBCL)	India	Various dates	25.35	25.35
N.A.M. Expressway Limited (NEL)	India	June 15, 2010	50.00	50.00
Jorabat Shillong Expressway Limited (JSEL)	India	June 18, 2010	50.00	50.00
<b>Held through Subsidiaries :</b>				
Geotecnia y Control De Qualitat, S.A.	Spain	July 15, 2010	50.00 \$	50.00 *
Chongqing Yuhe Expressway Co. Ltd.	China	December 27, 2011	49.00	49.00
Consorcio De Obras Civiles S.R.L	R.Dominicana	December 11, 2009	34.00 \$	34.00 *
Vies Y Construcciones S. R. L.	R.Dominicana	August 12, 2010	50.00 \$	50.00 *

## Foot Note

NTBCL includes ITNL Toll Management Services Limited, a subsidiary of NTBCL, which is also an associate of the Company.

\$ Proportion of Group's Interest as at December 31, 2012

\* Proportion of Group's Interest as at December 31, 2011

## F. Interest in Joint Controlled Operations

- The financial statements (including consolidated financial statements where applicable) of the jointly controlled operations have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as required by AS 27 using the proportionate consolidation method. The financial statements of the jointly controlled operations are prepared by the respective operators in accordance with the requirements prescribed by the joint operating agreements of the jointly controlled operations
- The accounting policies of jointly controlled operations have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company
- The Group's interest in jointly controlled operations are:

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	2012-13 \$	2011-12 *
ABEDUL ORIHUELA	25%	25%
ABEDUL PONFERRADA	25%	25%
ABEDUL VILLAVIDEL	25%	25%
ABEDUL ZAMORA	25%	25%
UTE 6/2004	23%	23%
UTE ABASTECIMIENTO DE HUELVA	N.A.	50%
UTE ABEDUL CACERES	25%	25%
UTE AREAS DE SERVICIO	100%	100%
UTE ARUCAS	40%	40%
UTE ATENEA GRUSAMAR	50%	50%
UTE ATENEA GRUSAMAR	50%	50%
UTE BASOINSA	50%	50%

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	2012-13 \$	2011-12 *
UTE BIZKAIA III	28%	28%
UTE BOCA CHICA SUCURSAL DOMINICANA	100%	100%
UTE BRION NOIA	N.A.	80%
UTE CASA DEL QUESO	50%	50%
UTE CIUDAD DE LA LUZ	N.A.	50%
UTE CONCESIONARIA A4 UTE CORELSA	50%	50%
UTE CONSERVACION GRUPO SUR	100%	100%
UTE CONSULTEA	50%	50%
UTE CORREDORES VIALES DE COLOMBIA	N.A.	50%
UTE CORUNA 3	70%	70%
UTE CORUNA II	60%	60%
UTE DURANGO II	45%	45%
UTE ELSAMEX ALPIDESA	50%	50%
UTE ELSAMEX CAUCHIL JAEN	80%	80%
UTE ELSAMEX INFRAEST.TERRESTRE	N.A.	80%
UTE ELSAMEX TYOSA OBRAS PUBLICAS	N.A.	50%
UTE ELSAMEX ARIAS OCA	50%	50%
UTE EMBALSE FLIX	50%	50%
UTE ESTEPONA	N.A.	50%
UTE EXPROPIACION	N.A.	50%
UTE GEOT-CIESM-ENMAC 2/2006	25%	25%
UTE GRUSAMAR-KV PUERTO MAHON	80%	80%
UTE GRUSAMAR-KV ZARAGOZA	N.A.	50%
UTE GRUSAMAR-PROGES .VTE.SUECA	N.A.	60%
UTE GUADAHORTUNA	N.A.	50%
UTE INVERSIONES 2008	50%	50%
UTE ITZIAR	50%	50%
UTE LINARES	50%	50%
UTE NAVAVILLAR DE PELA II	50%	50%
UTE OSUNA	N.A.	50%
UTE PEAJE LA JUNQUERA	50%	50%
UTE PERI SERRANO URIBE	80%	80%
UTE POLIDEPORTIVO LA LATINA	50%	50%
UTE POLIDEPORTIVOS HORTALEZA	50%	50%
UTE POLIDEPORTIVOS TETUAN	50%	50%
UTE PRESAS	50%	50%
UTE PYCSA-ATENEA	50%	50%
UTE REFUERZO DE FIRME A 395	50%	50%
UTE ROMANA SUCURSAL DOMINICANA	100%	100%
UTE SEGURIDAD VIAL NORTE	30%	30%
UTE SEGURIDAD VIAL NORTE	70%	70%

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	2012-13 \$	2011-12 *
UTE SENALIZACION MADRID	60%	60%
UTE SIERRA NEVADA	N.A.	50%
UTE SUPERVISION BALEARES	80%	80%
UTE TERUEL 2	50%	50%
UTE TRAVESIA DE HERMIGUA	50%	50%
UTE ZENETA SAN JAVIER	50%	50%
UTE ANDALUCIA	N.A.	80%
UTE MANTENIMIENTO SEROP ELSAMEX	50%	50%
UTE ASTURIAS	N.A.	80%
UTE SANDO 2	50%	50%
UTE CIESM SG-2/2008	24%	24%
UTE GRUSAMAR-INTEVIA-DAIR SEG.VIAL BIZCAYA	60%	60%
UTE GRUSAMAR-INTEVIA-DAIR SEG.VIAL BIZCAYA	10%	10%
UTE RIO ALHAMA	50%	50%
UTE SEG VIAL MURCIA (Grusamar Elsamex Atenea UTE Seguridad Vial Murcia)	50%	50%
UTE SEG VIAL MURCIA (Grusamar-Elsamex-Atenea UTE Seguridad Vial Murcia)	20%	20%
UTE SEG VIAL MURCIA	30%	30%
ELSAMEX-RUBAU UTE ARGENTONA	50%	50%
UTE ELSAMEX-VIMAC	50%	50%
UTE SANTAS MARTAS PALANQUINOS	50%	50%
ELSAMEX-MARTIN CASILLAS UTE CONSERVACION CADIZ	50%	50%
ELSAMEX-OCA UTE ORENSE III	50%	50%
UTE DAIR-INTEVIA	50%	50%
UTE CORDOBA	50%	50%
UTE CASTINSA-INTEVIA-TAIRONA	30%	30%
UTE VIZCAYA II	45%	45%
UTE ELSAMEX-TYOSA	N.A.	50%
UTE ARONA	60%	60%
UTE SECTOR 03	50%	50%
UTE TREN MALLORCA	80%	80%
UTE GRUSAMAR-EYSER	50%	50%
UTE CICAN-CIESM	50%	50%
UTE URBANIZACION CENTRO	30%	30%
UTE VIALES EL JABLE	50%	50%
UTE AP7 ONDARA	60%	60%
UTE ALMANZORA	65%	65%
UTE AUTOVIA DE SANTIAGO	50%	50%
UTE DALLAS	50%	50%
UTE SUR SEVILLA	50%	50%
UTE GRUSAMAR-INSERCO RAMBLA RETAMAR	50%	50%
UTE MANTENIMIENTO DE CUENCA	50%	50%

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

Name of the Jointly Controlled Operations	Proportion of Group's Interest (%)	
	2012-13 \$	2011-12 *
UTE ELSAMEX-LUJAN ALICANTE	50%	50%
UTE GRUSAMAR-INTECSA-INARSA-ATENEA	30%	30%
UTE GRUSAMAR-INTECSA-INARSA-ATENEA	30%	30%
UTE GRUSAMAR-INGELAN	60%	60%
UTE CONSERVACION ASTURIAS	50%	50%
UTE CONSERVACION ALMERIA	70%	70%
UTE BIZCAYA BI	28%	-
UTE CONSERVACION CACERES	50%	-
UTE SG-2/2011	24%	-
UTE CEIP 1	50%	-
UTE CAP 1	50%	-
UTE ATENEA-PREVECONS	55%	-
UTE (ATENEA-PAYMACOTAS)	40%	-
CON INTERANINO	50%	-
CONS.CARRETERAS DEL SUR	60%	-
CONS. JOSE SALDIS	34%	-
EPSILON	35%	-

\$ Proportion of Group's Interest as at December 31, 2012

\* Proportion of Group's Interest as at December 31, 2011

## G. Investments in Associates

- An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and / or operating policy decisions of such enterprises. In accordance with AS 23 the investments are carried in the Consolidated Balance Sheet at cost as adjusted by post acquisition changes in the Group's share in the Reserves and Surplus of Associates
- The accounting policies of associates have been adjusted as necessary and to the extent practicable, so as to ensure consistent accounting with the policies stipulated by the Company
- Details of associates and ownership interest are as follows:

# Notes

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Name of the Company	Country of Incorporation	Proportion of Group's Interest (%)	
		2012-13	2011-12
<b>1. Held directly :</b>			
Andhra Pradesh Expressway Limited ("APEL")	India	49.00	49.00
Thiruvananthapuram Road Development Company Limited ("TRDCL")	India	50.00	50.00
ITNL Toll Management Services Limited ("ITMSL") (see footnote below)	India	49.00	49.00
Warora Chandrapur Ballarpur Toll Road Limited ("WCBTRL")	India	35.00	35.00
<b>2. Held through Subsidiaries :</b>			
Centro de Investigaciones de Curretros Andalucia S.A.	Spain	49.00 \$	49.00 *
Labetec Ensayos Técnicos Canarios, S.A.	Spain	50.00 \$	50.00 *
CGI 8 S.A.	Spain	49.00 \$	49.00 *
Elsamex Road Technology Company Limited	China	23.44 \$	23.44 *
Sociedad Concesionaria Autovia A-4 Madrid S.A	Spain	48.75 \$	48.75 *
VCS-Enterprises Limited	India	30.00 \$	30.00 *
Yala Construction Company Limited	Thailand	NA	33.33 *
Ramky Elsamex Ring Road Limited, Hyderabad	India	26.00 \$	26.00 *
Emprsas Pame sa De CV	Mexico	34.10 \$	34.00 *

## Note

ITMSL is a subsidiary of NTBCL which is consolidated as a Jointly Controlled Entity

\$ Proportion of Group's Interest as at December 31, 2012

\* Proportion of Group's Interest as at December 31, 2011

## H. Goodwill on consolidation

- Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition
- Goodwill arising from the acquisition of associates is included in the value of the holdings in the associate
- Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Consolidated Statement of Profit and Loss
- Goodwill on acquisition of the foreign subsidiary is restated at the rate prevailing at the end of the period
- During the year ended March 31, 2013, the Group has decided to amortize goodwill on consolidation pertaining to subsidiaries/jointly controlled entities (special purpose vehicles) having a definite concession period, over the balance concession period on a systematic basis. The amortisation charge during the year ended March 31, 2013 amounts to ₹ 115.53 million

## I. Debenture issue expenditure

Incremental costs directly attributable to the issue of debentures are being charged to the Consolidated Statement of Profit and Loss over the period of redemption of debentures

## J. Accounting for Rights under Service Concession Arrangements

### i. Recognition and measurement

The Group builds infrastructure assets under public-to-private Service Concession Arrangements (SCAs) which it operates and maintains for periods specified in the SCAs

Under the SCAs, where the Group has received the right to charge users of the public service, such rights are recognised and classified as "Intangible Assets". Such right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognised and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of the consideration received or receivable for the construction services delivered)

# Notes

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Under the SCAs, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", even though payments are contingent on the Group ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as "Receivables against Service Concession Arrangements"

Consideration for various services (i.e. construction or upgrade services, operation and maintenance services, overlay services) under the SCA is allocated on the basis of costs actually incurred or the estimates of cost of services to be delivered

## ii. Contractual obligation to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition before it is handed over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and recognised on an undiscounted basis by charging costs to revenue on the units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on technical evaluation by independent experts. In case of financial assets, such costs are recognised in the year in which such costs are actually incurred

## iii. Revenue recognition

Revenue from construction services is recognised according to the stage of completion of the contract, which depends on the proportion of costs incurred for the work performed till date to the total estimated contract costs provided the outcome of the contract can be reliably estimated. When the outcome of the contract cannot be reliably estimated but the overall contract is estimated to be profitable, revenue is recognised to the extent of recoverable costs. Any expected loss on a contract is recognised as an expense immediately. Revenue is not recognised when the concerns about collection are significant

Revenue from financial asset is recognised in the Consolidated Statement of Profit and Loss as interest, finance income calculated using the effective interest method from the year in which construction activities are started

Revenue from operating and maintenance services and from overlay services is recognised in the period in which such services are rendered

Revenue from intangible assets is recognised in the period of collection which generally coincides with the usage of the public service or where from such rights have been auctioned, in the period to which auctioned amount relates

## iv. Borrowing cost

In respect of a financial asset, borrowing costs attributable to construction of the road are charged to Consolidated Statement of Profit and Loss in the period in which such costs are incurred

In respect of an intangible asset, borrowing costs attributable to construction of the roads are capitalised up to the date of completion of construction. All borrowing costs subsequent to construction are charged to the Consolidated Statement of Profit and Loss in the period in which such costs are incurred

## v. Amortisation of Intangible Asset

The intangible rights which are recognised in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue earned for the half year / period over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the half year / period over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management

Total Projected Revenue shall be reviewed at the end of the each financial year and the total projected revenue shall be adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period

With effect from April 1, 2012 based on notification dated April 17, 2012 issued by Ministry of Corporate Affairs, the Company has changed the method of amortisation of intangible assets arising out of Service Concession Arrangements prospectively. Effective April 1, 2012 the amortisation is in proportion to the revenue earned for the period to the total estimated toll revenue i.e. expected to be collected over the balance concession period. Earlier such intangible assets were amortised based on units of usage method i.e. on the number of vehicles expected to use the project facility over the concession period as estimated by the Management. Had the Group followed the earlier method, the amortisation would



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have been higher by ₹ 215.95 million for the year ended March 31, 2013 and consequently profit before tax would have been lower by ₹ 215.95 million

## vi. Amortisation of Toll Receivable Account

From the current year, the Group has started amortising toll receivable account over the balance estimated period of concession. Amortisation is been done on the basis of revenue for the year to the total estimated revenue over the balance estimated period of concession. Amortisation charge for the year amounts to ₹ 30.76 million

## K. Fixed Assets and Depreciation/Amortisation

### (a) Tangible fixed assets and depreciation

Tangible fixed assets acquired by the Group are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any

The acquisition cost includes the purchase price (excluding refundable taxes) and expenses, such as delivery and handling costs, installation, legal services and consultancy services, directly attributable to bringing the asset to the site and in working condition for its intended use

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use

Depreciation on tangible fixed assets is computed as under:

- (i) In respect of premises, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV of the Companies Act, 1956
- (ii) The Group has adopted the Straight Line Method of depreciation so as to depreciate 100% of the cost of the following type of assets at rates higher than those prescribed under Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

Asset Type	Useful Life
Computers	4 years
Specialised Office Equipment	3 years
Assets Provided to Employees	3 years

- (iii) Leasehold improvement costs are capitalised and amortised on a straight-line basis over the period of lease agreement unless the corresponding

rates under Schedule XIV are higher, in which case, such higher rates are used

- (iv) All categories of assets costing less than ₹ 5,000 each, mobile phones and items of soft furnishing are fully depreciated in the year of purchase
- (v) Depreciation on fixed assets, other than on assets specified in K (a) (i), (ii), (iii) and (iv) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV of the Companies Act, 1956. Depreciation is computed pro-rata from the date of acquisition of and up to the date of disposal

### (b) Intangible assets and amortisation

Intangible assets, other than those covered by SCAs, comprise of software and amounts paid for acquisition of commercial rights under an "Operation and Maintenance" agreement for a toll road project and are depreciated as follow:

Asset Type	Useful Life
Licensed Software	Over the licence period
Intellectual Property Rights	5 - 7 years
Commercial Rights acquired under Operations and Maintenance Agreement	The minimum balance period of the concession agreement relating to the corresponding toll road project

Intangible assets are reported at acquisition cost with deductions for accumulated amortisation and impairment losses, if any

Acquired intangible assets are reported separately from goodwill if they fulfill the criteria for qualifying as an asset, implying they can be separated or they are based on contractual or other legal rights and that their market value can be established in a reliable manner

An impairment test of such intangible assets is conducted annually or more often if there is an indication of a decrease in value. The impairment loss, if any, is reported in the Consolidated Statement of Profit and Loss

Intangible assets, other than those covered by SCAs, are amortised on a "straight line" basis over their estimated useful lives. The estimated useful life of software is four years. The amount paid for acquisition

# Notes

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of the rights under the "Operations and Maintenance" agreement is amortised over the minimum balance period (as at the time of acquisition) of the concession agreement relating to the corresponding toll road project (Refer Foot Note no. ii of Note 13 to the financial statements)

## L. Impairment of Assets

The carrying values of assets of the Group's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor

## M. Government Grants

- (a) Government grants are recognised only when it is reasonably certain that the related entity will comply with the attached conditions and the ultimate collection is not in doubt
- (b) Grants received as compensation for expenses or losses are taken to the Consolidated Statement of Profit and Loss is accounted in the period to which it relates. Grants in the nature of promoter's contribution are treated as Capital Reserve
- (c) Grants related to specific fixed assets are treated as deferred income, which is recognised in the Consolidated Statement of Profit and Loss in proportion to the depreciation charge over the useful life of the asset

## N. Investments

- (a) Investments are capitalised at actual cost including costs incidental to acquisition, net of dividend received (net of tax) attributable to the period prior to acquisition of investment
- (b) Investments are classified as long term or current at the time of making such investments
- (c) Long term investments are individually valued at cost, less provision for diminution, which is other than temporary
- (d) Current investments are valued at the lower of cost and market value
- (e) Cost of investment property acquired in exchange for an asset is determined by reference to the fair value of the asset given up

## O. Inventories

- (a) Inventories are valued at the lower of cost and net realisable value. Net realisable value is estimated at the expected selling price less estimated selling costs
- (b) Costs for trading goods are determined using the annual weighted average principle and includes purchase price and non-refundable taxes
- (c) Cost of raw material includes purchase price and non-refundable taxes
- (d) Cost of manufactured goods include direct and indirect cost
- (e) Inventories of electronic cards (prepaid cards) and on-board units are valued at the lower of cost and net realisable value. Cost is determined on first-in-first-out basis

## P. Recognition of Revenue other than from Service Concession Arrangements

- (a) Revenue is recognised when it is realised or realisable and earned. Revenue is considered as realised or realisable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed or determinable and collectability is reasonably assured
- (b) Revenue in respect of arrangements made for rendering services is recognised over the contractual term of the arrangement. In respect of arrangements which provide for an upfront payment followed by additional payments as certain conditions are met (milestone payments), the amount of revenue recognised is based on the services delivered in the period as stated in the contract. In respect of arrangements where fees for services rendered are success based (contingent fees), revenue is recognised only when the factor(s) on which the contingent fees is based actually occur. In respect of the Group's trading activities, revenue is recognised on dispatch of goods, which coincides with the significant transfer of risks and rewards
- (c) Revenue realised from grant of advertisement rights is recognised as follows:
  - (i) Development fees are recognised as income during the half year in which the advertisement rights are granted
  - (ii) License fees are recognised as income on a "Straight-Line" basis over the duration of the license

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- (d) Revenue from development projects under fixed - price contracts, where there is no uncertainty as to measurement or collectability of consideration is recognised based on the milestones reached under the contracts. Pending completion of any milestone, revenue recognition is restricted to the relevant cost which is carried forward as part of Unbilled Revenue
- (e) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable provided it is not unreasonable to expect ultimate collection

## Q. Foreign Currency Transactions

- (a) Transactions in foreign currencies are translated to the reporting currency based on the exchange rate on the date of the transaction. Exchange difference arising on settlement thereof during the year is recognised as income or expenses in the Consolidated Statement of Profit and Loss
- (b) Cash and bank balances, receivables, (other than those that are in substance the Group's net investment in a non integral foreign operation), and liabilities (monetary items) denominated in foreign currency outstanding as at the period-end are valued at closing date rates, and unrealised translation differences are included in the Consolidated Statement of Profit and Loss
- (c) Non monetary items (such as equity investments) denominated in foreign currencies are reported using exchange rate as at the date of the transaction. Where such items are carried at fair value, these are reported using exchange rates that existed on dates when the fair values were determined
- (d) Inter-company receivables or payables for which settlement is neither planned nor likely to occur in the foreseeable future and are in substance an extension to or a deduction from the Group's net investments in a foreign entity are translated at closing rates but the exchange differences arising are accumulated in a foreign currency translation reserve until disposal of the net investment, at which time they are recognised as income or expense in the Consolidated Statement of Profit and Loss. Any repayment of receivables or payables forming part of net investment in foreign operations is not considered as partial disposal of investments in foreign operations and amounts previously recognised in the foreign currency translation reserve are not adjusted until the disposal of the ownership interest occurs
- (e) The Group's forward exchange contracts are not held for trading or speculation. The premium or discount arising on entering into such contracts is

amortised over the life of the contracts and exchange difference arising on such contracts is recognised in the Consolidated Statement of Profit and Loss

## R. Employee Benefits

### a. Short Term

Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Group

### b. Long Term

The Group has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the Group and in the case of some defined contribution plans by the Group along with its employees

#### (i) Defined-contribution plans

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the employees' provident fund, family pension fund and superannuation fund. The Group's payments to the defined contribution plans are reported as expenses in the period in which the employees perform the services that the payment covers

#### (ii) Defined-benefit plans

Expenses for defined-benefit gratuity plans are calculated as at the balance sheet date by independent actuaries in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees

The actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss

### c. Other Employee Benefits

Compensated absences which accrue to employees and which can be carried to future periods but are

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expected to be encashed or availed in twelve months immediately following the period end are reported as expenses during the period in which the employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on availment or encashment of such accrued benefit or where the availment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method

## S. Taxes on Income

- (a) Taxes include taxes on income, adjustment attributable to earlier periods and changes in deferred taxes. Taxes are determined in accordance with enacted tax regulations and tax rates in force and in the case of deferred taxes at rates that have been substantively enacted
- (b) Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences, which occur as a result of items being allowed for income tax purposes during a period different from when they are recognised in the financial statements
- (c) Deferred tax assets are recognised with regard to all deductible timing differences to the extent that it is probable that taxable profit will be available against which deductible timing differences can be utilised. When the Group's entities carry forward unused tax losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty backed by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised
- (d) The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or a part of the aggregate deferred tax asset to be utilised
- (e) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax in the future period. Accordingly, it is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associates with it will flow to the Company

## T. Provisions, Contingent Liabilities and Contingent Assets

- (a) A provision is recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made
- (b) Provision for final dividend payable (including dividend tax thereon) is made in the financial statements of the period to which the dividend relates when the same is proposed by the Board of Directors after the Balance Sheet date but before the approval of financial statements of the period to which the dividend relates. Provision for interim dividend payable (including dividend tax thereon) is made in the financial statements of the period in which the same is declared by the Board of Directors
- (c) Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date
- (d) These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates
- (e) Contingent liabilities are not recognised but are disclosed in the notes to the financial statement
- (f) A contingent asset is neither recognised nor disclosed

## U. Segment Reporting

- (a) Segment revenues, expenses, assets and liabilities have been identified to segments on the basis of their relationship to the operating activities of the Segment
- (b) Revenue, expenses, assets and liabilities, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated Revenue/Expenses/Assets/Liabilities"

## V. Borrowing Costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period

## W. Earnings Per Share

- (a) Basic earnings per share is calculated by dividing the net profit after tax for the period attributable to equity

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shareholders of the Group by the weighted average number of equity shares in issue during the period

- (b) Diluted earnings per share is calculated by dividing the net profit after tax for the period attributable to equity shareholders of the Group by the weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities

## X. Derivative Transactions

- (a) Premium paid on acquisition of option contracts is treated as a current asset until maturity. If the premium paid exceeds the premium prevailing as at the date of the balance sheet, the difference is charged to the Consolidated Statement of Profit and Loss. If the prevailing premium as at the balance sheet date exceeds the premium paid for acquiring option contracts, the difference is not recognised
- (b) Premium received on option contracts written is treated as a current liability until maturity. If the premium prevailing on the balance sheet date exceeds the premium received on such options, the difference is charged to the Consolidated Statement of Profit and Loss. If the prevailing premium as at the balance sheet date falls short of the premium received for writing option contracts, the difference is not recognised
- (c) Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholder's funds and the ineffective portion is recognised immediately in Consolidated Statement of profit and loss

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in Consolidated Statement of profit and loss

Premium paid on option contracts acquired is treated as an asset until maturity. Premium received on option contracts written is treated as liability until maturity. In case of Forward exchange contracts which are not intended for trading or speculation purposes, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Consolidated Statement of Profit and Loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal

of such a forward exchange contract is recognised as income or as expense for the period

## Y. Leases

- (a) Finance leases, which effectively transfer to the Group substantial risks and benefits incidental to ownership of the leased item, are capitalised and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income
- (b) Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight line basis over the lease term. Any compensation, according to agreement, that the lessee is obliged to pay to the lessor if the leasing contract is terminated prematurely is expensed during the period in which the contract is terminated

## Z. Cash and Cash Equivalents

Cash comprises of Cash on Hand, Cheques on Hand and demand deposits with Banks. Cash Equivalents are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value

## AA. Consolidated Cash Flow Statement

The Consolidated Cash Flow Statement is prepared in accordance with the "Indirect Method" as explained in the Accounting Standard (AS) 3 on "Cash Flow Statements"

# Notes

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## NOTE 2: SHARE CAPITAL

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	₹ in million	Number of Shares	₹ in million
<b>Authorised</b>				
Equity Shares of ₹ 10/- each	250,000,000	2,500.00	250,000,000	2,500.00
<b>Issued</b>				
Equity Shares of ₹ 10/- each	194,267,732	1,942.68	194,267,732	1,942.68
<b>Subscribed and Paid up</b>				
Equity Shares of ₹ 10/- each fully paid (refer foot note no. i, ii, iii, and iv)	194,267,732	1,942.68	194,267,732	1,942.68
<b>Total</b>	<b>194,267,732</b>	<b>1,942.68</b>	<b>194,267,732</b>	<b>1,942.68</b>

### Foot Notes:

- Of the above 135,000,000 (As at March 31, 2012 : 135,000,000) shares are held by the holding Company viz. Infrastructure Leasing & Financial Services Limited ("IL&FS") and 2,440,534 (As at March 31, 2012 : 2,440,534) shares are held by a fellow subsidiary viz. IL&FS Financial Services Limited.
- Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year :

Particulars	As at March 31, 2013		As at March 31, 2012	
	Equity Shares		Equity Shares	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Shares outstanding at the beginning of the year	194,267,732	1,942.68	194,267,732	1,942.68
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	194,267,732	1,942.68	194,267,732	1,942.68

- Shareholding more than 5% of issued, subscribed and paid up equity share capital

Shareholder	As at March 31, 2013		As at March 31, 2012	
	Number of Shares held	% of total holding	Number of Shares held	% of total holding
IL&FS	135,000,000	69.49%	135,000,000	69.49%

- The Company has one class of equity shares with face value of ₹ 10 each fully paid-up. Each shareholder has a voting right in proportion to his holding in the paid-up equity share capital of the Company. Where final dividend is proposed by the Board of Directors, it is subject to the approval of the shareholders in the Annual General Meeting.



# Notes

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## NOTE 3: RESERVES AND SURPLUS

₹ in million				
Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Securities Premium Account				
Opening balance	10,320.57		10,320.57	
(+/-) Addition / (Deletion) during the year	-	10,320.57	-	10,320.57
(b) General Reserve				
Opening balance	967.80		715.51	
(+) Transfer from balance in Statement of Profit and Loss	271.16	1,238.96	252.29	967.80
(c) Debenture Redemption Reserve				
Opening balance	259.91		21.96	
(+) Transfer from balance in Statement of Profit and Loss	677.73	937.64	237.95	259.91
(d) Capital Reserve				
Opening balance	2,967.46		1,881.55	
(+) Capital Grants received during the year	4,557.07	7,524.53	1,085.91	2,967.46
(e) Other Reserves (refer foot note no.i)				
Foreign currency translation reserve	116.41		102.35	
Cash flow hedge reserve	(664.15)	(547.74)	(523.42)	(421.07)
(f) Capital Reserve on Consolidation (net)				
Opening balance	1,270.55		1,215.19	
(+) On account of acquisition (net)	58.19		55.36	
(-) Written back in current year	-	1,328.74	-	1,270.55
(g) Surplus in Consolidated Statement of Profit and Loss				
Opening balance	10,330.00		6,806.49	
(+) Profit for the current year	5,202.11		4,969.58	
(+/-) Consolidation adjustment	15.08		(2.62)	
(-) Transfer to general reserve	(271.16)		(252.29)	
(-) Transfer to debenture redemption reserve	(677.73)		(237.95)	
(-) Dividends (including dividend tax)	(926.79)		(934.39)	
(-) Premium on preference shares of subsidiary	(16.14)		(16.19)	
(-) Dividend Tax on premium on preference shares of a subsidiary	(2.62)	13,652.75	(2.63)	10,330.00
<b>Total</b>		<b>34,455.45</b>		<b>25,695.22</b>

### Foot Note

#### i (a) Foreign currency translation reserve

₹ in million		
Particulars	March 31, 2013	March 31, 2012
Balance at the beginning of the year [net of deferred tax asset (net) of ₹ 15.08 million, (previous year ₹ 29.20 million)]	102.35	(221.15)
Movement for the year (net) [net of deferred tax asset of ₹ 3.89 million (Previous Year ₹ 14.12 million)]	14.06	323.50
Balance at the end of the year	<b>116.41</b>	<b>102.35</b>

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## i (b) Cash flow hedge reserve

The movement in hedging reserve held by a subsidiary during the year ended March 31, 2013 for derivatives designated as Cash flow hedges is as follow:

₹ in million		
Particulars	March 31, 2013	March 31, 2012
Balance at the beginning of the year	(523.42)	(290.59)
Movement for the year (net)	(140.73)	(232.83)
Balance at the end of the year	(664.15)	(523.42)

## NOTE 4: PREFERENCE SHARES ISSUED BY SUBSIDIARY TO MINORITY SHAREHOLDERS (INCLUDED UNDER MINORITY INTEREST) :

One Subsidiary company viz. GRICL, had originally issued Cumulative Redeemable Convertible Preference Shares (CRCPS) carrying 1% dividend, which were to be redeemed at the end of the 13th year from the date of allotment at a premium of 60% on the par value. These shares also carried an option to convert the cumulative amount (including the redemption premium of 60%) into Deep Discount Bonds (DDBs) at the end of the 13th year at a value calculated based on the issue price of ₹ 17.38 each at the time of conversion and having a maturity value of ₹ 153.98 each redeemable over a period of 3 years commencing from the 5th year from the date of conversion into the DDBs. However, consequent to the restructuring of the Company's corporate debt, the subscribers to the CRCPS agreed to a revision in the terms thereof to the effect that the dividend becomes non-cumulative and the CRCPS will become Non-Cumulative Redeemable Convertible Preference Shares (NRCPS) with effect from April 1, 2004. As a result, the base price and the redemption price of each DDB stood modified; these prices will be determined at the end of the 13th Year

As a part of the restructuring package approved by the Corporate Debt Restructuring Cell, the subsidiary is not permitted to declare any dividend on equity or preference shares without making good the sacrifices of the lenders

These preference shares issued amounting to ₹ 350.00 million (as at March 31, 2012 : ₹ 350.00 million) have been included as a part of Minority Interest

## NOTE 5: ADVANCE TOWARDS CAPITAL TO SUBSIDIARY BY MINORITY SHAREHOLDERS (INCLUDED UNDER MINORITY INTEREST) :

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
Gujarat Road and Infrastructure Company Limited #	450.00	450.00
<b>Total</b>	<b>450.00</b>	<b>450.00</b>

# As required under the restructuring package of a subsidiary viz. GRICL approved by the Corporate Debt Restructuring Cell on June 17, 2004, the promoters of GRICL had advanced an aggregate sum of ₹ 450.00 million as advance towards share capital. The subsidiary intends to convert these advances into subordinated debt. Pending completion of the approval process, the Group has classified the amount as an Advance towards Capital

The aggregate amount of ₹ 450.00 million (as at March 31, 2012 : ₹ 450.00 million) as detailed above has been included as a part of Minority Interest

# Notes

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## NOTE 6: LONG-TERM BORROWINGS

₹ in million				
Particulars	As at March 31, 2013		As at March 31, 2012	
<b>(a) Bonds / Debentures</b>				
<b>(i) Secured</b>				
Non convertible debentures	2,345.01		2,916.00	
Non convertible debentures - Related party	141.09		-	
Optionally Convertible debentures - Related party	200.00		200.00	
Deep discount bonds	222.74	2,908.83	360.22	3,476.22
<b>(ii) Unsecured</b>				
Bonds	5,467.92		-	
Non convertible debentures	10,000.00		-	
Non convertible debentures - Related party	216.00	15,683.92	252.00	252.00
<b>(b) Term Loans</b>				
<b>(i) Secured</b>				
From banks	87,100.67		52,206.03	
From financial institutions	2,380.55		887.50	
From others	-		254.71	
From others - Related party	21.06	89,502.28	-	53,348.24
<b>(ii) Unsecured</b>				
From banks	6,263.57		5,646.10	
From financial institutions	-		-	
From others	7,127.47		6,905.00	
From others - Related party	217.50	13,608.54	-	12,551.10
<b>(c) Finance lease obligations</b>				
Secured	145.85	145.85	110.06	110.06
<b>Total</b>		<b>121,849.42</b>		<b>69,737.62</b>

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## NOTE 6A : CURRENT MATURITIES OF LONG-TERM DEBT

		₹ in million	
Particulars	As at March 31, 2013		As at March 31, 2012
<b>(a) Bonds / Debentures</b>			
(i) Secured			
Non convertible debentures	699.91	699.91	712.76
(ii) Unsecured			
Non convertible debentures - Related party	36.00	36.00	36.00
<b>(b) Term Loans</b>			
(i) Secured			
From banks	2,151.63		1,036.84
From financial institutions	167.73		163.94
From others - Related party	94.85		4.20
From others	-	2,414.21	71.80
(ii) Unsecured			
From banks	9,850.00		8,500.00
From financial institutions	-		-
From others	156.88	10,006.88	-
<b>(c) Finance lease obligations</b>			
From other parties	63.08	63.08	65.22
<b>Total</b>		<b>13,220.08</b>	<b>10,590.75</b>

## NOTE 7: SHORT-TERM BORROWINGS

		₹ in million	
Particulars	As at March 31, 2013		As at March 31, 2012
<b>(a) Loans repayable on demand</b>			
(i) Secured			
From banks	65.75		685.15
From others	-	65.75	8.03
(ii) Unsecured			
From banks		36.00	210.73
<b>(b) Short term loans</b>			
Secured from banks	145.69		7,161.91
Unsecured from banks	6,244.50		12,650.00
Unsecured from others	142.60	6,532.79	1,215.00
<b>(c) Commercial paper</b>			
Unsecured	2,000.00		-
Less : Unexpired discount	(112.55)	1,887.45	-
<b>Total</b>		<b>8,521.99</b>	<b>21,930.82</b>

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## NOTE 8: DEFERRED TAX LIABILITIES (NET) AND DEFERRED TAX ASSETS

The Group entities have net deferred tax liabilities aggregating ₹ 2,425.06 million (as at March 31, 2012 ₹ 2,046.51 million) and deferred tax assets aggregating ₹ 110.60 million (as at March 31, 2012 ₹ 5.23 million).

### a) The components of deferred tax liabilities (net) are furnished below:

₹ in million			
Particulars	As at March 31, 2012	Movement	As at March 31, 2013
<b>Liabilities:</b>			
Timing differences in respect of income	1,750.82	(9.06)	1,741.76
Timing differences in respect of depreciation	1,076.53	320.72	1,397.25
<b>Assets:</b>			
Timing differences in respect of depreciation	(0.06)	(0.01)	(0.07)
Timing differences in respect of employee benefits	(8.22)	(1.74)	(9.96)
Timing differences in respect of unabsorbed depreciation	(665.38)	89.55	(575.83)
Timing differences in respect of provision for doubtful debts	(0.98)	0.98	-
Timing differences in respect of provision for overlay	(106.20)	(21.89)	(128.09)
<b>Deferred tax liabilities (net)</b>	<b>2,046.51</b>	<b>378.55</b>	<b>2,425.06</b>

### b) The components of deferred tax assets is furnished below:

₹ in million			
Particulars	As at March 31, 2012	Movement	As at March 31, 2013
<b>Assets:</b>			
Timing differences in respect of income	0.01	106.72	106.73
Timing differences in respect of depreciation	2.50	(1.84)	0.66
Timing differences in respect of employee benefits	2.72	0.49	3.21
<b>Deferred tax assets</b>	<b>5.23</b>	<b>105.38</b>	<b>110.60</b>

### Foot Note

- The Group has not recognised any deferred tax asset against provision for diminution in investments in the absence of virtual certainty of future taxable capital gains against which diminution could be offset
- The net amount debited to the consolidated statement of profit & loss is ₹ 274.41 million (as at March 31, 2012 ₹ 626.27 million) and ₹ 5.13 million (as at March 31, 2012 ₹ 107.23 million) is account on foreign exchange fluctuation
- Deferred tax credit (net) during the year includes deferred tax credit of ₹ 3.89 million (as at March 31, 2012 ₹ 14.12 million) on account of deferred tax asset created during the year which has been directly adjusted against Foreign Currency translation reserve recognised in respect of the foreign exchange translation differences on the Company's receivables which were regarded as an extension to the Company's net investments in a foreign entity and have not been included above

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## NOTE 9: OTHER LONG TERM LIABILITIES

₹ in million				
Particulars	As at March 31, 2013		As at March 31, 2012	
<b>(a) Trade Payables</b>				
From others	1,179.98	1,179.98	796.00	796.00
<b>(b) Others</b>				
Redemption premium accrued but not due on borrowings	1,537.91		1,213.33	
Other Liabilities	232.97	1,770.88	281.68	1,495.01
<b>Total</b>		<b>2,950.86</b>		<b>2,291.01</b>

## NOTE 10: OTHER CURRENT LIABILITIES

₹ in million				
Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Interest accrued but not due on borrowings	259.87		42.74	
(b) Interest accrued and due on borrowings	0.79		-	
(c) Income received in advance	33.36		29.14	
(d) Advance received	675.28		470.07	
(e) Unearned revenue	0.91		9.77	
(f) Payable towards capital assets	1,285.44		308.54	
(g) Statutory dues payable	587.16		420.75	
(h) Other liabilities	436.72	3,279.53	579.03	1,860.04
<b>Total</b>		<b>3,279.53</b>		<b>1,860.04</b>

## NOTE 11: LONG-TERM PROVISIONS

₹ in million				
Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Provision for dividend on preference shares of subsidiary	5.15		5.15	
(b) Provision for dividend tax on preference dividend of subsidiary	0.88		0.88	
(c) Provision for premium on preference shares of subsidiary	169.12		152.99	
(d) Provision for dividend tax on premium on preference shares of subsidiary	27.96		25.35	
(e) Provision for employee benefits (net)	34.85		21.28	
(f) Provision for overlay (Refer foot note (i) of note no. 12)	388.67		537.77	
(g) Provision for contingency (Refer foot note no. i)	7.49	634.12	7.49	750.91
<b>Total</b>		<b>634.12</b>		<b>750.91</b>

### Foot Note

- (i) The provision for contingency includes ₹ 7.49 million provided in accordance with the terms of scheme of amalgamation of jointly controlled entity for prepayment of loans.



# Notes

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₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>Opening balance</b>	7.49	7.49
Add : Provision made during the year	-	-
Less : Provision utilised / reversed during the year	-	-
<b>Closing balance</b>	7.49	7.49

## NOTE 12: SHORT-TERM PROVISIONS

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
(a) Provision for employee benefits (net)	406.44	252.26
(b) Provision for tax (net of advance)	258.61	68.74
(c) Proposed dividend on equity shares	777.07	800.67
(d) Provision for tax on proposed dividend on equity shares	149.72	129.89
(e) Provision for overlay (refer foot note no. i)	387.62	143.63
<b>Total</b>	<b>1,979.46</b>	<b>1,395.19</b>

### Foot Note

- (i) Provision for overlay in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, technology, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Accordingly, financial and accounting measurements such as the revenue recognized on financial assets, allocation of annuity into recovery of financial asset, carrying values of financial assets and depreciation of intangible assets and provisions for overlay in respect of service concession agreements are based on such assumptions

Movements in provision made for overlay are tabulated below:

₹ in million				
Particulars	As at March 31, 2013		As at March 31, 2012	
	Long-term	Short-term	Long-term	Short-term
<b>Opening balance</b>	537.77	143.63	507.59	40.92
Adjustment for foreign exchange fluctuation during the year	2.35	-	4.82	-
Adjustment for reclassification during the year	(268.02)	268.02	12.63	-
Utilised for the year	-	(69.05)	-	(15.04)
Provision made during the year	116.57	45.02	12.73	117.75
<b>Closing balance</b>	<b>388.67</b>	<b>387.62</b>	<b>537.77</b>	<b>143.63</b>

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## NOTE 13: FIXED ASSETS

Particulars	Gross Block (at cost)					Depreciation and Amortisation				Net Block	
	Balance as at April 1, 2012	Adjustments / Reclassifications (Refer footnote iii)	Additions	Deletions	Balance as at March 31, 2013	Balance as at April 1, 2012	Adjustments / Reclassifications (Refer footnote iii)	Charge for the year (refer footnote i)	Deletions	Balance as at March 31, 2013	Balance as at March 31, 2013
<b>a) Tangible assets</b>											
Land	24.07	(4.33)	0.89	-	20.63	-	-	-	-	-	20.63
Building and structures	173.94	10.93	118.66	-	303.53	26.47	4.03	12.73	-	43.23	260.30
Vehicles	1,076.99	80.72	107.41	13.58	1,251.54	848.49	61.61	102.43	11.12	1,001.41	250.13
Data processing equipments	139.72	(11.89)	14.59	0.35	142.07	103.90	(7.20)	15.02	0.22	111.50	30.57
Office premises	11.52	-	35.23	-	46.75	2.10	-	0.48	-	2.58	44.17
Office equipments	81.64	(1.20)	8.55	1.23	87.76	46.25	(1.58)	10.25	1.11	53.81	33.95
Leasehold improvements	12.45	-	6.84	-	19.29	8.17	-	4.94	-	13.11	6.18
Furniture and fixtures	277.78	10.64	14.68	0.43	302.67	157.30	5.24	40.54	0.30	202.78	99.89
Electrical installations	98.59	22.48	3.61	7.11	117.57	96.65	10.80	12.15	3.10	116.50	1.07
Plant and machinery	1,924.31	272.37	99.38	17.08	2,278.98	1,653.02	186.64	103.99	12.80	1,930.85	348.13
Advertisement structure	24.80	(7.95)	-	-	16.85	19.08	(4.18)	1.52	-	16.42	0.43
<b>Assets taken on lease :</b>											
Plant and machinery	302.82	(221.85)	71.75	-	152.72	178.82	(135.95)	26.14	-	69.01	83.71
Vehicles	125.83	(72.41)	4.07	-	57.49	64.53	(42.92)	8.97	-	30.58	26.91
Building and structures	169.96	2.79	14.22	0.02	186.95	16.90	0.44	3.44	0.02	20.76	166.19
Land	28.89	0.62	13.72	-	43.23	-	-	-	-	-	43.23
<b>Total</b>	<b>4,473.31</b>	<b>80.92</b>	<b>513.60</b>	<b>39.80</b>	<b>5,028.03</b>	<b>3,221.68</b>	<b>76.93</b>	<b>342.60</b>	<b>28.67</b>	<b>3,612.54</b>	<b>1,415.49</b>
<b>b) Intangible assets</b>											
Software / Licences acquired	201.50	2.80	18.93	-	223.23	151.22	2.68	19.64	-	173.54	49.69
Commercial rights acquired	206.54	-	-	-	206.54	53.39	-	27.01	-	80.40	126.14
Rights under service concession arrangements (refer footnote no. ii)	28,581.61	550.61	153.52	20.36	29,265.38	1,247.34	18.25	543.46	0.14	1,808.91	27,456.47
Trademarks and licences	1.92	0.01	-	-	1.93	1.91	0.02	-	-	1.93	-
Others	182.41	15.57	8.49	-	206.47	107.28	2.28	12.28	-	121.84	84.63
<b>Total</b>	<b>29,173.98</b>	<b>568.99</b>	<b>180.94</b>	<b>20.36</b>	<b>29,903.55</b>	<b>1,561.14</b>	<b>23.23</b>	<b>602.39</b>	<b>0.14</b>	<b>2,186.62</b>	<b>27,716.93</b>
<b>Grand total</b>	<b>33,647.29</b>	<b>649.91</b>	<b>694.54</b>	<b>60.16</b>	<b>34,931.58</b>	<b>4,782.82</b>	<b>100.16</b>	<b>944.99</b>	<b>28.81</b>	<b>5,799.16</b>	<b>29,132.42</b>
c) Capital work-in-progress (refer footnote no. iv)	195.20	(100.90)	397.44	15.75	475.99	-	-	-	-	-	475.99
d) Intangible assets under development (refer footnote no. ii)	34,812.66	62.45	32,094.70	-	66,969.81	-	-	-	-	-	66,969.81
<b>Grand Total</b>	<b>68,655.15</b>	<b>611.46</b>	<b>33,186.68</b>	<b>75.91</b>	<b>102,377.38</b>	<b>4,782.82</b>	<b>100.16</b>	<b>944.99</b>	<b>28.81</b>	<b>5,799.16</b>	<b>96,578.22</b>

**Movement in fixed assets during previous year :**

₹ in million										
Particulars	Gross Block (at cost)				Depreciation and Amortisation					Net Block
	Balance as at April 1, 2011	Adjustments / Reclassifications (Refer footnote iii)	Additions	Deletions	Balance as at March 31, 2012	Balance as at April 1, 2011	Adjustments / Reclassifications (Refer footnote iii)	Charge for the year (refer footnote i)	Deletions	Balance as at March 31, 2012
										Balance as at March 31, 2012
<b>a) Tangible assets</b>										
Land	26.03	(1.96)	-	-	24.07	-	-	-	-	-
Building and structures	53.36	120.58	-	-	173.94	2.79	20.22	3.46	-	26.47
Vehicles	1,027.97	16.27	51.32	18.57	1,076.99	782.02	(28.10)	109.45	14.88	848.49
Data processing equipments	106.66	18.29	16.02	1.25	139.72	78.84	13.15	13.15	1.24	103.90
Office premises	11.53	-	-	0.01	11.52	1.92	-	0.19	0.01	2.10
Office equipments	60.17	12.00	11.04	1.57	81.64	30.89	6.43	10.13	1.20	46.25
Leasehold improvements	12.45	-	-	-	12.45	3.65	-	4.52	-	8.17
Furniture and fixtures	133.04	141.51	3.38	0.15	277.78	116.64	24.20	16.82	0.36	157.30
Electrical installations	15.31	83.41	0.02	0.15	98.59	14.39	80.57	3.25	1.56	96.65
Plant and machinery	1,056.43	790.47	110.12	32.71	1,924.31	997.11	584.48	96.54	25.11	1,653.02
Advertisement structure	11.67	13.13	-	-	24.80	9.23	7.12	2.73	-	19.08
Assets taken on lease :										
Plant and machinery	1,028.94	(736.34)	10.22	-	302.82	611.67	(474.94)	42.09	-	178.82
Vehicles	83.56	30.77	15.00	3.50	125.83	54.67	(5.91)	18.79	3.02	64.53
Furniture and fixtures	10.38	(10.38)	-	-	-	4.71	(4.71)	-	-	-
Building and structures	158.15	11.81	-	-	169.96	9.71	3.99	3.20	-	16.90
Land	26.73	2.16	-	-	28.89	-	-	-	-	-
<b>Total</b>	<b>3,822.38</b>	<b>491.72</b>	<b>217.12</b>	<b>57.91</b>	<b>4,473.31</b>	<b>2,718.24</b>	<b>226.50</b>	<b>324.32</b>	<b>47.38</b>	<b>3,221.68</b>
<b>b) Intangible assets</b>										
Software / Licences acquired	181.00	15.18	5.32	-	201.50	124.33	11.66	15.23	-	151.22
Commercial rights acquired	207.76	-	-	1.22	206.54	26.70	(0.02)	26.96	0.25	53.39
Rights under service concession arrangements (refer footnote no. ii)	13,280.37	14,477.91	891.45	68.12	28,581.61	681.63	173.29	392.42	-	1,247.34
Trademarks and licences	1.79	0.14	-	0.01	1.92	1.78	0.13	-	-	1.91
Others	172.38	10.03	0.02	0.02	182.41	93.76	5.34	8.18	-	107.28
<b>Total</b>	<b>13,843.30</b>	<b>14,503.26</b>	<b>896.79</b>	<b>69.37</b>	<b>29,173.98</b>	<b>928.20</b>	<b>190.40</b>	<b>442.79</b>	<b>0.25</b>	<b>1,561.14</b>
<b>Grand total</b>	<b>17,665.68</b>	<b>14,994.98</b>	<b>1,113.91</b>	<b>127.28</b>	<b>33,647.29</b>	<b>3,646.44</b>	<b>416.90</b>	<b>767.11</b>	<b>47.63</b>	<b>4,782.82</b>
c) Capital work-in-progress	10.32	-	184.88	-	195.20	-	-	-	-	-
d) Intangible assets under development (refer footnote no. ii)	15,755.81	-	19,056.85	-	34,812.66	-	-	-	-	-
<b>Grand Total</b>	<b>33,431.81</b>	<b>14,994.98</b>	<b>20,355.64</b>	<b>127.28</b>	<b>68,655.15</b>	<b>3,646.44</b>	<b>416.90</b>	<b>767.11</b>	<b>47.63</b>	<b>4,782.82</b>
										<b>63,872.33</b>

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## Foot Note

- i. Depreciation on assets used during the construction period ₹ 0.93 million (previous year ₹ 1.59 million) has been included in "Capital Work in Progress". Therefore, the charge to the statement of profit and loss is lower by this amount
- ii. Estimates under Service Concession Arrangement - Right under Service Concession Arrangements / Intangible assets under Developments

Under the Service Concession Arrangements, where the Group has received the right to charge users of the public services, such rights are recognized and classified as "Intangible Assets". Such a right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognized and classified as intangible assets. Such an intangible asset is recognised by the Group at cost (which is the fair value of consideration received or receivable for the construction services delivered). Accordingly, the fair value of consideration for construction services in respect of intangible assets covered under service concession arrangements of the Group, the useful lives of such intangible assets, the annual amortisation in respect thereof, and the provisions for overlay costs have been estimated by the Management having regard to the contractual provisions, the evaluations of the units of usage and other technical evaluations by independent experts, the key elements having been tabulated below:

Particulars	₹ in million	
	Upto / As at March 31, 2013	Upto / As at March 31, 2012
Margin on construction services recognised in respect of intangible assets (₹ in million)	8,654.42	5,009.64
Carrying amounts of intangible assets (₹ in million)	27,456.47	27,334.27
Units of usage (No. of vehicles)	32,671,845 to 1,554,733,739	50,867,738 to 1,554,733,739
Provision for overlay in respect of intangible assets (₹ in million)	776.29	681.40
Carrying amounts of intangible assets under development (₹ in million)	66,969.81	34,812.66
For year ended		
	March 31, 2013	March 31, 2012
Amortisation charge in respect of intangible assets (₹ in million)	543.46	392.42

- iii Adjustments includes additions to Gross Block and Accumulated Depreciation towards foreign exchange fluctuation / acquisition of new subsidiaries / jointly controlled entities during the year and deductions to Gross Block and Accumulated Depreciation towards foreign exchange fluctuation / sale / cessation of subsidiaries / jointly controlled entities and regrouping of previous year figures.
- iv Capital Work-In-progress of ₹ 25.67 million (As at March 31, 2012 ₹ Nil) is advance payment towards Intangible Assets.

# Notes

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## NOTE 14: NON-CURRENT INVESTMENTS

₹ in million			
Particulars	As at March 31, 2013		As at March 31, 2012
(a) Investments in Unquoted Equity Instruments - Associates			
Investments in associates	1,275.27		1,268.36
Add /(Less): Unrealised gain on transactions between the Company and its associates	(47.51)		(11.94)
Add: Post-acquisition share of profit / (loss) of associates (net)	228.00		175.24
Add: Post-acquisition share of movement in the other reserves of an associate (net)	199.16		9.84
Less: Cash flow hedge reserve	(503.58)	1,151.34	(392.75)
			1,048.75
(b) Investments in Unquoted Equity Instruments (refer note 32)		189.13	187.96
(c) Investments in Covered Warrants (refer foot note no. i)		1,693.00	1,693.00
(d) Investment Property		1,153.02	-
(e) Investments in Other Instruments		2,520.02	1,106.40
Less: Provision for diminution in the value of Investments		(179.00)	(204.20)
<b>Total</b>		<b>6,527.51</b>	<b>3,831.91</b>

### Foot Note

- (i) The Company's "Investment in Covered Warrants" aggregating to ₹ 1,693.00 million (As at March 31, 2012 ₹ 1,693.00 million) issued by Infrastructure Leasing & Financial Services Limited ("IL&FS") the holding company, are variable interest debt instruments under which the holder is entitled to a proportionate share of the dividend, if any, declared by Road Infrastructure Development Company of Rajasthan Limited ("RIDCOR"), Jharkhand Accelerated Road Development Company Limited ("JARDCL"), Chhatisgarh Highways Development Company Limited ("CHDCL") and Jharkhand Road Projects Implementation Company Limited ("JRPICL") on the equity shares held by IL&FS as well as the interest granted by RIDCOR on the Fully Convertible Debentures ("FCDs") held by IL&FS. However, the Company is not entitled to rights and privileges, which IL&FS enjoys as a shareholder / debentureholder. The instruments are unsecured

## NOTE 15: CURRENT INVESTMENTS

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
Investments in Units of Mutual Funds	343.74	122.22
<b>Total</b>	<b>343.74</b>	<b>122.22</b>

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## NOTE 16: LONG-TERM LOANS AND ADVANCES

		₹ in million	
Particulars	As at March 31, 2013	As at March 31, 2012	
<b>(a) Capital Advances (refer foot note no. i)</b>			
Unsecured, considered good	1,279.10	1,279.10	142.28 142.28
<b>(b) Security Deposits</b>			
Secured, considered good	-		1.83
Unsecured, considered good	631.73	631.73	81.09 82.92
<b>(c) Loans and advances to related parties</b>			
Unsecured, considered good			
- Option premium (net of provision)	36.67		36.67
- Long term loans	944.90	981.57	1,237.29 1,273.96
<b>(d) Other loans and advances</b>			
Unsecured, considered good			
- Pre-construction and mobilisation advance paid	2,762.93		4,479.27
- Other advance recoverable	395.08		285.29
- MAT credit entitlement	360.64		206.09
- Advance payment of taxes (net of provision)	712.72		1,096.62
- Loans to others	792.80	5,024.17	1,680.60 7,747.87
<b>Total</b>	<b>7,916.57</b>		<b>9,247.03</b>

### Foot Note

- (i) During the year ended March 31, 2013, the Company has paid ₹ 1,000 million to acquire right to invest in equity of a special purpose vehicle ("SPV") to be formed for construction, operation and maintenance of Z-morh Tunnel including approaches on National Highway no. 1 (Srinagar Sonamarg Gumri Road) in the state of Jammu and Kashmir. Since the SPV has not been formed as at March 31, 2013 the amount paid has been shown as capital advance. On the formation of the SPV and the allotment of shares to the Company, the amount will be transferred to intangible assets and amortised over the concession period of the SPV

## NOTE 17: SHORT-TERM LOANS AND ADVANCES

		₹ in million	
Particulars	As at March 31, 2013	As at March 31, 2012	
<b>(a) Loans and advances to related parties</b>			
Unsecured, considered good			
- Advance recoverable	31.75		15.91
- Inter-corporate deposits	-		673.30
- Short term loans	419.00	450.75	1,073.00 1,762.21
<b>(b) Other loans and advances</b>			
Unsecured, considered good			
- Mobilisation & other advance	2,053.93		3,232.70
- Advance recoverable	685.76		582.71
- Advance towards share application money	200.00		269.80
- Short term loans - others	2,820.06		2,005.81
- Current maturities of Long term loans and advances	42.50	5,802.25	42.50 6,133.52
<b>Total</b>	<b>6,253.00</b>		<b>7,895.73</b>



# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## NOTE 18: OTHER NON-CURRENT ASSETS

₹ in million			
Particulars	As at March 31, 2013		As at March 31, 2012
(a) Long term Trade Receivables (unsecured, considered good)	872.56		278.29
(b) Receivables against Service Concession Arrangement (refer foot note (i) of note no. 19)	63,592.26		45,980.02
(c) Toll Receivable account	1,865.05		1,898.70
(d) Balances with Banks in deposit accounts (Restricted)	777.50		-
(e) Unamortised borrowing costs	569.46		-
(f) Interest accrued but not due	147.66	67,824.49	533.67
<b>Total</b>		<b>67,824.49</b>	<b>48,690.68</b>

## NOTE 19: OTHER CURRENT ASSETS

₹ in million			
Particulars	As at March 31, 2013		As at March 31, 2012
(a) Unbilled revenue	5.71		-
(b) Interest accrued	433.80		243.44
(c) Receivables against Service Concession Arrangement (refer foot note no. i)	1,964.24		809.78
(d) Unamortised borrowing costs	31.90		-
(e) Receivable due to fair valuation of derivative contract	0.78		-
(f) Grant receivable	441.16	2,877.59	627.69
<b>Total</b>		<b>2,877.59</b>	<b>1,680.91</b>

### Foot Note

#### (i) Estimates under Service Concession Arrangement - Financial assets

Under the Service Concession Arrangements, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as Financial Assets, even though payments are contingent on the Group ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as "Receivables against Service Concession Arrangement". Accordingly, the fair value of consideration for construction services and the effective interest rate in the case of financial assets of the Group covered under service concession arrangements included as a part of "Receivables against Service Concession Arrangement" have been estimated by the Management having regard to the contractual provisions, the evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof by independent experts, the key elements having been tabulated below:

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
Margin on construction and operation & maintenance and renewal services recognised in respect of Receivables against Service Concession Arrangement	5,494.74	4,104.42
Carrying amounts of Financial Assets included under Receivables against Service Concession Arrangement	65,556.50	46,789.80
Revenue recognised on Receivables against Service Concession Arrangement on the basis of effective interest method	14,405.59	9,362.88

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## NOTE 20: INVENTORIES (AT COST)

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
<b>Inventories (at cost)</b>		
(i) Raw materials	-	47.82
(ii) Finished goods	163.52	158.21
(iii) Stores and spares	5.35	4.07
<b>Total</b>	<b>168.87</b>	<b>210.10</b>

## NOTE 21: TRADE RECEIVABLES

₹ in million				
Particulars	As at March 31, 2013		As at March 31, 2012	
<b>(a) Trade receivables outstanding for a period less than six months from the date they are due for payment</b>				
Unsecured, considered good	5,121.81	5,121.81	5,927.48	5,927.48
<b>(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>				
Unsecured, considered good	2,395.15		2,892.65	
Other considered doubtful	3.53		3.00	
Less: Provision for doubtful debt	(3.53)	2,395.15	(3.00)	2,892.65
<b>Total</b>		<b>7,516.96</b>		<b>8,820.13</b>

## NOTE 22: CASH AND CASH EQUIVALENTS

₹ in million				
Particulars	As at March 31, 2013		As at March 31, 2012	
<b>(a) Cash and cash equivalents</b>				
Cash on hand	23.42		14.81	
Balances with Banks in current accounts	2,339.20		1,373.19	
Balances with Banks in deposit accounts	1,555.42	3,918.04	1,354.62	2,742.62
<b>(b) Other bank balances</b>				
Unpaid dividend accounts	0.51		0.35	
Balances held as margin money or as security against borrowings	633.87	634.38	94.90	95.25
<b>Total</b>		<b>4,552.42</b>		<b>2,837.87</b>

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## NOTE 23: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

### (A) Contingent liabilities

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
(i) Claims against the Group not acknowledged as debt	607.33	812.72
(ii) Other money for which the company is contingently liable		
- Income tax demands contested by the Group	459.66	429.84
- Other tax liability	87.67	-
- Royalty to Nagpur Municipal Corporation	10.74	10.74
(iii) In terms of the approved restructuring package, the lenders of a subsidiary have a right of recompense, in respect of the sacrifices undertaken by them on account of reduction in interest rates and waiver of compound interest and liquidated damages, in the event of projects' cash flows (after adjusting the operating costs) are in excess of the revised debt servicing requirements. (However, consortium of lenders have claimed ₹ 504.34 million (March 31, 2012 ₹ Nil))	Not Ascertainable	Not Ascertainable
(iv) In case of Income Tax disputes decided in favour of the Group at the First Appellate Authority for amounts disallowed amounting to ₹ 1,439.90 million (March 31, 2012 ₹ 1,639.24 million), the Income Tax department has gone for further appeal in all the cases. If decided against the Group, it will result in reduction of unabsorbed depreciation as per the Income -Tax law		
(v) In case of disputes decided against the Group for amounts disallowed amounting to ₹ Nil (March 31, 2012 ₹ 16.14 million), the Group has gone for further appeal in all the cases		

### (B) Capital commitments

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid aggregate ₹ 3,308.27 million) ( as at March 31, 2012 ₹ 5,842.65 million)	91,871.98	61,221.11
(ii) Investment Commitments [net of advances of ₹ 200.00 million, (As at March 31, 2012 : ₹ 269.80 million)]	200.00	200.00

### (C) Other commitments

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
(i) Negative grant to National Highways Authority of India ("NHAI") (upto 2019-20)	2,600.00	2,700.00

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## NOTE 24: REVENUE FROM OPERATIONS

		₹ in million	
Particulars	Year ended March 31, 2013	Year ended March 31, 2012	
(a) Income from services			
Advisory and project management fees	722.28	1,905.89	
Lenders' engineer and supervision fees	166.12	342.13	
Operation and maintenance income	10,219.90	7,655.82	
Licence fee	6.59	12.61	9,916.45
(b) Toll revenue	3,649.13	2,292.94	
(c) Finance income	5,042.71	3,108.60	
(d) Construction income	46,495.86	40,602.72	
(e) Sales (net of sales tax)	66.71	56.20	
(f) Operation and maintainace Grant from NHAI	79.08	79.30	
<b>Total</b>	<b>66,448.38</b>	<b>56,056.21</b>	

## NOTE 25: OTHER INCOME

		₹ in million	
Particulars	Year ended March 31, 2013	Year ended March 31, 2012	
(a) Interest Income			
Interest on loans granted	739.10	535.88	
Interest on debentures	164.05	86.59	
Interest on call money	28.57	33.94	
Interest on bank deposits	135.17	96.41	
Interest on short term deposit	13.35	36.27	
Interest on advance towards property	-	141.86	930.95
(b) Profit on sale of investment (net)	11.68	8.58	
(c) Profit on sale of fixed assets (net)	0.55	0.33	
(d) Dividend income	1.18	2.10	
(e) Other non-operating income			
Advertisement income	35.84	1.10	
Excess provisions written back	7.70	33.06	
Exchange rate fluctuation gain (net)	8.78	73.09	
Miscellaneous income	293.74	188.86	296.11
<b>Total</b>	<b>1,439.71</b>	<b>1,238.07</b>	

# Notes

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## NOTE 26: COST OF MATERIALS CONSUMED

₹ in million				
Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
(a) Material consumption	1,398.35		1,315.00	
(b) Purchase of traded products	66.21		31.80	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade.	92.81	1,557.37	(104.76)	1,242.04
<b>Total</b>		<b>1,557.37</b>		<b>1,242.04</b>

## NOTE 27: OPERATING EXPENSES

₹ in million				
Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
Construction contract costs	34,234.98		30,512.48	
Fees for technical services / design and drawings	460.54		554.89	
Diesel and fuel expenses	251.92		220.64	
Operation and maintenance expenses	4,131.64		1,703.91	
Provision for overlay expenses	161.59		130.48	
Periodic maintenance expenses	60.95		13.11	
Toll plaza expenses	87.52		19.08	
Negative grant to NHAI	100.00	39,489.14	100.00	33,254.59
<b>Total</b>		<b>39,489.14</b>		<b>33,254.59</b>

## NOTE 28: EMPLOYEE BENEFITS EXPENSE

₹ in million				
Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
(a) Salaries and wages	3,073.54		2,889.27	
(b) Contribution to provident and other funds	626.10		655.45	
(c) Staff welfare expenses	53.20		97.10	
(d) Deputation cost	66.42	3,819.26	52.09	3,693.91
<b>Total</b>		<b>3,819.26</b>		<b>3,693.91</b>

### Foot Note

#### (i) Employee benefit obligations:

##### (A) Defined-contribution plans

- (i) The Group offers its employees defined contribution benefits in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. While both the employees and the Group pay predetermined contributions into the provident fund and pension fund, contributions to superannuation fund are made only by the Group. The contributions are normally based on a certain proportion of the employee's salary
- (ii) A sum of ₹ 25.51 (previous year ₹ 23.84 ) million has been charged to the consolidated Statement of Profit and Loss in this respect

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## (B) Defined-benefit plans:

The Group offers its employees defined-benefit plans in the form of gratuity (a lump sum amount). Amounts payable under defined benefit plans are typically based on years of service rendered and the employee's eligible compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Group contributes funds to the Life Insurance Corporation of India which administers the scheme on behalf of the Group. Commitments are actuarially determined at year end. Actuarial valuation is based on "Projected Unit Credit" method. Gains and losses due to changes in actuarial assumptions are charged to the Consolidated Statement of Profit and Loss

The net value of the defined-benefit commitment is detailed below:

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
Present value of commitment	81.19	57.39
Fair value of plans	76.46	56.35
Unrecognised past service cost	-	-
<b>Payable / ( Prepaid) amount taken to the balance sheet</b>	<b>4.73</b>	<b>1.04</b>

Defined benefit commitments:

₹ in million		
Gratuity	As at March 31, 2013	As at March 31, 2012
Opening balance	57.39	41.65
Excess provision written back	(0.31)	
Interest cost	4.55	3.25
Current service cost	17.95	14.21
Benefits paid	(5.41)	(7.19)
Actuarial (gain) / loss	6.74	4.30
Transferred from / to other company	0.28	1.17
<b>Closing balance</b>	<b>81.19</b>	<b>57.39</b>

Plan Assets:

₹ in million		
Gratuity	As at March 31, 2013	As at March 31, 2012
Opening balance	56.35	46.31
Expected return on plan assets	5.24	4.11
Contributions by the Company / Group	19.35	11.82
Benefits paid	(5.20)	(7.19)
Transferred from / to other company	0.28	1.17
Actuarial gain / (loss)	0.44	0.15
Other adjustments	0.00	(0.02)
<b>Fair value of plan assets</b>	<b>76.46</b>	<b>56.35</b>



# Notes

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## Return on Plan Assets:

₹ in million		
Gratuity	Year ended March 31, 2013	Year ended March 31, 2012
Expected return on plan assets	5.24	4.11
Actuarial gain / (loss)	0.44	0.15
Actual return on plan assets	5.68	4.26

## Expenses on defined benefit plan recognised in the Consolidated Statement of Profit and Loss:

₹ in million		
Gratuity	Year ended March 31, 2013	Year ended March 31, 2012
Current service cost	17.95	14.21
Interest expenses	4.55	3.25
Expected return on investments	(5.24)	(4.11)
Net actuarial (gain) / loss	6.30	4.15
Expenses charged to Consolidated Statement of Profit and Loss	23.56	17.50

- (i) The actuarial calculations of estimated defined benefit commitments and expenses are based on the following assumptions, which if changed would affect the defined benefit commitment's size, funding requirements and pension expense

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Group entities other than a jointly controlled entity	Jointly controlled entity	Group entities other than a jointly controlled entity	Jointly controlled entity
Rate for discounting liabilities	8.25%-8.50%	8.25%-8.50%	8.25%-8.50%	8.25%-8.50%
Expected salary increase rate	6.00%-6.50%	6.50%	6.00%-6.50%	6.50%
Expected return on scheme assets	8.00%	6.50%	8.00%	6.50%
Attrition date	2%	Not disclosed	2%	Not disclosed
Mortality table used	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	Not disclosed

- (ii) The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

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- (iii) The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the current period and previous three annual periods is given below:

₹ in million						
Gratuity (Funded Plan)	As At March 31, 2013	As At March 31, 2012	As At March 31, 2011	As At March 31, 2010	As At March 31, 2009	As At March 31, 2008
Defined benefit commitments	81.19	57.39	41.65	28.80	21.50	21.64
Plan assets	76.46	56.35	46.31	35.27	26.41	23.07
Unfunded liability transferred from group companies	-	-	0.64	-	-	0.07
(Surplus) / Deficit	4.73	1.04	(4.02)	(6.47)	(4.91)	(1.36)

₹ in million						
Gratuity (Funded Plan)	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Experience adjustments on plan commitments	(4.03)	(0.40)	4.32	(0.87)	6.22	8.99
Experience adjustments on plan assets	0.69	(0.35)	1.11	0.15	(1.34)	(0.93)

- (iv) The contribution expected to be made by some of the constituents of the Group during the financial year 2013-2014 ₹ 67.47 million ( March 31, 2012 ₹ 49.82 million)
- (v) The above disclosure does not include details of its five foreign subsidiaries and one foreign joint venture as the same is not applicable in their respective countries

## NOTE 29: FINANCE COSTS

₹ in million				
Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
<b>(a) Interest expenses</b>				
Interest on loans for fixed period	9,942.94		6,599.57	
Interest on debentures	759.07		80.44	
Interest on deep discount bonds	155.89	10,857.90	135.12	6,815.13
<b>(b) Other finance charges</b>				
Guarantee commission	90.01		26.38	
Finance charges	242.19	332.20	440.56	466.94
<b>Total</b>		<b>11,190.10</b>		<b>7,282.07</b>

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## NOTE 30: ADMINISTRATIVE AND GENERAL EXPENSES

₹ in million			
Particulars	Year ended March 31, 2013		Year ended March 31, 2012
Legal and consultation fees	334.73		274.52
Travelling and conveyance	259.12		338.33
Rent	747.67		488.10
Rates and taxes	181.57		72.87
Repairs and maintenance others	153.96		103.98
Bank commission	71.72		232.26
Registration expenses	28.36		-
Communication expenses	79.30		67.08
Insurance	249.47		140.87
Printing and stationery	37.15		38.37
Electricity charges	44.60		34.77
Directors' fees	11.39		6.37
Bad debts and provision for doubtful debts	-		316.85
Loss on sale of fixed assets (net)	0.11		3.30
Brand subscription fees	290.33		218.25
Amortisation of goodwill	115.53		-
Amortisation of toll receivable account	30.76		-
Miscellaneous expenses	568.14	3,203.91	874.26
<b>Total</b>		<b>3,203.91</b>	<b>3,210.18</b>

## NOTE 31: EARNINGS PER EQUITY SHARE

Particulars	Unit	Year ended March 31, 2013	Year ended March 31, 2012
Profit for the year	₹ in million	5,202.11	4,969.58
Premium on preference shares of subsidiary	₹ in million	(16.14)	(16.19)
Dividend Tax on premium on preference shares of subsidiary	₹ in million	(2.62)	(2.63)
Profit available for Equity Shareholders	₹ in million	5,183.35	4,950.76
Weighted average number of Equity Shares outstanding	Number	194,267,732	194,267,732
Nominal Value per equity share	₹	10.00	10.00
Basic Earnings per share	₹	26.68	25.48
Weighted average number of Equity shares used to compute diluted earnings per share	Number	194,267,732	194,267,732
Diluted Earnings per share	₹	26.68	25.48

In the absence of clarity as to the impact of advance towards capital on the earnings of the Group, no adjustment has been made for potential dilution in computing diluted earnings per share

# Notes

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## NOTE 32: INVESTMENT IN AIRPORT HOLDING AUSTRALASIA PTE LIMITED ("AHA")

Investment in AHA has not been considered as Investments in Associates as in the view of the Management, no significant influence exist

## NOTE 33: DISCLOSURE IN TERMS OF ACCOUNTING STANDARD (AS) 7 – CONSTRUCTION CONTRACTS

₹ in million		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Contract revenue recognised as revenue during the year ended	295.93	764.69
	As at March 31, 2013	As at March 31, 2012
Cumulative amount of Contract Revenue recognised	74.97	545.91

## NOTE 34 : DISCLOSURE OF LEASES:

### (A) Operating Lease:

The Group holds certain properties under a non-cancellable operating lease. The Group's future lease rentals under the operating lease arrangements as at the year-end are as under:

(a) For jointly controlled entities - Nil

(b) For entities other than jointly controlled entities

₹ in million		
Future Lease rentals	As at March 31, 2013	As at March 31, 2012
Within one year	279.98	365.87
Over one year but less than 5 years	166.97	161.83
More than 5 years	5.44	44.80

The lease terms do not contain any exceptional / restrictive covenants nor are there any options given to Group to renew the lease or purchase the properties. The agreements provide for changes in the rentals if the taxes leviable on such rentals change

₹ in million		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Amount charged to the Consolidated Statement of Profit and Loss for rent	196.11	434.54

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## (B) Finance Leases:

### (a) Subsidiaries

Particulars	₹ in million					
	As at March 31, 2013			As at March 31, 2012		
	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges	Minimum Lease Payment	Present value of minimum lease payments	Lease Charges
Amount payable not later than one year	68.18	63.08	5.10	71.56	65.22	6.34
Amount payable >1 but < 5 years	115.46	106.38	9.08	83.17	71.16	12.00
Amount payable > 5 years	41.71	39.47	2.24	41.32	38.90	2.41
<b>Total</b>	<b>225.35</b>	<b>208.93</b>	<b>16.42</b>	<b>196.05</b>	<b>175.28</b>	<b>20.75</b>

### (b) Jointly controlled entities - Nil

**NOTE 35 :** The Group's percentage holding in various jointly controlled entities are given below:

Name of the jointly controlled entity	As at March 31, 2013	As at March 31, 2012
	% holding	% holding
NTBCL	25.35	25.35
JSEL	50.00	50.00
NAMEL	50.00	50.00
YuHe	49.00	49.00
Geotecnia y Control De Qualitat, S.A.	50.00	50.00
Consorcio De Obras Civiles S.R.L.	34.00	34.00
Vies Y Construcciones S. R. L.	50.00	50.00

The proportionate share in assets, liabilities, income and expenditures of above jointly controlled entities as included in these CFS is given below:

Particulars	₹ in million	
	As at March 31, 2013	As at March 31, 2012
<b>Assets</b>		
Fixed assets (net)	23,320.16	19,647.33
Deferred tax assets	11.80	2.51
Investment	343.75	89.91
Non-current assets	3,852.99	2,613.57
Current assets	954.72	633.94
	<b>28,483.43</b>	<b>22,987.26</b>
<b>Equity and Liabilities</b>		
Reserves and surplus	3,419.37	777.45
Non-current liabilities	13,570.78	10,932.76
Deferred Tax Liability	191.03	183.95
Current liabilities	1,292.07	1,386.01
	<b>18,473.25</b>	<b>13,280.17</b>

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₹ in million		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
<b>Income</b>		
Revenue from operations	8,319.10	4,188.17
Other Income	80.84	24.44
	<b>8,399.94</b>	<b>4,212.61</b>
<b>Expenses</b>		
Operating expenses	3,411.12	466.52
Administrative and general expenses	460.32	149.73
Depreciation and amortization expense	360.79	110.23
Finance costs	779.94	282.49
Taxes - Current tax & Deferred tax	58.25	179.91
	<b>5,070.42</b>	<b>1,188.88</b>

₹ in million		
Particulars	As at March 31, 2013	As at March 31, 2012
Contingent Liabilities	-	-
Capital Commitments	2,400.37	5,725.12

**NOTE 36 :** The period end foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below:

Receivable	31-03-2013		31-03-2012	
	₹ in million	Foreign Currency in million	₹ in million	Foreign Currency in million
Name of Currency				
DOP	826.58	15.87	780.40	15.70
COP	3,893.23	1.67	3,998.99	1.60
USD	0.96	0.73	1.33	1.03
ALL	8.02	0.06	7.65	0.06
INR	443.33	6.13	343.28	4.88
MXN	30.25	1.76	30.38	1.68
HNL	2.12	0.08	2.35	0.10



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Payable	31-03-2013		31-03-2012	
	₹ in million	Foreign Currency in million	₹ in million	Foreign Currency in million
Name of Currency				
DOP	523.95	10.06	578.85	11.64
COP	3,885.36	1.66	3,101.14	1.24
USD	137.19	2.86	42.22	0.83
ALL	13.22	0.10	12.06	0.09
INR	109.43	1.51	111.32	1.58
MXN	7.77	0.45	10.60	0.59
HNL	184.25	7.16	181.07	7.54

Note: USD = US Dollar, DOP = Dominican Pesos, COP = Colombian Pesos, MXN = Mexican Pesos, HNL = Honduran Lempira, ECS = Ecuador Sucro, ALL = Albanian Lek, EUR = Euro

**NOTE 37 :** The concession arrangements of the Group relate primarily to the construction, operation and maintenance of carriageways (roads) and gas stations by special purpose entities within the Group, which at the end of the concession period must be returned in the stipulated conditions to the grantors of the concessions. In consideration for having designed, constructed, operated and maintained such carriageways, the Group is entitled either to "Annuities" from grantors or is entitled charge "Toll" to the users of the carriageways or in the case of gas stations, to compensation from the oil companies besides other revenue from ancillary commercial activities

(l) The following are toll based service concession arrangements of the Group which have been classified as "Intangible Assets" in the Note 13 to the financial statements:

- a) The Vadodara Halol Road Project ("VHRP") and the Ahmedabad Mehsana Road Project ("AMRP") are concession arrangements entered into with the Government of Gujarat through Gujarat Road and Infrastructure Company Limited ("GRICL"). The construction activities of VHRP and AMRP were completed on October 24, 2000 and February 20, 2003 respectively. Maintenance activities cover routine maintenance, overlays and renewals. The concessions, which have been granted for periods of 30 years from those dates, envisage that GRICL will earn a designated return over the concession periods. In the event GRICL is unable to earn the designated return GRICL would be entitled to an extension by two years at a time until the project cost and the returns thereon are recovered by it. The amount of toll recoverable from users is linked to the movements in the consumer price index and to custom escalators. Premature termination before the said period of 30 years is not permitted except in the event of a force

majeure. Premature termination without the default on the part of GRICL will entitle GRICL to the cost of the project and return thereon remaining to be recovered as on the date of transfer. At the end of the concession period, GRICL is required to hand back the carriageway to the grantor at a nominal consideration

- b) The Delhi Noida Bridge Project ("DNBP") concession arrangement has been entered into between the New Okhla Industrial Development Authority (NOIDA) and Noida Toll Bridge Company Limited ("NTBCL"). The construction activity was completed on February 7, 2001. Maintenance activities cover routine maintenance, overlays and renewals. The concession, which has been granted for a period of 30 years from February 7, 2001, envisages that NTBCL will earn a designated return over the concession periods. In the event NTBCL is unable to earn the designated return, NTBCL would be entitled to an extension by two years at a time until the project cost and the returns thereon are recovered by it. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of 30 years is not permitted except in the event of a force majeure. Premature termination without default on the part of NTBCL will entitle NTBCL to the cost of the project and returns thereon remaining to be recovered as on the date of transfer. At the end of the concession period, NTBCL is required to hand back the carriageway to the grantor at a nominal consideration
- c) Elsamex SA, its subsidiaries and joint ventures, (the "Elsamex Group") have entered into Service Concession Arrangements("SCA") for construction and operation and maintenance of five gas stations in Spain and for the construction and operation and maintenance of a road project in Spain with the

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Government authorities The periods for which the SCAs have been granted are as under:

Project	Year of SCA	Status	Operations and Maintenance period	Extension of period
Orihuela Gas Station	2001	Construction completed	29 years	At the discretion of granter
Villavidel Gas Station	2001	Construction completed	44 years	At the discretion of granter
Zamora Gas Station	2002	Construction completed	46 years	At the discretion of granter
Ponferrada Gas Station	2004	Construction completed	46 years	At the discretion of granter
Coiros Gas Station	2004	Construction completed	39 years	At the discretion of granter
A4 Road	2007	Construction completed	19 years	At the discretion of granter
Area de servicio Punta Umbria	2010	Construction completed	30 years	At the discretion of granter
Alcantarilla Fotovoltaica, S.L.U.	2010	Construction completed	25 years	At the discretion of granter

Maintenance activities for the gas stations and road project include routine operating and maintenance as well as periodic overhauling and refurbishment to maintain the stations to the defined standards. In consideration for performing its obligations under the SCA, Elsamex is entitled to compensation from the oil companies computed at a predefined proportion of the sale of products at the gas stations and in the form of a "shadow toll" based on the units of usage i.e. the number of vehicles using the road in respect of road project

- d) The Beawar Gomti Road Project ("BGRP") concession arrangement has been entered into between the President of India, represented by Special Secretary and Director General (Road Development), ("DORTH") and ITNL Road Infrastructure Development Company Limited ("IRIDCL"). IRIDCL is required to design, build, finance and operate the BGRP for a period of 30 years commencing from the appointed date i.e. October 28, 2009, provided that in the event of four-laning not being undertaken for any reason in accordance with the provisions of concession agreement, the concession period shall be deemed to be 11 years including construction period of 455 days for 2-laning of the BGRP. Maintenance activities cover routine maintenance, overlays and renewals. Premature termination before the said period of concession is not permitted except in the event of a force majeure

Premature termination without the default on the part of IRDCL will entitle IRIDCL to be eligible for the compensation as per the concession arrangement. At the end of the concession period, IRIDCL is required to hand back BGRP to the grantor without additional consideration

- e) The Jetpur-Gondal-Rajkot Road Project ("JGRRP") is a concession arrangement entered into between the National Highways Authority of India ("NHAI") and West Gujarat Expressway Limited ("WGEL"). The concession has been granted to WGEL for a period of 20 years ending on September 17, 2025. The construction activity was completed on March 17, 2008. Maintenance activities cover routine maintenance, overlays and renewals. In consideration, WGEL will be entitled to collect toll/user charges from the users of JGRRP. The amount of toll recoverable from users is linked to the movements in the wholesale price index. Also on dates specified in the concession agreement, WGEL will be entitled to a "grant" by way of cash support from NHAI, but it also obligated to pay a "negative grant" by way of cash payment to NHAI. Premature termination before the said period of 20 years is not permitted except in the event of a force majeure. The concession does not provide for renewal options. At the end of the concession period, JGRRP is required to hand back the carriageway to the grantor without additional consideration

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- f) The Pune Sholapur Road Project ("PSRP") concession arrangement has been entered into between NHAI and Pune Sholapur Road Development Company Limited ("PSRDCL"). PSRDCL is required to design, build, finance and operate the PSRP for a period of 20 years commencing from the appointed date including construction period of 910 days. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without the default on the part of PSRDCL will entitle PSRDCL to be eligible for the compensation as per the concession arrangement. At the end of the concession period, PSRP is required to hand back the carriageway to the grantor without additional consideration
- g) The Moradabad Bareilly Road Project ("MBRP") is a concession arrangement entered into between NHAI and Moradabad Bareilly Expressway Limited ("MBEL"). MBEL is required to design, build, finance, operate and transfer the MBRP for a period of 25 years commencing from the appointed date including construction period of 910 days. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without default on the part of MBEL will entitle MBEL to be eligible for compensation as per the concession. At the end of the concession period, MBRP is required to hand back the carriageway to the grantor without additional consideration
- h) The Company has entered into a Concession Contract Agreement with Haryana Urban Development Authority (HUDA) on December 9, 2009 for development of Metro Rail Project from Delhi Metro Sikanderpur Station on MG Road, Gurgaon to NH-8 ('the Project'). As per the terms of the Contract, the Company accepts the concession for a period of 99 years commencing from the effective date, to develop and operate the Project. The Company has not yet started any significant construction activity, therefore Intangible Asset covered under 'Service Concession Arrangement' have been carried at cost
- i) The Narketpally Adanki Project ("NAP") is a concession arrangement entered into between Andhra Pradesh Road Development Corporation and N. A. M. Expressway Limited ("NEL"). NEL is required to design, build, finance, operate and transfer the NAP for a period of 24 years commencing from the appointed date including construction period of 30 months. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without default on the part of NEL will entitle NEL to be eligible for compensation as per the concession. At the end of the concession period, NAP is required to hand back the carriageway to the grantor without additional consideration
- j) MP Border Checkpost Project ("MPBCP") is a concession agreement granted by MP Road Development Corporation Limited (MPRDCL) for construction, operation and maintenance of the Border Checkposts at 24 locations in Madhya Pradesh to MP Border Checkpost Development Company Ltd (MPBCDCL) for a period of 4566 days commencing from the appointed date. As per the concession agreement, MPBCDCL has obligation to undertake the design, engineering, procurement, construction, operation and maintenance of the project
- In Consideration, the company is entitled to collect service fees from the users in accordance with the concession agreement. At the end of the Concession period, the company will hand over the Infrastructure to MPRDCL
- k) The Kiratpur Net Chowk Project ("KNCP") is a concession arrangement entered into between National Highways Authority Limited and Kiratpur Net Chowk Expressway Limited ("KNCEL"). KNCEL is required to build, operate and transfer the KNCP for a period of 28 years commencing from the appointed date including construction period of 30 months. Maintenance activities cover routine maintenance, overlays and renewals. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination before the said period of concession is not permitted except in the event of a force majeure. Premature termination without default on the part of KNCEL will entitle KNCEL to be eligible for compensation as per the concession
- l) The Chongqing Yuhe Expressway Project ("CYEP") is a concession arrangement entered into between People's Republic of China and Chongqing Yuhe Expressway Company Limited ("Yuhe"). The government has granted the right to charge the users of Chongqing Yuhe Expressway for a period of 20

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years to Yuhe. The Premature termination before the said period of concession is not permitted except in the event of a force majeure

- m) The Sikar Bikaner Project ("SBP") is a concession arrangement entered into between MORTH and Sikar Bikaner Highway Limited ("SBHL"). SBHL is required to build, operate and transfer the SBP for a period of 25 years including a construction period of three years from the appointed date. Maintenance activities cover routine maintenance, overlays and renewals. The government has granted the right to SBHL to collect a user fee from the users of road. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination is not permitted except in the event of a force majeure
- n) The Kharagpur Baleshwar Project ("BKEL") is a concession arrangement entered into between NHAI and Baleshwar Kharagpur Expressway Limited ("BKEL"). BKEL is required to construction new bridges / structure and repair of the existing four lane highway from Kharagpur to Baleshwar section for a period of 24 years including a construction period of 2.5 from the appointed date. The government has granted the right to BKEL to collect a user fee from the users of road. The amount of toll recoverable from users is linked to the movements in the consumer price index. Premature termination is not permitted except in the event of a force majeure
- (II) The following are annuity based service concession arrangements of the Group which have been classified as financial assets under "Receivables against service concession arrangements" in the financial statements in Note 19:
  - a) The North Karnataka Expressway Project ("NKEP") is a concession arrangement granted by National Highways Authority of India ("NHAI") for a period of 17 years and 6 months from June 20, 2002 to North Karnataka Expressway Limited ("NKEL"). The construction activities were completed on July 19, 2004. Besides construction, NKEL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration, NKEL is entitled to a defined annuity. At the end of the concession period NKEP is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options
  - b) The Hyderabad Outer Ring Road ("HORR") is a concession arrangement granted by Hyderabad Urban Development Authority ("HUDA") for a period of 16 years including construction period of 3 years from August 31, 2007 to East Hyderabad Expressway Limited ("EHEL"). Besides construction, EHEL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration, EHEL is entitled to a defined annuity. At the end of the concession period HORR is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options
  - c) The Hazaribagh Ranchi Road Project ("HRRP") is a concession arrangement granted by the "NHAI" for a period of 18 years including construction period of 910 days from October 8, 2009 to Hazaribagh Ranchi Expressway Limited ("HREL"). Besides construction, HREL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration HREL is entitled to a defined annuity. At the end of the concession period HRRP is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options
  - d) As per the concession agreements dated September 23, 2009 in respect of the Ranchi Ring Road Project ("RRRP") and on October 14, 2009 in respect of the Ranchi - Patratu Dam Road Project ("RPDRP") and Patratu Dam- Ramgarh Road Project ("PDRRP") with the Govt. of Jharkhand ("GOJ") and Jharkhand Accelerated Road Development Company Limited ("JARDCL"), Jharkhand Road Project Implementation Company Limited ("JRPICL") is required to develop, design, finance, procure, engineering, construct, operate and maintain the RRRP, RPDRP and PDRRP for a period of 17 years and six months from commencement date. Besides construction, JRPICL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at

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predefined intervals. In consideration, JRPICL is entitled to a defined annuity. At the end of the concession period RRRP, RPDRP and PDRRP are required to be handed over in the stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangements do not provide for renewal options

- e) The Chenani Nashri Tunnel Project ("CNTN") is a concession arrangement granted by the "NHAI" for a period of 20 years including construction period of 1825 days to Chenani Nashri Tunnelway Limited ("CNTL"). Besides construction, CNTL's obligations include routine maintenance of the projects and if required, modify, repair, improvements to the project highway to comply with specification and standards. In consideration CNTL is entitled to a defined annuity. At the end of the concession period CNTN is required to

be handed over in a stipulated condition to the grantor. The concession arrangement does not provide for renewal options

- f) The Jorabat Shillong Project ("JSP") is a concession arrangement granted by the "NHAI" for a period of 20 years including construction period of three years from appointed date to Jorabat Shillong Expressway Limited ("JSEL"). Besides construction, JSEL's obligations include routine maintenance and period maintenance of the flexible pavement and the rigid pavement at predefined intervals. In consideration JSEL is entitled to a defined annuity. At the end of the concession period JSEL is required to be handed over in a stipulated condition to the grantor. Premature termination is permitted only upon the happening of a force majeure event or upon the parties defaulting on their obligations. The concession arrangement does not provide for renewal options

### NOTE NO. 38 SEGMENT REPORTING

₹ in million						
	Surface Transportation Business		Others		Total	
	For year ended March 31, 2013	For year ended March 31, 2012	For year ended March 31, 2013	For year ended March 31, 2012	For year ended March 31, 2013	For year ended March 31, 2012
<b>Revenue</b>						
External	64,968.25	54,418.84	1,480.13	1,637.37	66,448.38	56,056.21
Inter-Segment	-	-	-	-	-	-
<b>Segment Revenue</b>	64,968.25	54,418.84	1,480.13	1,637.37	66,448.38	56,056.21
Segment expenses	47,058.80	40,245.14	1,244.64	1,478.82	48,303.44	41,723.96
<b>Segment results</b>	17,909.45	14,173.70	235.49	158.55	18,144.94	14,332.25
Unallocated income (excluding interest income)					359.48	307.12
Unallocated expenditure					710.30	442.28
Finance cost					11,190.10	7,282.07
Interest Income unallocated					1,080.24	930.95
Tax expense (net)					2,274.02	2,457.21
Share of profit / (loss) of Associates (net)					46.82	38.53
Share of profit transferred to minority interest (net)					254.94	457.71
<b>Profit for the year</b>					<b>5,202.11</b>	<b>4,969.58</b>

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₹ in million						
	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012	As at March 31, 2013	As at March 31, 2012
<b>Segment assets</b>	194,183.85	135,636.94	1,682.89	1,989.55	195,866.74	137,626.49
Unallocated Assets (Refer footnote 1)					10,035.82	14,853.33
<b>Total assets</b>					<b>205,902.56</b>	<b>152,479.82</b>
<b>Segment liabilities</b>	14,087.69	13,269.55	981.21	1,303.28	15,068.90	14,572.83
Unallocated Liabilities (Refer footnote 2)					154,435.52	110,269.09
<b>Total liabilities</b>					<b>169,504.42</b>	<b>124,841.92</b>

	For year ended March 31, 2013	For year ended March 31, 2012	For year ended March 31, 2013	For year ended March 31, 2012	For year ended March 31, 2013	For year ended March 31, 2012
Capital Expenditure for the year	33,186.68	20,355.66	-	-	33,186.68	20,355.66
Depreciation and amortization expense	905.72	717.25	38.34	48.27	944.06	765.52
Non cash expenditure other than depreciation for the year	-	-	-	-	307.94	447.34

Secondary - Geographical Segments:

₹ in million				
Particulars	India	Outside India	India	Outside India
	2012-13	2012-13	2011-12	2011-12
Revenue - External	55,231.39	11,216.99	48,112.63	7,943.58
Segment Assets	169,688.35	26,178.39	113,289.26	24,337.22
Capital Expenditure	32,246.27	940.41	19,566.64	789.02

## Foot Note

- 1) Unallocated assets include investments, advance towards share application money, loans given, interest accrued, option premium, deferred tax assets, advance payment of taxes (net of provision), unpaid dividend accounts and fixed deposits placed for a period exceeding 3 months, etc.
- 2) Unallocated liabilities include borrowings, interest accrued but not due on borrowings, deferred tax liabilities (net), provision for tax (net), unpaid dividends, minority interest etc.



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## NOTE NO. 39 RELATED PARTY DISCLOSURES

### (a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Fellow Subsidiaries (Only with whom there have been transaction during the year / there was balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environmental Infrastructure & Services Limited	IEISL
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Investment Managers Limited	IIML
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Airport Limited	IAL
	IL&FS Urban Infrastructure Managers Limited	IUIML
	IMICL Dighi Maritime Limited	IDML
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Securities Services Limited	ISSL
	IL&FS Township & Urban Assets Limited (formerly known as MPPL Enterprises Limited)	ITUAL
	IL&FS Trust Company Limited	ITCL
	Jharkhand Accelerated Road Development Company Limited	JARDCL
	IL&FS Global Financial Services (ME) Limited	IGFSL(ME)
	IL&FS Global Financial Services (UK) Limited	IGFSL(UK)
	IL&FS Global Financial Services Pte Limited	IGFSPL
Associates	Andhra Pradesh Expressway Limited (also a fellow subsidiary)	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	Centro De Investigacion De Carreteras De Andalucia S.A.	CICAN
	CGI-8, S.A.	CGI-8
	Labtec Ensayos Tecnicos Canarios S.A.	LABTEC
	Empresas Pame SA DECV	EPSD
	Elsamex Road Technology Company Limited	ERTC
	Ramky Elsamex Hyderabad Ring Road	REHRR
	Sociedad Concesionaria Autovia A-4 Madrid S.A.	A4 CONCESSION
Key Management Personnel	Mr K Ramchand-Managing Director and relatives	
	Mr Mukund Sapre-Executive Director and relatives	

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## (b) Current year balances / transactions with above mentioned related parties (mentioned in note 39 (a) above)

₹ in million					
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<b>Balances:</b>					
Investment in Preference Shares					
APEL	-	-	2,200.00	-	2,200.00
	-	-	2,200.00	-	2,200.00
<b>Trade Payables</b>					
ILFS	74.55	-	-	-	74.55
IFIN	-	34.39	-	-	34.39
IETS	-	23.63	-	-	23.63
OTHERS	-	11.62	14.95	-	26.57
	74.55	69.63	14.95	-	159.12
<b>Trade Receivables</b>					
REHRR	-	-	90.20	-	90.20
TRDCL	-	-	157.60	-	157.60
WCBTRL	-	-	227.60	-	227.60
OTHERS	-	0.51	30.90	-	31.41
	-	0.51	506.31	-	506.81
<b>Other Current Liabilities</b>					
ILFS	0.04	-	-	-	0.04
IFIN	-	305.75	-	-	305.75
OTHERS	-	17.61	-	-	17.61
	0.04	323.36	-	-	323.40
<b>Investment in Covered Warrants</b>					
ILFS	1,693.00	-	-	-	1,693.00
	1,693.00	-	-	-	1,693.00
<b>Borrowings</b>					
ILFS	115.95	-	-	-	115.95
ITUAL	-	217.50	-	-	217.50
	115.95	217.50	-	-	333.45
<b>Interest accrued but not due on borrowings</b>					
ITUAL	-	24.78	-	-	24.78
	-	24.78	-	-	24.78
<b>Current liabilities</b>					
ILFS	28.73	-	-	-	28.73
	28.73	-	-	-	28.73
<b>Long-term borrowings</b>					
ILFS	341.09	-	-	-	341.09
	341.09	-	-	-	341.09

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₹ in million					
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<b>Non Convertible Debentures</b>					
ILFS	252.00	-	-	-	252.00
	<b>252.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>252.00</b>
<b>Advance towards capital in a subsidiary</b>					
ILFS	150.00	-	-	-	150.00
	<b>150.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150.00</b>
<b>Retention Money Payable</b>					
IEISL		0.09	-	-	0.09
	<b>-</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>0.09</b>
<b>Call Option Premium</b>					
ILFS (net of provision of ₹ 163.28 million)	36.67	-	-	-	36.67
	<b>36.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.67</b>
<b>Mobilisation Advance paid</b>					
ITUAL	-	176.74	-	-	176.74
	<b>-</b>	<b>176.74</b>	<b>-</b>	<b>-</b>	<b>176.74</b>
<b>Redemption premium accrued but not due</b>					
IFIN	347.15	-	-	-	347.15
	<b>347.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>347.15</b>
<b>Long Term Loan and Advances</b>					
TRDCL	-	-	343.60	-	343.60
A4 CONCESSION	-	-	601.30	-	601.30
	<b>-</b>	<b>-</b>	<b>944.90</b>	<b>-</b>	<b>944.90</b>
<b>Short Term Loan and Advances</b>					
TRDCL			416.00	-	416.00
CHDCL	-	3.00	-	-	3.00
	<b>-</b>	<b>3.00</b>	<b>416.00</b>	<b>-</b>	<b>419.00</b>
<b>Other Loan and Advances</b>					
ILFS	0.04	-	-	-	0.04
IAL	-	18.36	-	-	18.36
APEL	-	-	9.70	-	9.70
OTHERS	-	3.12	0.53	-	3.65
	<b>0.04</b>	<b>21.48</b>	<b>10.24</b>	<b>-</b>	<b>31.75</b>
<b>Interest accrued - Assets</b>					
TRDCL	-	-	79.55	-	79.55
CHDCL	-	0.65	-	-	0.65
	<b>-</b>	<b>0.65</b>	<b>79.55</b>	<b>-</b>	<b>80.20</b>

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					₹ in million
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<b>Interest Accrued and due on loans given</b>					
TRDCL	-	-	40.90	-	40.90
OTHERS	-	0.02	-	-	0.02
	-	0.02	40.90	-	40.92
<b>Transactions</b>					
<b>Operating expenses</b>					
ILFS	14.50	-	-	-	14.50
IIDCL	-	48.32	-	-	48.32
OTHERS	-	2.56	-	-	2.56
	14.50	50.88	-	-	65.38
<b>Dividend paid</b>					
ILFS	540.24	-	-	-	540.24
OTHERS	-	9.76	-	-	9.76
	540.24	9.76	-	-	550.00
<b>Lendings</b>					
APEL	-	-	897.44	-	897.44
TRDCL	-	-	422.80	-	422.80
	-	-	1,320.24	-	1,320.24
<b>Repayment of Lendings</b>					
APEL	-	-	2,123.04 #	-	2,123.04
OTHERS	-	70.00	84.00	-	154.00
	-	70.00	2,207.04	-	2,277.04
<b>Other Income</b>					
ILFS	119.11	-	-	-	119.11
APEL	-	-	124.49	-	124.49
TRDCL	-	-	86.01	-	86.01
OTHERS	-	10.23	2.14	-	12.36
	119.11	10.23	212.64	-	341.98
<b>Revenue from Operations</b>					
IMICL	-	70.00	-	-	70.00
APEL	-	-	99.20	-	99.20
TRDCL	-	-	39.02	-	39.02
OTHERS	-	-	4.83	-	4.83
	-	70.00	143.05	-	213.05

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₹ in million					
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<b>Administrative and general expenses</b>					
ILFS	385.05	-	-	-	385.05
ITUAL	-	235.19	-	-	235.19
OTHERS	-	108.26	13.78	-	122.04
	<b>385.05</b>	<b>343.45</b>	<b>13.78</b>	<b>-</b>	<b>742.28</b>
<b>Repayment of Borrowings</b>					
ILFS	3,255.28	-	-	-	3,255.28
ISSL	-	2,250.00	-	-	2,250.00
IFIN	-	500.00	-	-	500.00
	<b>3,255.28</b>	<b>2,750.00</b>	<b>-</b>	<b>-</b>	<b>6,005.28</b>
<b>Intangible assets under development</b>					
ILFS	44.81	-	-	-	44.81
IFIN	-	168.54	-	-	168.54
OTHERS	-	8.05	-	-	8.05
	<b>44.81</b>	<b>176.59</b>	<b>-</b>	<b>-</b>	<b>221.40</b>
<b>Finance charges</b>					
ILFS	4.07	-	-	-	4.07
IFIN	-	236.00	-	-	236.00
OTHERS	-	11.10	-	-	11.10
	<b>4.07</b>	<b>247.10</b>	<b>-</b>	<b>-</b>	<b>251.17</b>
<b>Borrowings</b>					
ILFS	3,000.00	-	-	-	3,000.00
ISSL	-	2,250.00	-	-	2,250.00
OTHERS	-	717.50	-	-	717.50
	<b>3,000.00</b>	<b>2,967.50</b>	<b>-</b>	<b>-</b>	<b>5,967.50</b>
<b>Inter corporate deposit received</b>					
ITUAL	-	50.00	-	-	50.00
	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>-</b>	<b>50.00</b>
<b>Inter corporate deposit repaid</b>					
ITUAL	-	50.00	-	-	50.00
	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>-</b>	<b>50.00</b>
<b>Inter-corporate deposits - matured</b>					
ILFS	5,687.51	-	-	-	5,687.51
IFIN	-	185.20	-	-	185.20
	<b>5,687.51</b>	<b>185.20</b>	<b>-</b>	<b>-</b>	<b>5,872.71</b>
<b>Inter-corporate deposits - placed</b>					
ILFS	5,014.20	-	-	-	5,014.20
IFIN	-	185.20	-	-	185.20
	<b>5,014.20</b>	<b>185.20</b>	<b>-</b>	<b>-</b>	<b>5,199.40</b>

# Company's investment in 7,864,000 Optionally Convertible Debentures (Face value ₹ 100 each) amounting ₹ 786.40 million issued by Andhra Pradesh Expressway Limited ("APEL") and loans given to APEL of ₹ 1,262.04 million and interest accrued ₹ 151.56 million were converted into 220,000,000 Non-Convertible Non-Cumulative Redeemable preference shares (Face value ₹ 10 each) aggregating to ₹ 2,200.00 million

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

₹ in million					
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<b>Interest on Borrowings</b>					
ILFS	233.50	-	-	-	233.50
ISSL	-	106.03	-	-	106.03
OTHERS	-	41.22	-	-	41.22
	<b>233.50</b>	<b>147.25</b>	<b>-</b>	<b>-</b>	<b>380.74</b>
<b>Redemption of Non convertible Debentures</b>					
ILFS	36.00	-	-	-	36.00
	<b>36.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.00</b>
<b>Mobilisation Advance paid</b>					
ITUAL	-	200.00	-	-	200.00
	<b>-</b>	<b>200.00</b>	<b>-</b>	<b>-</b>	<b>200.00</b>
<b>Mobilisation Advance recovered</b>					
ITUAL	-	23.26	-	-	23.26
	<b>-</b>	<b>23.26</b>	<b>-</b>	<b>-</b>	<b>23.26</b>
<b>Director Remuneration</b>					
Mr. K Ramchand	-	-	-	64.17	64.17
Mr. Mukund Sapre	-	-	-	35.28	35.28
	<b>-</b>	<b>-</b>	<b>-</b>	<b>99.46</b>	<b>99.46</b>



# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## Previous year

(a)(i) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Holding Company	Infrastructure Leasing & Financial Services Limited	ILFS
Fellow Subsidiaries (Only with whom there have been transaction during the year / there was balance outstanding at the year end)	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Energy Development Company Limited	IEDCL
	IL&FS Environmental Infrastructure & Services Limited	IEISL
	IL&FS Infrastructure Development Corporation Limited	IIDCL
	IL&FS Investment Managers Limited	IIML
	IL&FS Maritime Infrastructure Company Limited	IMICL
	IL&FS Urban Infrastructure Managers Limited	IUIML
	IMICL Dighi Maritime Limited	IDML
	Chattisgarh Highways Development Company Limited	CHDCL
	IL&FS Global Financial Services (ME) Limited	IGFSML
	IL&FS Global Financial Services Pte Limited	IGFSPL
	IL&FS Securities Services Limited	ISSL
	IL&FS Township & Urban Assets Limited (formerly known as MPPL Enterprises Limited)	ITUAL
	IL&FS Trust Company Limited	ITCL
	Jharkhand Accelerated Road Development Company Limited	JARDCL
Associates	Andhra Pradesh Expressway Limited	APEL
	ITNL Toll Management Services Limited	ITMSL
	Thiruvananthapuram Road Development Company Limited	TRDCL
	Warora Chandrapur Ballarpur Toll Road Limited	WCBTRL
	Centro De Investigacion De Carreteras De Andalucia S.A.	CICAN
	CGI-8, S.A.	CGI-8
	Labtec Ensayos Tecnicos Canarios S.A.	LABTEC
	Empresas Pame SA DECV	EPSD
	Elsamex Road Technology Company Limited	ERTC
	Ramky Elsamex Hyderabad Ring Road	REHRR
	Sociedad Concesionaria Autovia A-4 Madrid S.A.	A4 CONCESSION
	Alcantarilla Fotovolcaica SA	AFSA
	Zheisiang Elsamex Road Tech Company	Zheisiang Elsamex
	Yala Construction Company Limited-Thailand	Thailand
	VCS Enterprises Limited	VCSEL
Key Management Personnel	Mr K Ramchand-Managing Director and relatives	
	Mr Mukund Sapre-Executive Director and relatives	

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

(b) (i) Transactions/ balances with above mentioned related parties (mentioned in note 39 (a) (i) above)

					₹ in million
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<b>Transactions</b>					
<b>Inter-corporate deposits - matured</b>					
ILFS	6,203.19	-	-	-	6,203.19
	<b>6,203.19</b>	-	-	-	<b>6,203.19</b>
<b>Inter-corporate deposits - placed</b>					
ILFS	6,606.49	-	-	-	6,606.49
	<b>6,606.49</b>	-	-	-	<b>6,606.49</b>
<b>Operating expenses</b>					
ILFS	0.58	-	-	-	0.58
IEISL	-	11.87	-	-	11.87
	<b>0.58</b>	<b>11.87</b>	-	-	<b>12.45</b>
<b>Lendings</b>					
APEL	-	-	791.00	-	791.00
TRDCL	-	-	165.00	-	165.00
OTHERS	-	73.00	-	-	73.00
	-	<b>73.00</b>	<b>956.00</b>	-	<b>1,029.00</b>
<b>Brokerage (Debited to Investment Cost)</b>					
IFIN	-	473.20	-	-	473.20
	-	<b>473.20</b>	-	-	<b>473.20</b>
<b>Repayment of Lendings</b>					
APEL	-	-	651.00	-	651.00
	-	-	<b>651.00</b>	-	<b>651.00</b>
<b>Other Income</b>					
ILFS	57.29	-	-	-	57.29
APEL	-	-	230.49	-	230.49
OTHERS	-	1.73	61.99	-	63.72
	<b>57.29</b>	<b>1.73</b>	<b>292.48</b>	-	<b>351.50</b>
<b>Revenue from Operations</b>					
IFIN	-	390.00	-	-	390.00
WCBTRL	-	-	371.71	-	371.71
APEL	-	-	116.42	-	116.42
OTHERS	-	0.14	26.06	-	26.20
	-	<b>390.14</b>	<b>514.19</b>	-	<b>904.33</b>

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

					₹ in million
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<b>Administrative and general expenses</b>					
ILFS	302.09	-	-	-	302.09
IETS	-	43.59	-	-	43.59
OTHERS	-	26.88	17.44	2.75	47.07
	302.09	70.47	17.44	2.75	392.75
<b>Investment made / purchased</b>					
ILFS	1,187.50	-	-	-	1,187.50
WCBTRL	-	-	616.91	-	616.91
OTHERS	-	0.00	-	-	0.00
	1,187.50	0.00	616.91	-	1,804.41
<b>Borrowings</b>					
ILFS	800.00	-	-	-	800.00
	800.00	-	-	-	800.00
<b>Repayment of Borrowings</b>					
ILFS	903.89	-	-	-	903.89
ISSL	-	1,000.00	-	-	1,000.00
	903.89	1,000.00	-	-	1,903.89
<b>Interest on Loans (Expense)</b>					
ILFS	182.67	-	-	-	182.67
OTHERS	-	4.27	-	-	4.27
	182.67	4.27	-	-	186.94
<b>Finance charges</b>					
ILFS	3.43	-	-	-	3.43
IFIN	-	62.51	-	-	62.51
ITCL	-	49.65	-	-	49.65
ITUAL	-	55.15	-	-	55.15
IGFSML	-	37.76	-	-	37.76
OTHERS	-	15.72	-	-	15.72
	3.43	220.79	-	-	224.22
<b>Intangible assets under development</b>					
ILFS	35.01	-	-	-	35.01
IFIN	-	125.63	-	-	125.63
OTHERS	-	12.92	-	-	12.92
	35.01	138.55	-	-	173.56

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

					₹ in million
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<b>Redemption of Non convertible Debentures</b>					
ILFS	36.00	-	-	-	36.00
	36.00	-	-	-	36.00
<b>Guarantee commission</b>					
ILFS	15.29	-	-	-	15.29
	15.29	-	-	-	15.29
<b>Dividend paid</b>					
ILFS	472.74	-	-	-	472.74
	472.74	-	-	-	472.74
<b>Director Remuneration</b>					
Mr. K Ramchand	-	-	-	53.08	53.08
Mr. Mukund Sapre	-	-	-	28.77	28.77
	-	-	-	81.85	81.85
<b>Balances:</b>					
<b>Advance towards capital in a subsidiary</b>					
ILFS	150.00	-	-	-	150.00
	150.00	-	-	-	150.00
<b>Interest accrued - asset</b>					
ILFS	21.11	-	-	-	21.11
APEL	-	-	312.38	-	312.38
TRDCL	-	-	43.06	-	43.06
OTHERS	-	1.56	1.97	-	3.53
	21.11	1.56	357.41	-	380.08
<b>Inter-corporate deposits placed</b>					
ILFS	673.30	-	-	-	673.30
	673.30	-	-	-	673.30
<b>Investment in Debentures</b>					
APEL	-	-	786.40	-	786.40
	-	-	786.40	-	786.40
<b>Investment in Covered Warrants</b>					
ILFS	1,693.00	-	-	-	1,693.00
	1,693.00	-	-	-	1,693.00
<b>Short-term Loan and Advances receivable</b>					
APEL	-	-	751.00	-	751.00
TRDCL	-	-	215.00	-	215.00
OTHERS	-	73.00	34.00	-	107.00
	-	73.00	1,000.00	-	1,073.00

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

					₹ in million
Particulars	Holding Company	Fellow Subsidiaries	Associates	Key Management personnel and relatives	Total
<b>Long-term Loan and Advances receivable</b>					
APEL	-	-	474.60	-	474.60
A4 CONCESSION	-	-	373.87	-	373.87
TRDCL	-	-	171.80	-	171.80
OTHERS	-	-	217.02	-	217.02
	-	-	1,237.29	-	1,237.29
<b>Advances Recoverable</b>					
APEL	-	-	1.63	-	1.63
A4 CONCESSION	-	1.94	-	-	1.94
Zheisiang Elsamex	-	12.14	-	-	12.14
OTHERS	-	0.20	-	-	0.20
	-	14.28	1.63	-	15.91
<b>Trade Payables</b>					
ILFS	62.57	-	-	-	62.57
IFIN	-	476.08	-	-	476.08
OTHERS	-	128.48	13.19	-	141.67
	62.57	604.56	13.19	-	680.32
<b>Trade Receivables</b>					
ILFS	16.42	-	-	-	16.42
IFIN	-	387.15	-	-	387.15
A4 CONCESSION	-	-	613.86	-	613.86
WCBTRL	-	-	599.00	-	599.00
OTHERS	-	0.26	348.18	-	348.44
	16.42	387.41	1,561.04	-	1,964.87
<b>Call Option Premium</b>					
ILFS (net of provision of ₹ 163.28 million)	36.67	-	-	-	36.67
	36.67	-	-	-	36.67
<b>Borrowings</b>					
ILFS	1,020.82	-	-	-	1,020.82
	1,020.82	-	-	-	1,020.82
<b>Redemption premium accrued but not due on borrowings</b>					
ILFS	291.02	-	-	-	291.02
	291.02	-	-	-	291.02
<b>Current liabilities</b>					
ILFS	28.73	-	-	-	28.73
	28.73	-	-	-	28.73

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

## NOTE NO.: 40 STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARIES

Sr.No.	Name of Subsidiary	Reporting Currency	Country of incorporation	Exchange Rate as at March 31, 2013	Capital	Reserve and Surplus	Total Assets	Total Liabilities (Other than shareholder's funds)	Investments other than investment in subsidiary	Total Revenue	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	₹ in million
1	Gujarat Road and Infrastructure Company Limited	INR	India	1.00	1,265.43	2,177.00	6,989.41	3,546.98	-	1,066.66	528.22	203.11	325.11	-	
2	East Hyderabad Expressway Limited	INR	India	1.00	293.10	299.31	4,068.34	3,475.93	-	394.16	(67.09)	(38.53)	(28.56)	-	
3	ITNL Road Infrastructure Development Company Limited	INR	India	1.00	520.00	(292.04)	4,805.53	4,577.57	0.02	1,523.87	(292.28)	(0.08)	(292.20)	-	
4	IL&FS Rail Limited (Formerly known as ITNL Enso Rail Systems Limited)	INR	India	1.00	2,088.00	167.08	2,635.54	380.46	-	2,054.79	225.66	76.99	148.68	-	
5	Vansh Nimay Infraprojects Limited	INR	India	1.00	158.90	(823.29)	231.72	896.11	-	481.16	(224.90)	-	(224.90)	-	
6	Scheme of ITNL Road Investment Trust	INR	India	1.00	1,083.56	8.37	1,092.20	0.26	-	-	136.01	-	136.01	-	
7	West Gujarat Expressway Limited	INR	India	1.00	400.00	(146.72)	2,616.55	2,363.27	-	456.90	(123.45)	-	(123.45)	-	
8	Hazaribagh Ranchi Expressway Limited	INR	India	1.00	0.50	169.27	11,079.44	10,909.67	-	2,702.61	(130.46)	(98.16)	(32.30)	-	
9	Pune Sholapur Road Development Company Limited	INR	India	1.00	1,600.00	2,951.48	14,079.79	9,528.32	-	5,976.54	539.02	(84.33)	623.35	-	
10	Moradabad Bareilly Expressway Limited	INR	India	1.00	2,216.60	5,057.70	19,719.23	12,444.93	-	5,852.40	712.84	(19.44)	732.28	-	
11	Jharkhand Road Projects Implementation Company Limited	INR	India	1.00	2,451.73	623.90	23,164.82	20,089.20	-	5,877.64	(114.13)	(36.83)	(77.30)	-	
12	Chenani Nashri Tunnelway Limited	INR	India	1.00	3,720.00	1,037.15	22,824.82	18,067.67	-	8,997.78	699.16	172.02	527.14	-	
13	Badarpur Tollway Operations Management Limited	INR	India	1.00	0.50	4.54	17.88	12.84	-	72.59	3.07	0.92	2.15	-	
14	MP Border Checkpost Development Company Limited	INR	India	1.00	959.68	450.23	9,050.93	7,641.01	-	2,481.85	221.52	75.59	145.93	-	



# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

Sr.No.	Name of Subsidiary	Reporting Currency	Country of incorporation	Exchange Rate as at March 31, 2013	Capital	Reserve and Surplus	Total Assets	Total Liabilities (Other than shareholder's funds)	Investments other than investment in subsidiary	Total Revenue	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	₹ in million
15	North Karnataka Expressway Limited	INR	India	1.00	593.91	1,483.35	5,721.63	3,644.37	-	531.07	187.16	45.90	141.26	59.39	
16	Rapid MetroRail Gurgaon Limited	INR	India	1.00	2,846.84	613.98	10,798.57	7,337.75	-	4,296.79	456.06	178.33	277.74	-	
17	ITNL International Pte. Limited	USD	Singapore	54.39	1,753.10	(938.41)	11,137.82	10,323.13	4.09	48.68	(641.40)	27.70	(669.10)		
18	ITNL Offshore Pte. Limited	USD	Singapore	54.39	2.61	(24.52)	5,638.23	5,660.14	-	-	7.54	3.49	4.04	-	
19	ITNL International JLT	AED	UAE	14.79	80.09	(21.38)	62.39	3.67	-	-	(22.73)	-	(22.73)	-	
20	ITNL Africa Projects Ltd	NGN	Nigeria	0.34	168.80	(9.73)	210.66	51.59	-	-	(10.08)	-	(10.08)	-	
21	Rapid MetroRail Gurgaon South Limited	INR	India	1.00	0.50	(0.35)	1,521.94	1,521.79	-	1,214.57	(0.35)	0.00	(0.35)	-	
22	Baleshwar Kharagpur Expressway Limited	INR	India	1.00	558.40	106.33	1,785.36	1,120.63	-	1,256.49	106.33	-	106.33	-	
23	Sikar Bikaner Highway Limited	INR	India	1.00	988.00	143.05	2,199.33	1,068.28	-	1,689.01	143.05	-	143.05	-	
24	Kiratpur Ner Chowk Expressway Limited	INR	India	1.00	285.00	(4.71)	1,325.08	1,044.79	-	700.20	(3.34)	-	(3.34)	-	
25	Karyavattom Sports Facilities Limited	INR	India	1.00	150.50	5.46	581.54	425.58	-	344.45	570	-	570	-	
26	Futureage Infrastructure India Limited (Formerly known as Global Parking Plaza Limited)	INR	India	1.00	49.00	(5.22)	63.19	19.41	-	4.20	(0.89)	-	(0.89)	-	
27	Charminar RoboPark Limited	INR	India	1.00	56.49	(3.03)	89.64	36.18	-	82.35	(1.97)	-	(1.97)	-	
28	Elsamex SA	Euro	Spain	69.54	1,409.28	2,237.23	10,310.88	6,664.38	208.19	4,878.12	211.01	71.63	139.38	-	
29	Atenea Seguridad y Medio Ambiente S.A.	Euro	Spain	69.54	9.05	74.65	484.24	400.54	-	269.34	34.69	11.08	23.61	-	
30	Senalización Viales e Imagen S.A.U. (SEVIMAGEN) S.A.U.	Euro	Spain	69.54	47.85	(299.57)	449.73	701.45	-	43.10	(95.37)	(31.39)	(63.98)	-	
31	Elsamex Internacional SRL	Euro	Spain	69.54	995.21	(397.80)	2,241.06	1,643.65	-	457.97	(71.58)	(26.86)	(44.72)	-	
32	Grusamar Ingeniería y Consulting SRL	Euro	Spain	69.54	243.05	23.38	844.16	577.73	150	609.08	157.9	(6.75)	22.54	-	
33	Elsamex Portugal Engenharia e SG SA	Euro	Portugal	69.54	24.34	54.07	183.17	104.75	5.18	155.72	1.22	0.78	0.44	-	
34	Interval Gestao Integral Rodoviaria, S.A.	Euro	Portugal	69.54	52.16	96.75	367.29	218.38	-	922.11	102.91	28.72	74.20	-	
35	Elsamex India Private Limited	INR	India	1.00	21.18	33.81	141.10	86.11	-	316.25	47.31	12.75	34.55	-	

# Notes

forming part of the consolidated financial statements for the year ended March 31, 2013

Sr.No.	Name of Subsidiary	Reporting Currency	Country of incorporation	Exchange Rate as at March 31, 2013	Capital	Reserve and Surplus	Total Assets	Total Liabilities (Other than shareholder's funds)	Investments other than investment in subsidiary	Total Revenue	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend
36	Yala Construction Co Private Limited	INR	India	1.00	63.19	28.16	114.68	23.32	-	81.87	5.89	1.55	4.35	-
37	Mantenimiento and Conservacion Vialidades SA (MANCOVI) Mexico Construction	pesos mejicanos	Mexico	4.41	42.11	29.98	104.51	32.41	-	450.13	13.38	3.20	10.17	-
38	ESM Mantenimiento Integrat de SA de CV	pesos mejicanos	Mexico	4.41	24.47	2.39	28.54	1.68	-	27.53	2.46	0.74	1.71	-
39	CISEM-INTEVIA, S.A. (formerly Instituto Tecnico De La Vialidad Y Del Transporte, S.A.)	Euro	Spain	69.54	4.17	40.23	741.05	696.65	2.23	201.30	(6.66)	(13.50)	6.84	-
40	Control 7, S.A	Euro	Spain	69.54	38.28	60.11	340.33	241.93	-	175.95	13.77	(11.81)	25.58	-
41	Grusamar Albania SHPK	Euro	Albania	69.54	0.06	(2.69)	4.07	6.70	-	-	(0.61)	-	(0.61)	-
42	Area De Servicio Coiros S.L.	Euro	Spain	69.54	69.75	138.80	396.75	188.20	-	36.08	(6.56)	(1.97)	(4.59)	-
43	Conservacion De Infraestructuras De Mexico S.A. De C.V.	pesos mejicanos	Mexico	4.41	0.22	(0.13)	0.27	0.18	-	-	(0.03)	-	(0.03)	-
44	Alcantarilla Fotovoltaica, S.L.U.	Euro	Spain	69.54	2.97	18.00	392.81	371.85	-	37.29	(12.91)	(4.06)	(8.85)	-
45	Area De Servicio Punta Umbria, S.L.U.	Euro	Spain	69.54	5.76	29.82	182.64	147.07	-	14.86	3.91	1.13	2.77	-
46	Beasolaria S.A.U	Euro	Spain	69.54	2.85	(0.87)	148.87	146.88	-	0.32	(0.76)	-	(0.76)	-
47	Elisamex Brazil LTDA	Euro	Portugal	69.54	26.94	(27.96)	-	1.02	-	-	(0.60)	-	(0.60)	-

**NOTE NO. 41** Previous year's figures have been regrouped / rearranged whenever necessary to conform to the classification of the current year.

For and on behalf of the Board

**K. Ramchand**  
Managing Director

**Arun K. Saha**  
Director

**George Cherian**  
Chief Financial Officer

**Krishna Ghag**  
Company Secretary

Bengaluru, May 7, 2013

# Notice

Notice is hereby given that the Thirteenth Annual General Meeting of IL&FS Transportation Networks Limited will be held at Y B Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021 on Thursday, August 8, 2013 at 3.30 p.m. to transact the following business:

## ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the financial year ended on that date together with the Reports of Directors and Auditors thereon
- (2) To declare a dividend
- (3) To appoint a Director in place of Mr. Arun K Saha, who retires by rotation and, being eligible offers himself for re-appointment
- (4) To appoint a Director in place of Mr. R C Sinha, who retires by rotation and, being eligible offers himself for re-appointment
- (5) To appoint a Director in place of Mr. H P Jamdar, who retires by rotation and, being eligible offers himself for re-appointment
- (6) To appoint Auditors and fix their remuneration and in this regard to consider and, if thought fit to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai registered with the Institute of Chartered Accountants of India vide Membership No. 117366W be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors of the Company"

## SPECIAL BUSINESS:

- (7) To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 including any amendment/ modification to or re-enactment thereof ("Act") read with Schedule XIII thereto, consent of the Members be and is hereby accorded to the re-appointment of Mr. K Ramchand, as Managing Director of the Company with effect from April 1, 2013, for a period of 5 years, on the terms, conditions and remuneration set out hereunder:

### (i) Consolidated/Basic Salary:

In the bandwidth of ₹ 15,00,000/- to ₹ 35,00,000/- per month with annual increments as may be decided by

the Remuneration Committee/ Board of Directors of the Company, effective April 1 each year

### (ii) Perquisites:

#### (a) Housing

The Company shall provide Mr Ramchand with furnished accommodation. In case no accommodation is provided, he shall be entitled to House Rent Allowance as may be decided by the Remuneration Committee /Board of Directors of the Company or as per the Rules of the Company

#### (b) Allowances

Mr. Ramchand shall be entitled to Allowances as per the Rules of the Company or as may be approved by the Remuneration Committee/ Board of Directors from time to time

#### (c) Medical Reimbursement:

Expenses incurred for Mr. Ramchand and his family as per the Rules of the Company, subject to a ceiling of one month's Consolidated / Basic Salary. He shall be entitled for reimbursement of unclaimed medical expenses for any particular year(s), during any or all the succeeding 5 years until expiry of his tenure of appointment, whichever is earlier

#### (d) Leave Travel Allowance

For Mr Ramchand and his family once in a year as per Rules of the Company, subject to a ceiling of one month's Consolidated / Basic Salary. In the event Mr. Ramchand is unable to undertake the travel, he shall be entitled to a lump sum allowance once a year, subject to deduction of tax at source as applicable, as per the Rules of the Company

#### (e) Car:

Mr Ramchand shall be provided with a chauffeur driven car for use on Company's business. The use of car for private purposes will be billed to him as per the Rules of the Company

#### (f) Club Fees:

Fees of club subject to a maximum of three clubs. This will not include life membership fees

#### (g) Mediclaim Insurance:

For Mr Ramchand and his family, as per the Rules of the Company or as may be approved by the Remuneration Committee/ Board of Directors from time to time

Explanation: For the purpose of (c), (d) and (g), "Family" means spouse, dependent children and dependent parents

**(h) Telephone/ Fax:**

Mr Ramchand shall be provided with telephone(s) at his residence. Personal long distance calls will be billed as per the Rules of the Company

**(i) Electricity:**

Mr Ramchand shall be entitled to reimbursement of residential electricity bills at actuals

**(j) Retirement Benefits:**

Contribution to Provident Fund, Superannuation Fund and Gratuity Fund as per the Rules of the Company. Gratuity payable shall not exceed one month's salary for each completed year of service or as per the Rules of the Company. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act, 1961

**(k) Leave Encashment**

Encashment of leave, as per the Rules of the Company, subject to deduction of tax at source, as applicable. This will also not be included in the computation of the ceiling on perquisites

**(iii) Performance Related Pay/Incentive:**

Such remuneration by way of Performance based rewards/ incentives, in addition to the above salary and perquisites as may be decided by the Remuneration Committee/Board of Directors from time to time

**(iv) Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained where in any financial year, during the currency of tenure of Mr Ramchand, the Company has no profits or its profits are inadequate, remuneration by way of salary, perquisites and performance related pay/ incentive shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Act whichever is lower unless otherwise determined by the Remuneration Committee/ Board of Directors, subject to approval of the Central Government, if required

**(v) General Conditions:**

- (a) The total remuneration payable to Mr. Ramchand shall not exceed such limits as may be prescribed by the Central Government
- (b) Mr Ramchand shall be entitled to such other privileges, facilities and amenities in accordance with the Company Rules and Regulations applicable to other employees of the Company as may be decided by the Remuneration Committee / Board of Directors, within the overall limits prescribed under the Companies Act, 1956

(c) Mr Ramchand shall not be liable to retire by rotation

(d) Mr Ramchand shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof

(8) To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 including any amendment/ modification to or re-enactment thereof (“Act”) read with Schedule XIII thereto, consent of the Members be and is hereby accorded to the re-appointment of Mr. Mukund Sapre, as Whole time Director to be designated as Executive Director of the Company in terms of the Act, with effect from April 1, 2013, for a period of 5 years, on the terms, conditions and remuneration set out hereunder:

**(i) Consolidated/Basic Salary:**

In the bandwidth of ₹ 7,00,000/- to ₹ 20,00,000/- per month with annual increments as may be decided by the Remuneration Committee/Board of Directors of the Company, effective April 1 each year

**(ii) Perquisites:****(a) Housing**

The Company shall provide Mr Sapre with furnished accommodation. In case no accommodation is provided, he shall be entitled to House Rent Allowance as may be decided by the Remuneration Committee/Board of Directors of the Company or as per the Rules of the Company

**(b) Allowances:**

Mr. Sapre shall be entitled to Allowances as per the Rules of the Company or as may be approved by the Remuneration Committee/ Board of Directors from time to time

**(c) Medical Reimbursement:**

Expenses incurred for Mr Sapre and his family as per the Rules of the Company, subject to a ceiling of one month's Consolidated / Basic Salary. He shall be entitled for reimbursement of unclaimed medical expenses for any particular year(s), during any or all the succeeding 5 years until expiry of his tenure of appointment, whichever is earlier

**(d) Leave Travel Allowance:**

For Mr Sapre and his family once in a year as per the Rules of the Company, subject to a ceiling of one month's Consolidated / Basic Salary. In the event Mr. Sapre is unable to undertake the travel, he shall

be entitled to a lump sum allowance once a year, subject to deduction of tax at source as applicable, as per Rules of the Company

**(e) Car:**

Mr. Sapre shall be provided with a chauffeur driven car for use on Company's business. The use of car for private purposes will be billed to him as per the Rules of the Company

**(f) Club Fees:**

Fees of club subject to a maximum of two clubs. This will not include life membership fees

**(g) Mediclaim Insurance:**

For Mr. Sapre and his family, as per the Rules of the Company or as may be approved by the Remuneration Committee/ Board of Directors from time to time

Explanation: For the purpose of (c), (d) and (g), "Family" means spouse, dependent children and dependent parents

**(h) Telephone/ Fax:**

Mr Sapre shall be provided with telephone(s) at his residence. Personal long distance calls will be billed as per the Rules of the Company

**(i) Electricity:**

Mr Sapre shall be entitled to reimbursement of residential electricity bills at actuals

**(j) Retirement Benefits:**

Contribution to Provident Fund, Superannuation Fund and Gratuity Fund as per the Rules of the Company. Gratuity payable shall not exceed one month's salary for each completed year of service or as per the Rules of the Company. These will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act, 1961

**(k) Leave Encashment:**

Encashment of leave, as per the Rules of the Company, subject to deduction of tax at source, as applicable. This will also not be included in the computation of the ceiling on perquisites

**(iii) Performance Related Pay/Incentive:**

Such remuneration by way of Commission / Performance based rewards/ incentives, in addition to the above salary and perquisites as may be decided by the Remuneration Committee/Board of Directors from time to time

**(iv) Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained where in any financial year, during the

currency of tenure of Mr Sapre, the Company has no profits or its profits are inadequate, remuneration by way of salary, perquisites and performance related pay/ incentive shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Act whichever is lower unless otherwise determined by the Remuneration Committee / Board of Directors, subject to approval of the Central Government, if required

**(v) General Conditions:**

(a) The total remuneration payable to Mr. Sapre shall not exceed such limits as may be prescribed by the Central Government

(b) Mr. Sapre shall be entitled to such other privileges, facilities and amenities in accordance with the Company Rules and Regulations applicable to other employees of the Company as may be decided by the Remuneration Committee/ Board of Directors, within the overall limits prescribed under the Companies Act, 1956

(c) Mr. Sapre shall not be liable to retire by rotation

(d) Mr. Sapre shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof

(9) To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 including any amendment/ modification to or re-enactment thereof (the "Act"), the Authorized Share Capital of the Company be increased from the existing ₹ 250,00,00,000 (Rupees Two Hundred and Fifty Crores only) divided into 25,00,00,000 (Twenty Five Crores) equity shares of ₹ 10/- each to ₹ 1250,00,00,000 (Rupees One Thousand Two Hundred Fifty Crores only) comprising of Equity Share Capital of ₹ 250,00,00,000 (Rupees Two Hundred and Fifty Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of ₹ 10/- each and Preference Share Capital of ₹ 1000,00,00,000 (One Thousand Crores) divided into 100,00,00,000 (One Hundred Crores) Preference Shares of ₹ 10/- each, by creation of additional 100,00,00,000 (One Hundred Crores) Preference Shares of ₹ 10/- each and consequently the existing Clause V of the Memorandum of Association of the Company, relating to share capital, be substituted by the following new Clause V:

**Clause V:**

The Authorised Share Capital of the Company is ₹ 1250,00,00,000 (Rupees One Thousand Two Hundred Fifty Crores only) comprising of Equity Share Capital of ₹ 250,00,00,000 (Rupees Two Hundred and Fifty Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of ₹ 10/- each and Preference Share Capital of ₹ 1000,00,00,000 (One Thousand Crores) divided into

100,00,00,000 (One Hundred Crores) Preference Shares of ₹ 10/- each

The paid up share Capital of the Company shall be minimum of ₹ 5,00,000/- (Rupees Five Lakhs Only)

(a) Any shares of the original or increased capital may from time to time be issued with any such guarantee or any such right of preference, whether in respect of dividend or of repayment of capital, or both, or any such other special privilege or advantage over any shares previously issued or then about to be issued, or with such deferred or qualified rights as compared with any shares previously issued, or then about to be issued, or subject to any such provisions or conditions and with any special right or limited rights or without any right of voting, and generally on such terms as the Company may from time to time determine

(b) The right of the holders of any class of shares for the time being forming part of the Capital of the Company, may be modified, affected, varied, extended by the Company or surrendered either with the consent in writing of the holders of three-fourth of the issued shares of the class or with the sanction of a special resolution passed at the separate meeting of holders of these shares

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee(s) and/or any of the Director(s)/Person(s) authorized by the Board of Directors of the Company to exercise powers conferred by this Resolution to the extent permitted by law) be and is are hereby authorized to take all such steps and actions as may be considered necessary or expedient for giving effect to this resolution and to settle any questions that may arise in this regard”

By Order of the Board  
For IL&FS Transportation Networks Limited

Krishna Ghag

Vice President &  
Company Secretary

May 7, 2013, Bengaluru

Registered Office:

The IL&FS Financial Centre,

C-22, G-Block, Bandra – Kurla Complex,

Bandra (East), Mumbai 400051

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING
2. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, which sets out details relating to the Special Business, is annexed hereto
3. As required under the Listing Agreement, the particulars of Directors seeking Appointment/Re-appointment as Directors are given in the Annexure to this Notice
4. Members / Proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting along with the Annual Report
5. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain

closed from Thursday, August 1, 2013 to Thursday, August 8, 2013 (both days inclusive)

6. The Final Dividend as recommended by the Board of Directors, if approved by the Shareholders at the 13th Annual General Meeting of the Company, shall be paid to those Members whose names appear on the Register of Members of the Company on Thursday, August 8, 2013. In respect of shares held in electronic form, the Dividend will be payable to the Beneficial Owners of the shares as on the closing hours of business on Wednesday, July 31, 2013 as per the details furnished by the Depositories for this purpose
7. Members are requested to immediately intimate changes, if any, in their registered addresses along with pin code number to the Company or the Registrars & Share Transfer Agents. Members holding shares in dematerialised mode are requested to intimate the same to their respective depository participants
8. In order to avail of the facility of Electronic Clearing Service (ECS), Members holding shares in physical form are requested to provide bank account details to the Company or the Registrar & Share Transfer Agents. Members holding



shares in dematerialised mode are requested to instruct their respective Depository Participants regarding bank accounts in which they wish to receive the dividends. The Company/Registrars & Share Transfer Agents will not act on any direct request received from Members holding shares in dematerialised form for change/deletion of such bank details

9. The Company is obliged to print such Bank details on the Dividend warrants as furnished by NSDL and CDSL, "the Depositories" to the Company and the Company cannot entertain any request for deletion/change of Bank details already printed on the Dividend warrant(s) based on the information received from the concerned Depositories without confirmation from them. In this regard Members are advised to contact their Depository Participant (DP) and furnish them the particulars of any change desired
10. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unpaid / unclaimed for a period of 7 years would be transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government and Member(s) would not be able to claim any amount of dividend so transferred to the fund
11. Members intending to require information or clarifications about the Financial Accounts, to be explained at the Meeting are requested to inform the Company atleast a week in advance to enable the Company to compile the information and provide replies at the Meeting
12. Members are requested to bring their copy of the Annual Report to the Meeting

**Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956**

**Item no. 7 & 8**

At the Annual General Meeting held on August 29, 2008, the Shareholders had approved the appointment of Mr. K. Ramchand as Managing Director and Mr. Mukund Sapre as Executive Director of the Company for a period of 5 years with effect from August 13, 2008. Under their leadership, the Company has during the past 5 years recorded impressive all round growth in the business and achieved various landmarks. The term of their appointment was valid upto August 12, 2013, however, the Board of Directors at their meeting held on May 7, 2013 decided to re-appoint Mr. K. Ramchand as Managing Director and Mr. Mukund Sapre as Executive Director for a further period of 5 years effective

April 1, 2013 on a revised remuneration subject to the approval of the Shareholders

Brief Profile of Mr. K. Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director in terms of Clause 49 of the Listing Agreement, is provided in the Annexure to this Notice

The terms and conditions of re-appointment of Mr. K. Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director as provided in the resolution attached to this notice shall be treated as an abstract pursuant to Section 302(2) of the Companies Act, 1956

None of the Directors except Mr. K. Ramchand, Managing Director and Mr. Mukund Sapre, Executive Director are interested in their respective resolution

**Item no. 9**

The Company, in order to meet its growth objectives and to strengthen its financial position, is required to generate long term resources. In order to enable the Company to raise further capital other than by way of issue of Equity Shares, it is proposed to increase the Authorised Share capital by creation of Preference Share Capital. It is therefore proposed to increase the Authorised Share Capital of the Company from ₹ 250 Crores to ₹ 1250 Crores comprising of Equity Share Capital of ₹ 250,00,00,000 (Rupees Two Hundred Fifty Crores Only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of ₹ 10/- each and Preference Share Capital of ₹ 1000,00,00,000/- (Rupees One Thousand Crores) divided into 100,00,00,000 (One Hundred Crores) Preference shares of ₹ 10/- each, by creation of 100,00,00,000 (One Hundred Crores) Preference shares of ₹ 10/- each. By and for that purpose, Clause V of the Memorandum of Association of the Company is proposed to be suitably altered as set out at item No. 9 of the accompanying Notice

The provisions of the Companies Act, 1956 require the Company to seek approval of the Members for increase in the Authorised Share Capital and for the alteration of capital clause of the Memorandum of Association of the Company

Your Directors recommend the resolution as set out in the Item No. 9 for approval of the Members

None of the Directors of the Company is, in any way, concerned or interested in the said resolution

By Order of the Board  
For IL&FS Transportation Networks Limited

**Krishna Ghag**

Vice President &  
Company Secretary

May 7, 2013, Bengaluru

Registered Office:

The IL&FS Financial Centre,  
C-22, G-Block, Bandra – Kurla Complex,  
Bandra (East), Mumbai 400051

## Details of Directors seeking re-appointment at the Annual General Meeting

Particulars	Arun K Saha	H P Jamdar	R. C. Sinha	K Ramchand	Mukund Sapre
Date of Birth	March 27, 1953	May 6, 1944	May 22, 1938	October 13, 1954	September 14, 1959
Date of Appointment	January 6, 2001	January 6, 2001	March 19, 2001	August 13, 2008	August 13, 2008
Qualifications	(i) Master's degree in Commerce (ii) Associate Member of the Institute of Chartered Accountants of India and (iii) Associate Member of the Institute of Companies Secretaries of India	Bachelor's degree in Civil Engineering	(i) Bachelor's degree in Law, (ii) Master's degree in Economics (iii) Master's Degree in Urban Development	(e) Bachelor's degree in Civil Engineering (ii) Post-graduation in Development Planning	(i) Bachelor's degree in Civil Engineering, (ii) Diploma in Systems Management (iii) Diploma in Financial Management
Expertise in specific functional areas	Has considerable experience in the areas of financial services, infrastructure and asset management	Worked in various capacities in State Government departments including roads and ports sector	Worked in various capacities in State Government departments including heading infrastructure projects	Has considerable experience in urban and transport infrastructure development sector	Has considerable experience in implementing multiple projects and a host of related functions in India and abroad
Directorships in other Public Limited Companies*	> Infrastructure Leasing & Financial Services Limited > IL&FS Capital Advisors Limited > IL&FS Energy Development Company Limited > IL&FS Financial Services Limited > IL&FS Infra Asset Management Limited > IL&FS Infrastructure Development Corporation Limited > IL&FS Investment Managers Limited > IL&FS Technologies Limited > IL&FS Trust Company Limited > ISSL Settlement and Transaction Services Limited > IL&FS Securities Services Limited > IL&FS Township & Urban Assets Limited > Hill County Properties Limited > Noida Toll Bridge Company Limited	Delhi-Gurgaon Super Connectivity Limited	Bengal Ambuja Housing Development Limited	> Bengal Aerotropolis Projects Limited > Dighi Port Limited > Gujarat Road And Infrastructure Company Limited > Gujarat International Finance Tec-City Co. Ltd. > IL&FS Renewable Energy Limited > IL&FS Maritime Infrastructure Company Ltd > IL&FS Energy Development Company Ltd > IL&FS Engineering and Construction Company Limited > IL&FS Environmental Infrastructure & Services Limited > IL&FS Water Limited > IL&FS Township & Urban Assets Limited > Noida Toll Bridge Company Limited > Road Infrastructure Development Company of Rajasthan Limited > Reliance Haryana SEZ Limited	> Andhra Pradesh Expressway Limited > Bengal Aerotropolis Projects Limited > Chenani Nashri Tunnelway Limited > East Hyderabad Expressway Limited > Gujarat State Road Development Corporation Limited > Hazaribagh Ranchi Expressway Limited > IL&FS Rail Limited > IL&FS Airports Limited > Jorabat Shillong Expressway Limited > Jharkhand Accelerated Road Development Company Limited > Jharkhand Road Projects Implementation Company Limited > Karyavattom Sports Facilities Limited > Regional Airport Holdings International Limited

<b>Membership of Committees in other Public Limited Companies (includes only Audit &amp; Shareholders' / Investors' Grievance Committee)</b>	➤ IL&FS Financial Services Limited - Member of Audit Committee	Nil	Nil	➤ Gujarat Road Infrastructure Company Limited - Chairman of Audit Committee	➤ Andhra Pradesh Expressway Limited - Member of Audit Committee
	➤ IL&FS Infrastructure Development Corporation Limited - Member of Audit Committee			➤ IL&FS Maritime Infrastructure Company Limited - Member of Audit Committee	➤ East Hyderabad Expressway Limited - Member of Audit Committee
	➤ IL&FS Technologies Limited - Chairman of Audit Committee			➤ IL&FS Township & Urban Assets Limited - Member of Audit Committee	➤ Jharkhand Accelerated Road Development Company Limited - Member of Audit Committee
	➤ IL&S Township & Urban Assets Limited - Chairman of Audit Committee			➤ Dighi Port Limited - Member of Audit Committee	➤ Jorabat Shillong Expressway Limited - Member of Audit Committee
	➤ IL&FS Trust Company Limited- Member of Audit Committee			➤ Bengal Aerotropolis Projects Limited - Member of Audit Committee	➤ Chenani Nashri Tunnelway Limited - Member of Audit Committee
	➤ Hill County Properties Limited- Member of Audit Committee				➤ Gujarat State Road Development Corporation Limited - Member of Audit Committee
	➤ Noida Toll Bridge Company Limited- Member of Audit Committee				
<b>No. of Shares held in the Company</b>	319,537	Nil	53	550,000	300,000

\* Excludes Directorships in Private Limited Companies, Foreign Companies and Government bodies

## Notes



Regd.Office: The IL&FS Financial Centre,  
C-22, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400051

### ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP.Id*	
Client Id*	

Folio No.	
-----------	--

Name and Address of the Shareholder .....  
.....Number of Shares held :  
.....

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held on Thursday, August 8, 2013 at 3.30 p.m, at  
Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021

\* Applicable for Investors holding  
Shares in electronic form

\*\* Strike out whichever is not applicable

SIGNATURE OF THE SHAREHOLDER OR PROXY\*\*



Regd.Office: The IL&FS Financial Centre,  
C-22, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400051

### PROXY FORM

DP.Id*	
Client Id*	

Folio No.	
-----------	--

I/We .....  
.....

being a Member/Members of IL&FS Transportation Networks Limited hereby appoint .....  
.....

..... of .....

or (failing him) ..... of .....

or (failing him) ..... of .....

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on  
Thursday, August 8, 2013 at 3.30 p.m at Y. B. Chavan Auditorium, Gen. J. Bhosale Marg, Mumbai 400 021 and at any adjournment  
thereof

Signed this .....day of .....2013

Signature .....

Affix  
revenue  
stamp

\*Applicable for Investors holding shares in electronic form.

Note : The Proxy Form must be deposited at the Registered Office of the Company at The IL&FS Financial Centre,  
C-22, G-Block, Bandra – Kurla Complex, Bandra (East), Mumbai 400051 not less than 48 hours before the time for holding the meeting. The  
Proxy need not be a member of the Company







The IL&FS Financial Centre, Mumbai



**IL&FS Transportation Networks Limited**

The IL&FS Financial Centre  
Plot C22, G Block, Bandra Kurla Complex  
Bandra East, Mumbai 400 051

Tel: 91-22-2653 3333 Fax: 91-22-2652 3979

[www.itnlindia.com](http://www.itnlindia.com)

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