

# IL&FS Transportation Networks Limited

Analyst Presentation – February 2012



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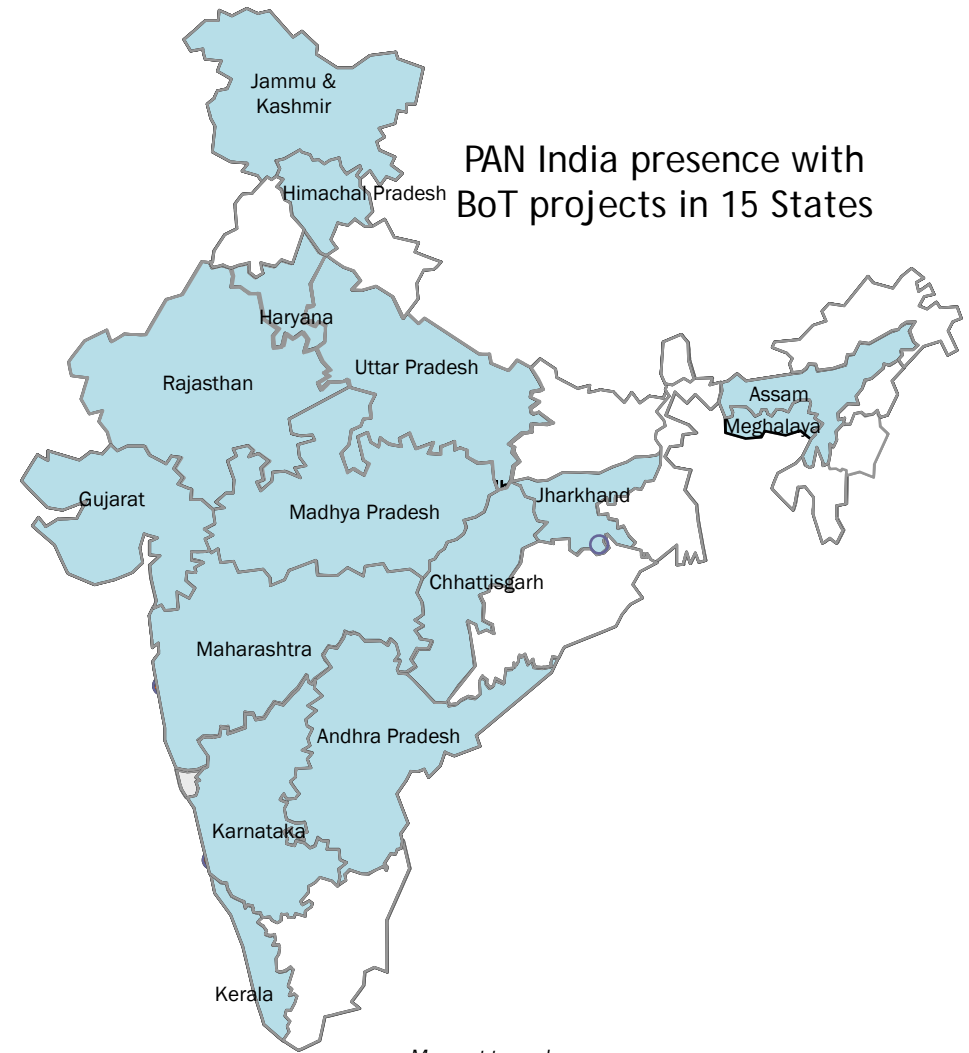
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- Company Overview
- Key Differentiators
- The ITNL Group
- Project Portfolio
- Recent Project Awards and Financial Closures
- Project Pipeline
- Road Sector Opportunity
- Financial Performance Parameters
- Key Quarterly Financial Parameters of Q3FY12
- Capital Works Remaining to be Executed
- Toll and Annuity Collection on Operational Projects
- Board of Directors and Key Managerial Personnel
- Road Projects

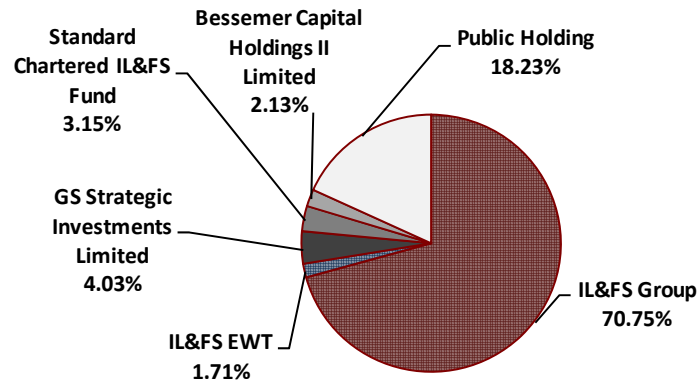


- IL&FS Transportation Networks Limited (ITNL) has the largest BoT road asset portfolio (in terms of lane kilometer) in India
- ITNL has a pan India presence with projects in 15 states in India
- Promoted by Infrastructure Leasing and Financial Services Limited (IL&FS) in the year 2000
- ITNL has ~ 10,000 lane km under its road assets portfolio
- Has presence in other sub sectors viz. metro rail , bus transportation and border entry points
- A *'Thought Leader'*....., IL&FS Transportation plays varied roles such as Sponsor, Project Developer cum Manager, Operations & Maintenance Manager, Design & Value Engineer and Policy Advisor



Map not to scale  
 Does not depict political boundaries

## Shareholding Pattern





## Market Leadership in the Transportation Infrastructure Sector

- With around 10,000 lane km comprised in 21 projects in its road assets portfolio
- Forays into other surface transportation sub-sectors like metro, bus & border check-post



## Track Record of Successful Project Implementation

- Operational portfolio 5377 lane kms of highways, operating one bus transportation project
- Projects substantially completed to budget and within time



## Strong Parentage of IL&FS

- IL&FS Brand and expertise in finance & other infrastructure areas
- Experience in working with various Government and other Authorities



## Partnerships and Bilateral contracts with State Governments

- State Highway Concessions in joint venture with the States of Kerala, Chhattisgarh, Gujarat, Rajasthan & Jharkhand



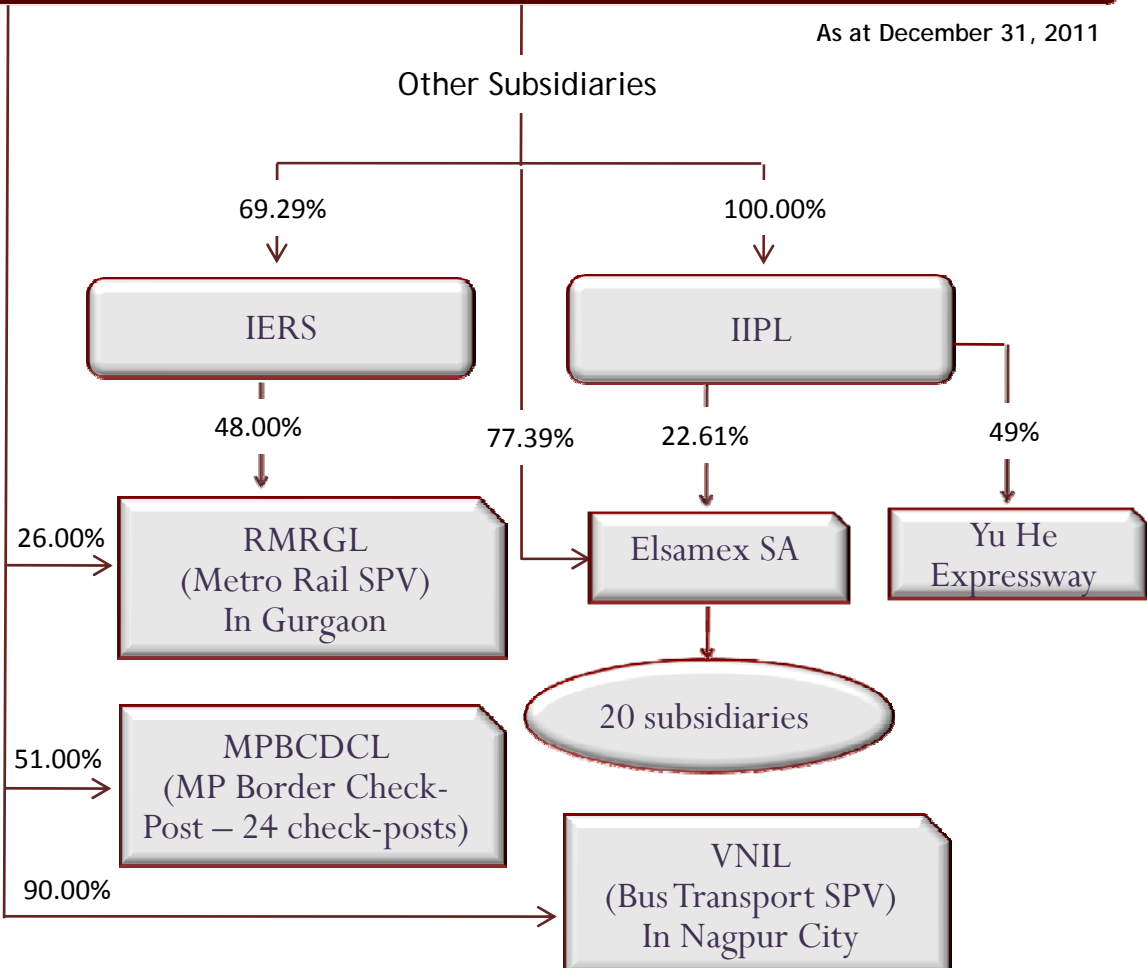
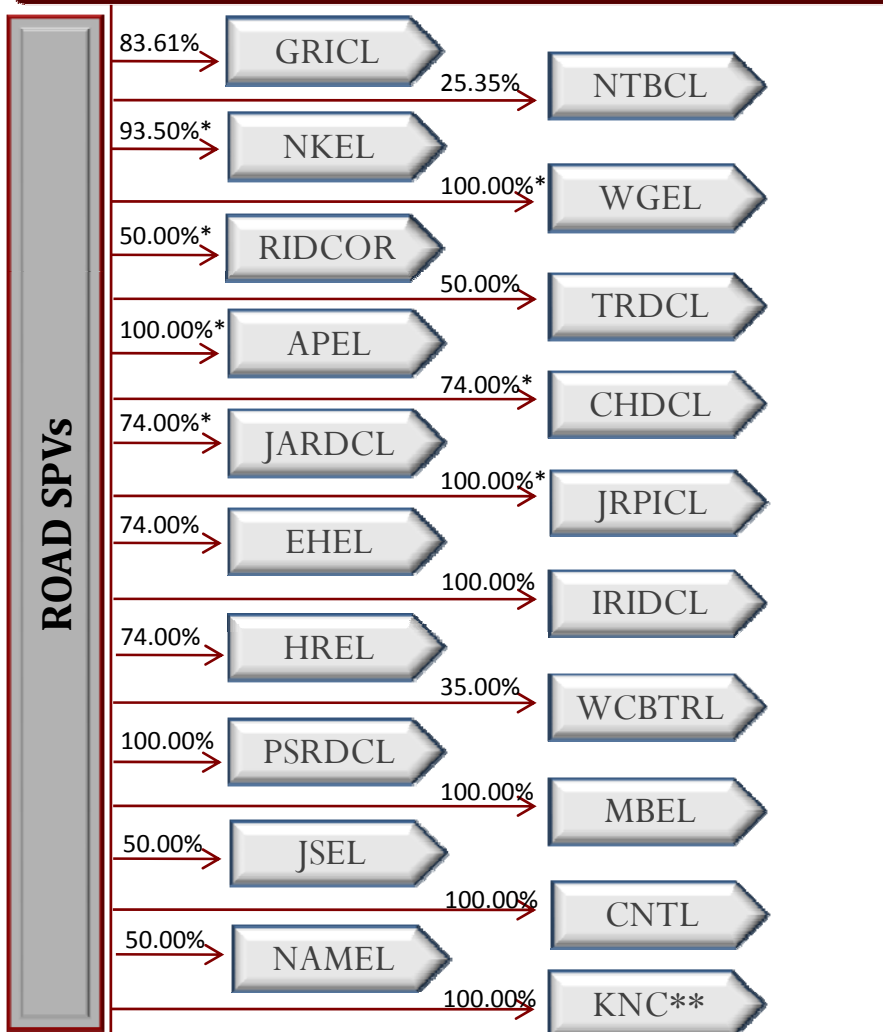
## Diversified and de-risked portfolio

- Pan India presence with a fair mix of annuity and toll concessions
- Presence in Europe, Latin America & Mexico through Elsamex SA
- Recently Acquired Operational road project in China.



**IL&FS Transportation Networks Limited**

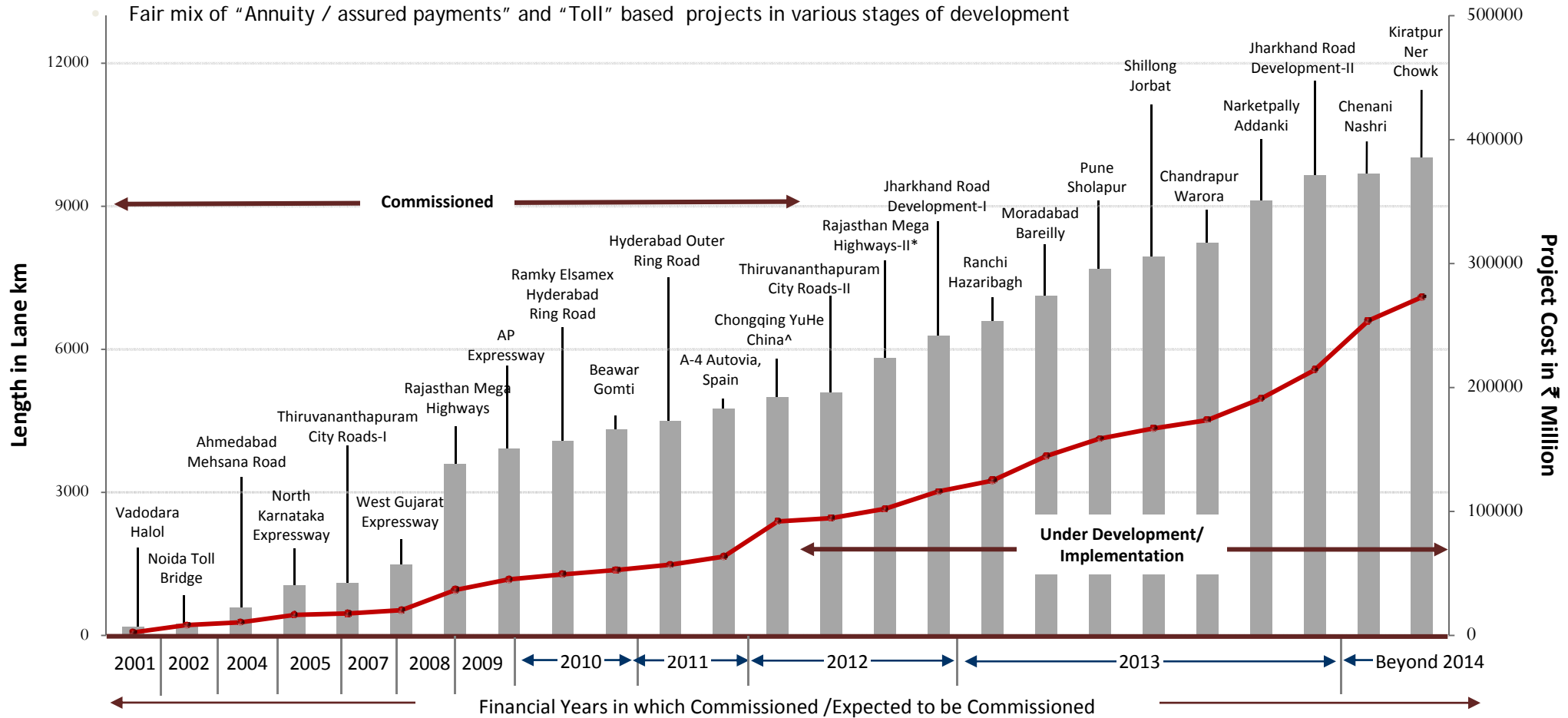
As at December 31, 2011



\*\* SPV yet to be formed for recently awarded project in HP  
\* Includes indirect and beneficial interest too



- Diverse BOT portfolio of 21 road projects covering 10,019 lane km spread across various states of India
- Fair mix of "Annuity / assured payments" and "Toll" based projects in various stages of development



**ITNL has the largest Private Sector BOT Road Asset Portfolio in India**

\* Partly commissioned with two out of five stretches commissioned

^ The operational project was acquired in Dec, 2011

Cumulative Project Cost



## Metro Rail

**Metro Rail Project** – awarded by Haryana Urban Development Authority (HUDA)

- Metro link from Delhi metro Sikanderpur station to DLF Cyber City on NH-8 in Gurgaon
- Project Cost of ~ ₹1100 cr with a concession period of 99 years - ITNL stake in the project ~54%
- Likely Commissioning in CY 2012 – financially closed and construction commenced

## Bus System

**Nagpur Bus System Project** – awarded by Nagpur Municipal Corporation

- Mobilizing, running, operating and maintaining the Nagpur City Bus Services on an exclusive basis
- Concession period of 10 years ending on 2020 - 470 buses deployed
- Project Cost ~ ₹ 715.10 mn, ₹ 394.10 mn sanctioned by Pooled Municipal Debt Obligation Fund & Other ₹ 162.10 mn sanctioned by UBI for JnNURM buses.

## Border Entry Point

**MP Border Check Post Project** – awarded by the Government of Madhya Pradesh

- In consortium with Spanco (ITNL stake 51%), 24 border check-post in MP to be developed
- Revenue sources – entry fee from commercial vehicles, parking fee, loading/unloading etc
- Concession period of ~12.5 years with ~2 year construction period. Project cost estimated at ₹13,500 mn





ITNL Secured projects worth around ₹ 80 billion each year  
in the last 2 financial years

Project	Authority	BOT Type	Length (lane km)	Estimated Cost (₹ Million)
<b>Road Sector</b>				
Ranchi to Hazaribagh	NHAI	Annuity	319	8,692
Pune to Sholapur	NHAI	Toll	571	14,027
Moradabad to Bareilly	NHAI	Toll	522	19,836
Three stretches under JARDP*	GoJ	Annuity	466	14,078
Mega Highways-II	GoR	Toll	698	8,126
Chandrapur Warora	GoM	Toll	275	7,000
Chennai to Nashri in J&K	NHAI	Annuity	38	37,200
Jorabat to Shillong in North East	NHAI	Annuity	262	8,240
Narkatpally to Addanki in AP	GoAP	Toll	888	17,605
Madhya Pradesh Entry Point	GoM	Fee	-	13,500
Gurgaon Metro Rail	HUDA	Fee	4.8 km	11,000
Two stretches under JARDP*	GoJ	Annuity	198	6,732
Kiratpur to Ner-Chowk in HP	NHAI	Toll	327	18,185
<b>Total</b>				<b>1,84,221</b>

## Debt Tied-up

Project	Debt tied-up (₹ Million)
Ranchi to Hazaribagh	7,382
Pune to Sholapur	9,577
Moradabad to Bareilly	13,187
Three stretches under JARDP*	12,386
Thiruvanthapuram City Roads	1,436
Chandrapur Warora	3,360
Mega Highways –II	6,098
Chenani Nashri Tunnelway	33,480
Jorabat to Shillong	7,400
Narkatpally to Addanki	10,600
Gurgaon Metro Rail	7,616
Nagpur City Bus Transportation	556
MP Border Check Post	11,475
Additional two stretches under JARDP	5,545
<b>Total Debt tied –up</b>	<b>1,30,098</b>

ITNL had 9% and 7% market share of NHAI projects awarded in FY10 and FY11 respectively plus State projects too

\*Under Jharkhand Accelerated Development Program concession agreements were signed for Ranchi Ring Road; Ranchi to Patratu road; and Patratu to Ramgarh road. Subsequently, Government of Jharkhand signed concessions for Chaibasa Kandra Chowka & Adityapur Kandra roads.

As of January 31, 2011

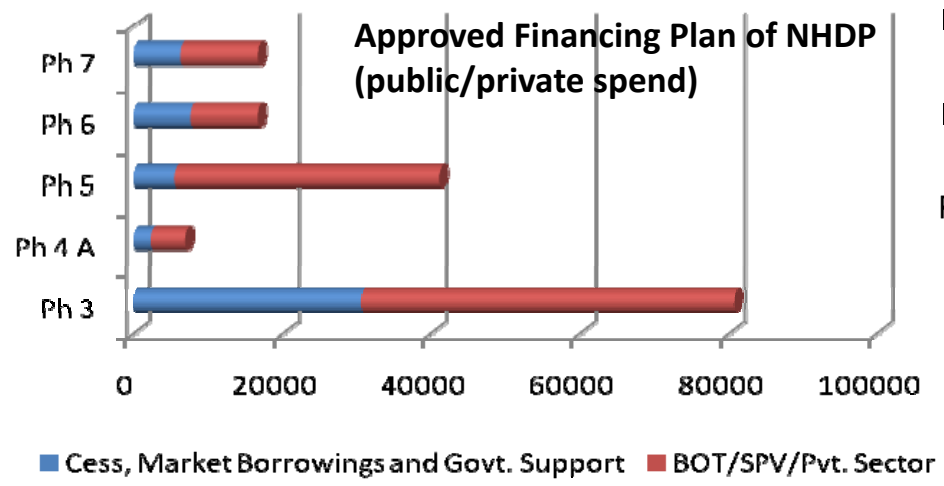
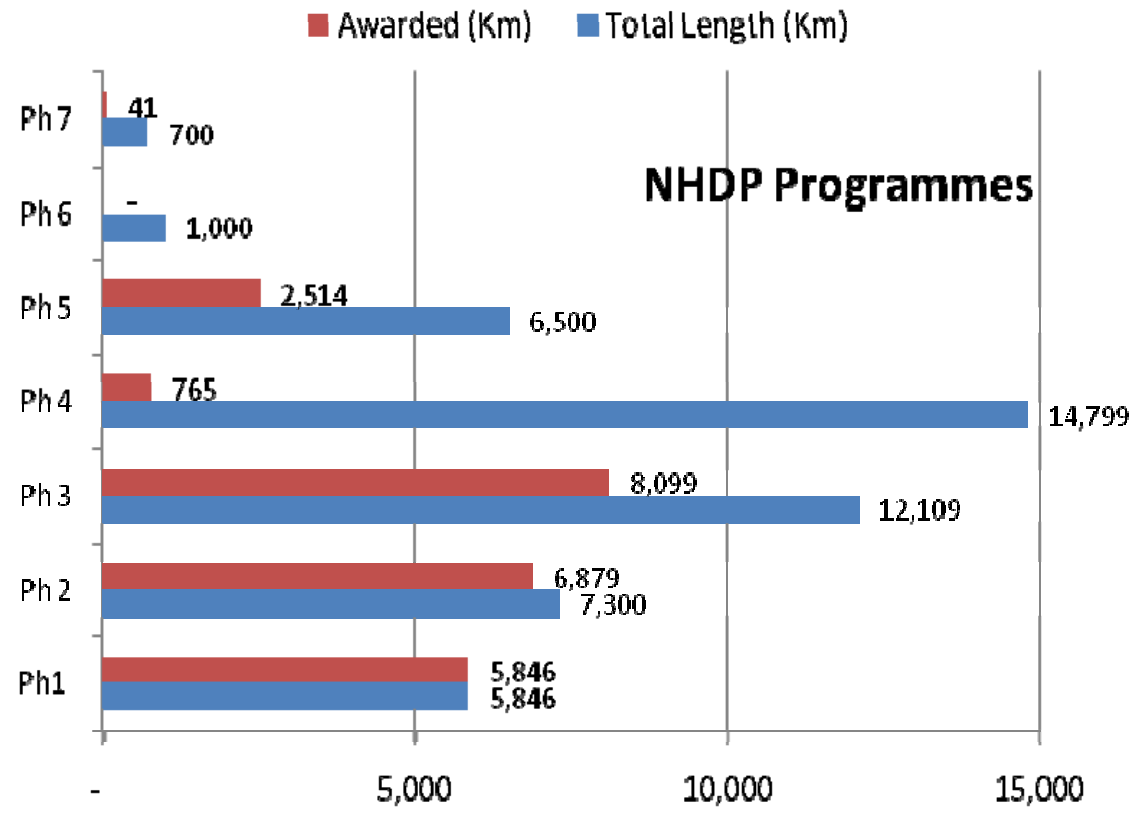
BID PIPELINE						
	RFP Stage (Post Qualification)			RFQ Stage (Pre Qualification)		
	Projects	Length (km)	Cost (₹ Mn)	Projects	Length (km)	Cost (₹ Mn)
NHAI	7	831	53,364	37	4,074	3,64,495
MORTH	-	-	-	-	-	-
STATE PROJECTS	5	700	32,642	10	1,044	1,17,755
<b>Total</b>	<b>12</b>	<b>1,531</b>	<b>86,006</b>	<b>47</b>	<b>5,118</b>	<b>4,82,250</b>



~23,000 km of award pending under NHDP - to be substantially executed under PPP

NHAI has targeted award of around 7,300 km in FY12

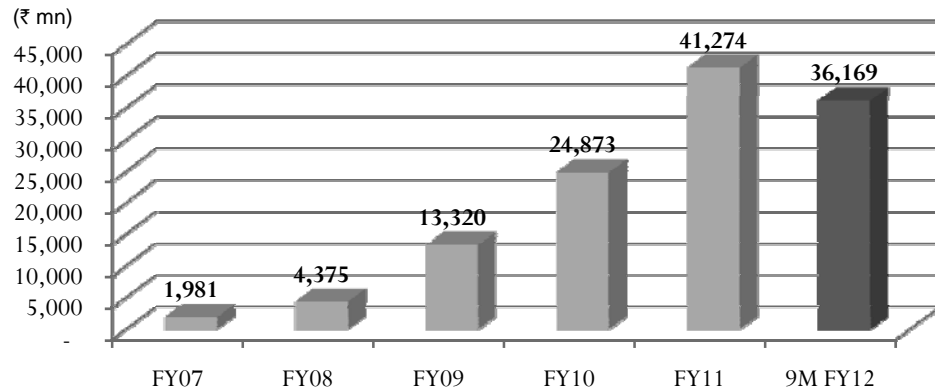
Program	Current rollout plan (in Km)
NHDP-III	1,274
NHDP-IV	7,235
NHDP-V	2,561
SARDP-NE	81
<b>Total</b>	<b>11,151</b>



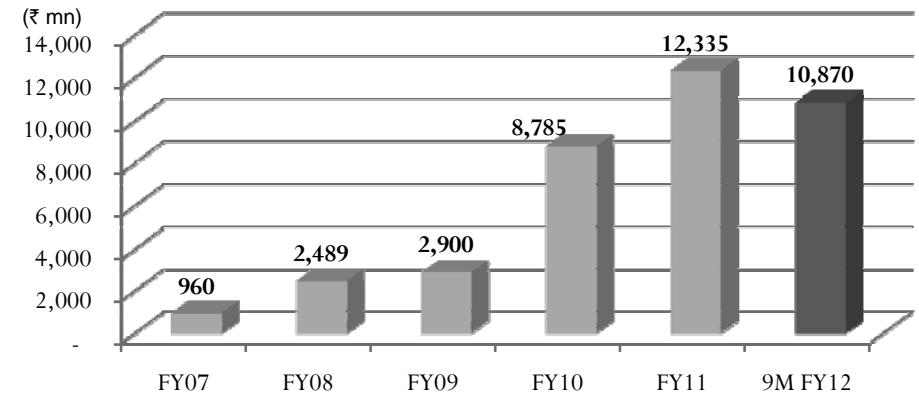
Total spend envisaged ~ USD 65bn



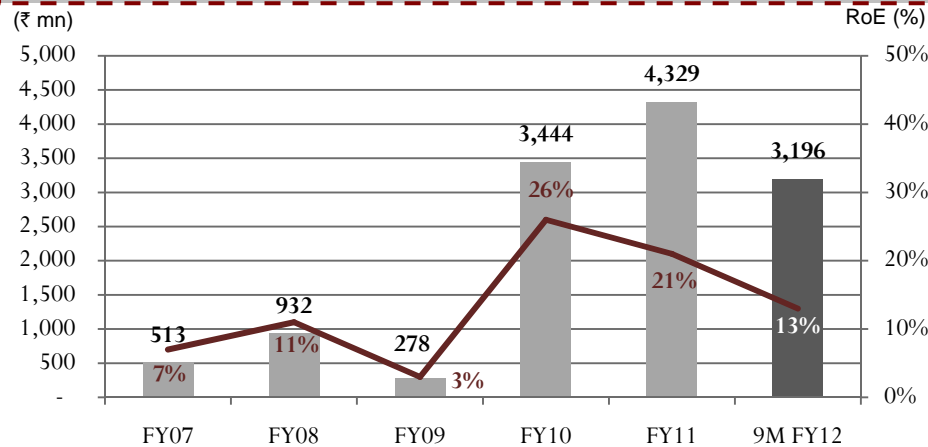
## Revenue



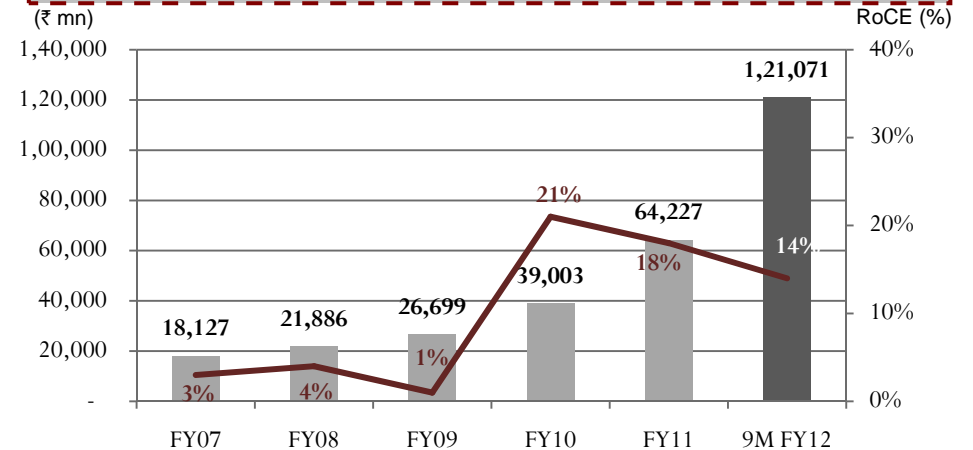
## EBITDA<sup>(1)</sup>



## Profit After Tax<sup>(2)</sup>



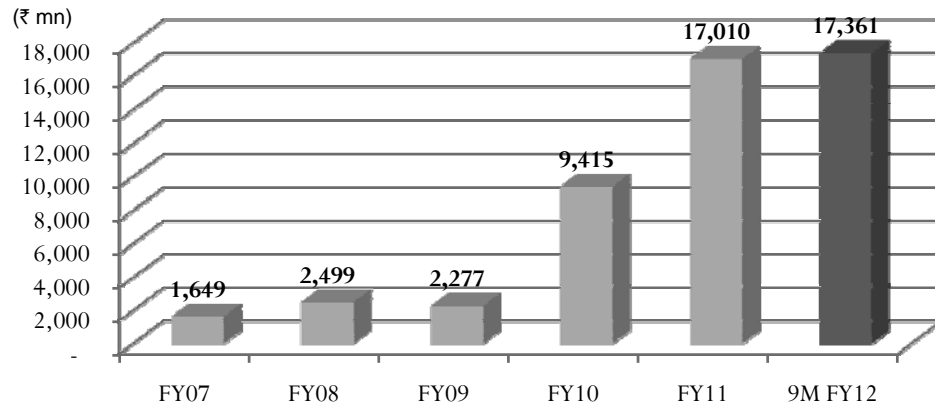
## Average Capital Employed<sup>(3)</sup>



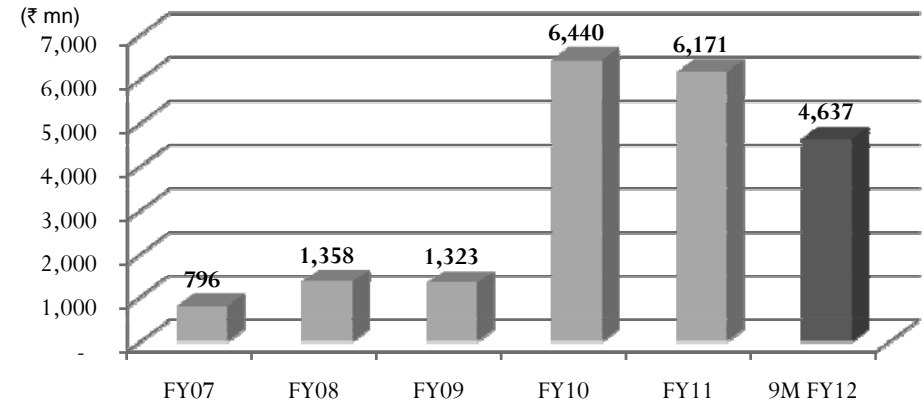
1. Includes other income and excludes gain from Foreign exchange fluctuation
2. RoE based on average equity; for H1 FY12 it is annualised
3. RoCE based on average capital employed; for H1 FY12 it is annualised



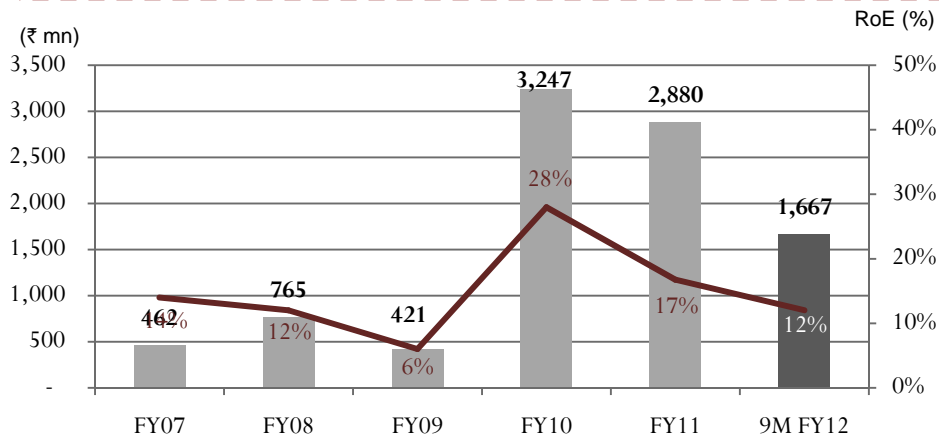
## Revenue



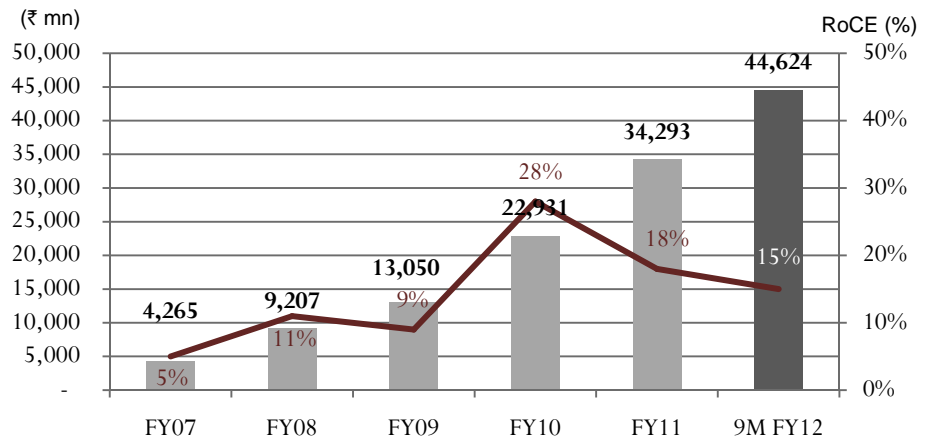
## EBITDA<sup>(1)</sup>



## Profit After Tax<sup>(2)</sup>



## Average Capital Employed<sup>(3)</sup>



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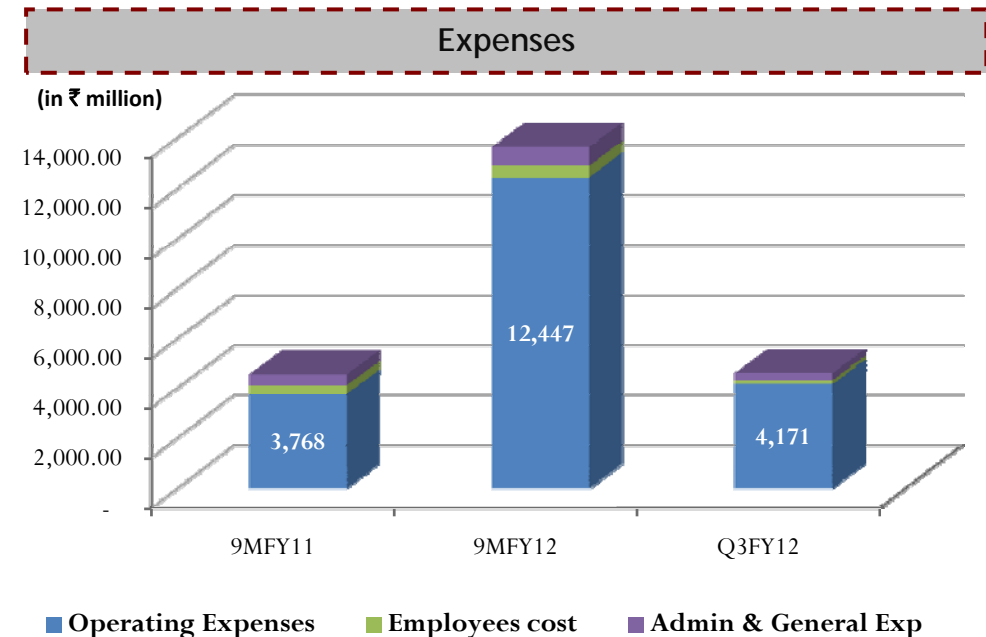
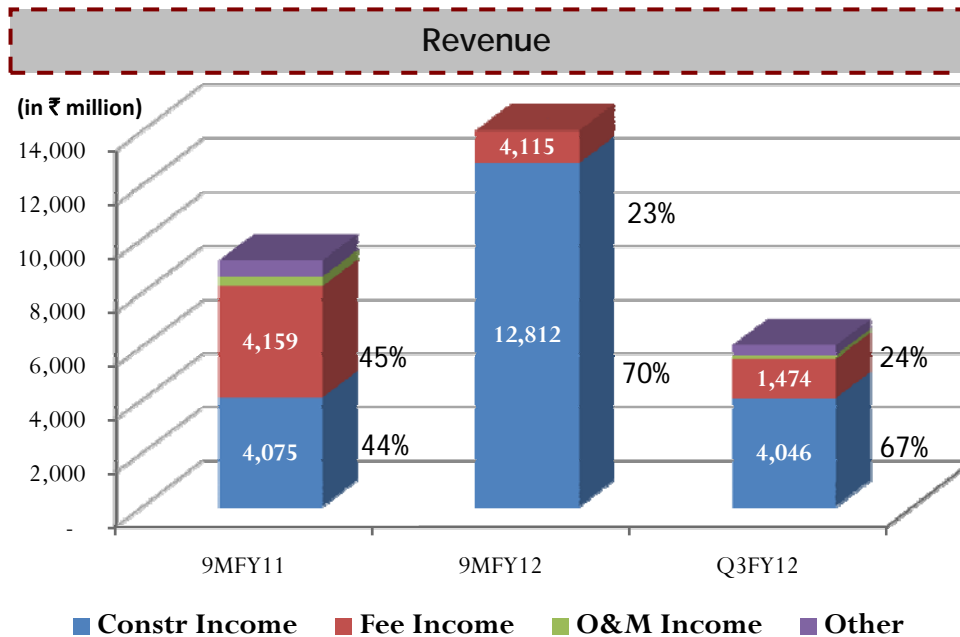


(All figures in ₹ million)

Key Parameters	Consolidated			Standalone		
	Q3 FY12	Q3 FY11	Change	Q3 FY12	Q3 FY11	Change
Revenue	<b>12,684</b>	7,309	74%	<b>5,663</b>	2,512	125%
Other Income	<b>298</b>	201	48%	<b>362</b>	185	
EBITDA	<b>3,504</b>	2,381	47%	<b>1,418</b>	1,419	0%
EBITDA Margin	<b>28%</b>	32%		<b>25%</b>	56%	
Interest*	<b>1,855</b>	1,153	61%	<b>684</b>	378	81%
Depreciation	<b>169</b>	158	7%	<b>26</b>	25	4%
Profit Before Tax	<b>1,480</b>	1,070	38%	<b>708</b>	1,016	-30%
PAT after minority interest	<b>878</b>	616	43%	<b>437</b>	627	-30%

\* In consolidated results, as per the relevant accounting policy, annuity projects are treated as financial assets and shown as receivable in the balance sheet. Hence interest during construction on annuity projects is charged to P&L unlike for toll projects where it is capitalized



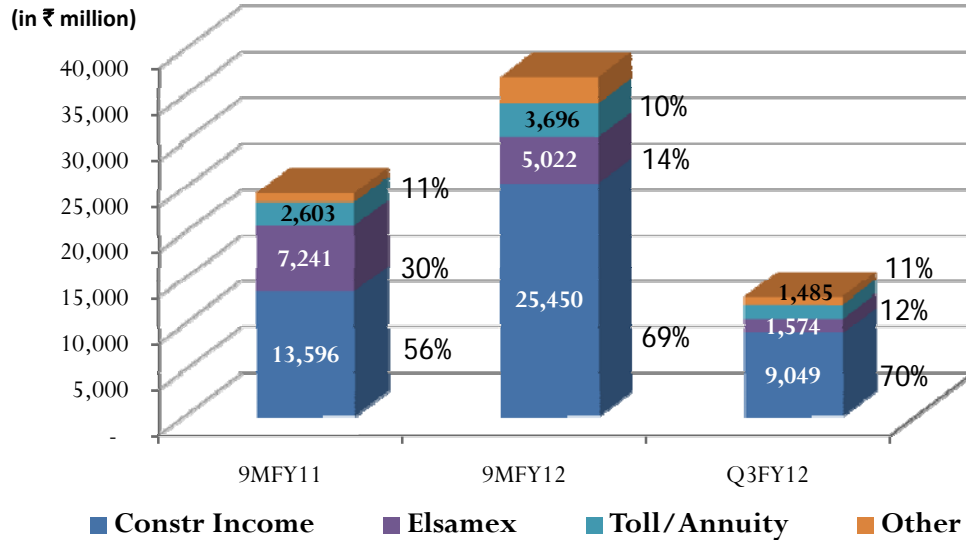


- Construction activity, as a proportion of total revenue, has remained constant during this financial year in accordance with schedule progress except in a few instances because of regulatory hurdles
- Fee income in Q3 is mainly comprises of a milestone linked O&M upfront fee from the Jharkhand projects (which are nearing completion), some advisory income from a group company and regular supervision fee from projects under construction

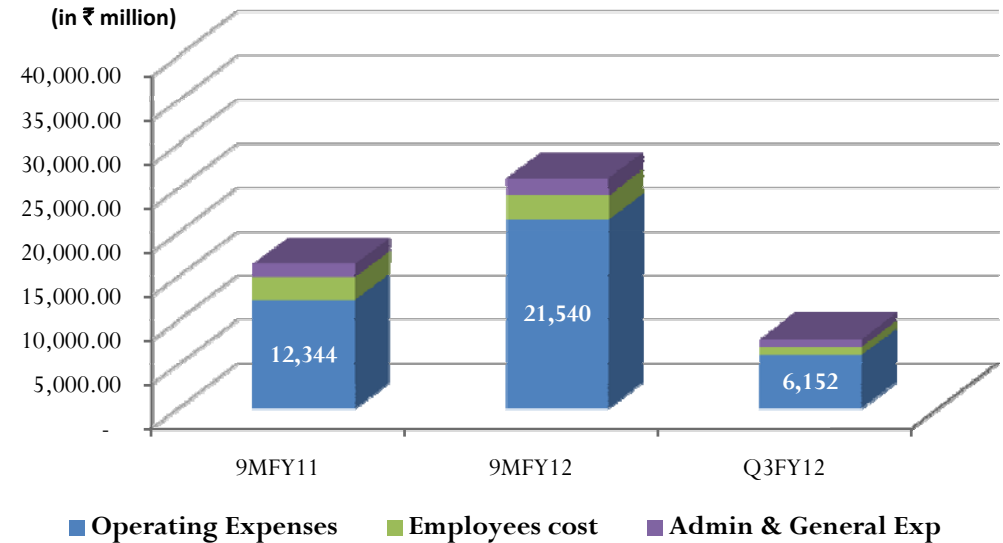
- The increase in operating expenses has been slightly higher on account of the fact that in last quarter there were a few projects which crossed threshold construction (typically 10%) progress therefore contributing greater margins and lesser costs



## Revenue



## Expenses



- Total Income during this quarter increased, as compared to relevant quarter of last year, mainly on account of increased construction activity and increase in toll & annuity revenues
- The difference between standalone and consolidated construction revenues is a) due to projects in which ITNL does have the EPC contract e.g. Jharkhand Road Projects and b) on account of IDC and margin recognized at the consolidated level in accordance with applicable accounting policies

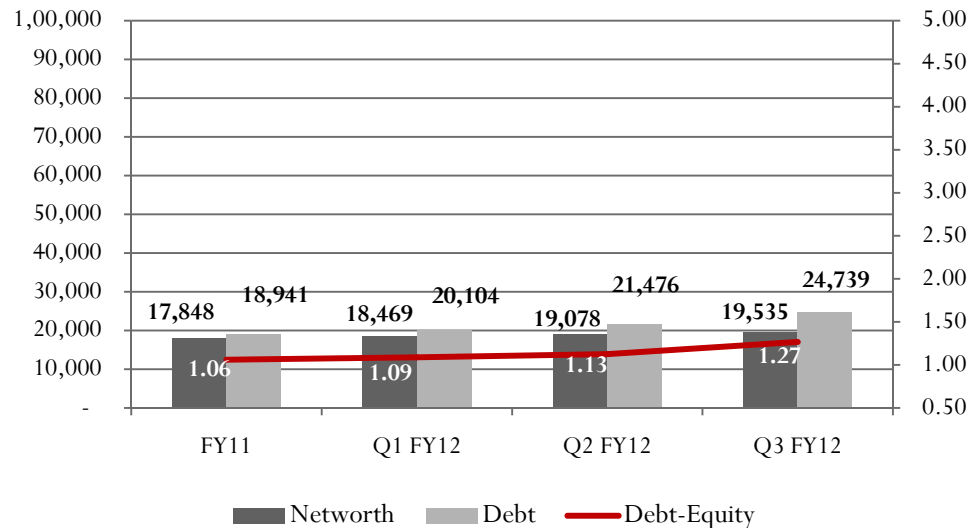
- In the consolidated expenses for Q3 quarter, there were a few exceptional one time expenses/provisions under the head other expenses which brought down the margins





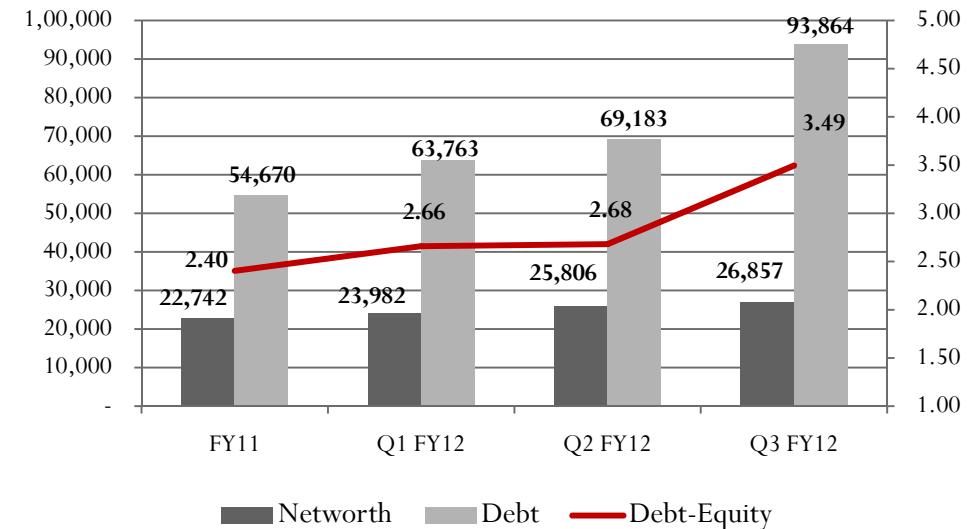
## Standalone

(in ₹ million)



## Consolidated

(in ₹ million)



- The Debt Equity at the standalone level has increased on account of money provided to I IPL (promoter funding) for the Chongqing YuHe acquisition and for infusing sub-debt into SPVs
- The standalone debt is mostly unsecured debt for on-lending to SPVs as sub-debt or for equity infusion into projects against cash accruals expected from them

- The increase in debt at consolidated level is mainly on account of drawdown happening from sanctioned debt in accordance with construction progression
- In Q3 quarter the higher increase in debt was on account of the proportionate consolidation of debt from YuHe project and debt taken for acquisition by I IPL to the extent not knocked off

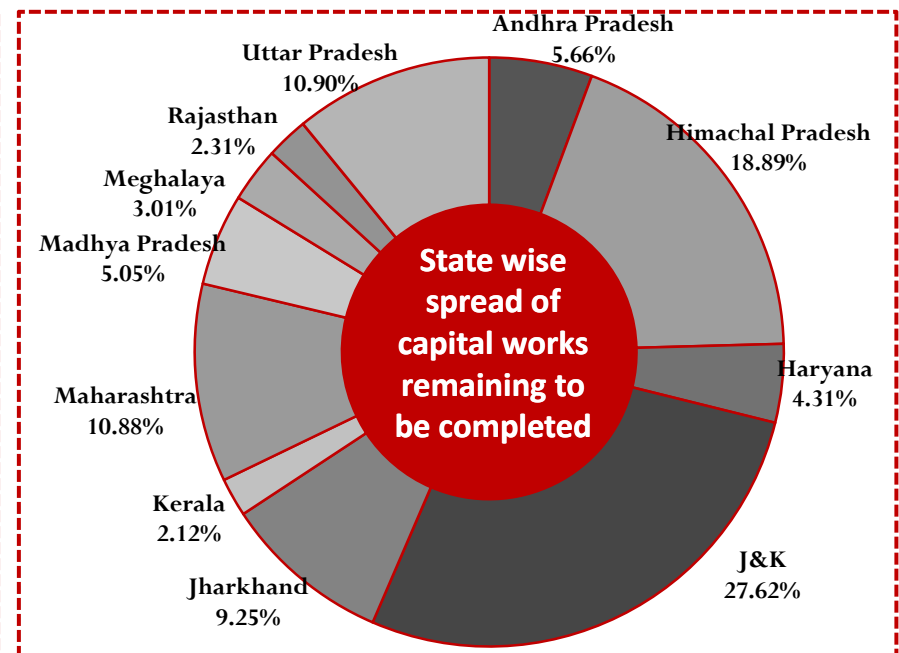
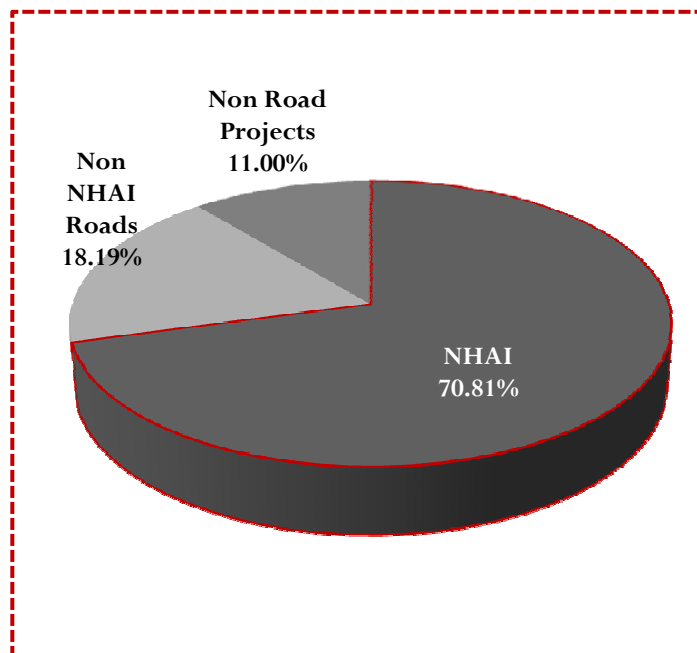
Incremental Equity Commitment for existing projects is around ₹ 1,000 million  
Total Investments made till 31-Dec-11 (including advance against equity) is approximately ₹ 27,000 million

**Capital Works remaining to be executed** (ITNL proportionate share)

(In ₹ million as on 31-December-11)

Of projects awarded till last quarter*	81,600
Of projects awarded after last quarter	19,000
<b>Total of Capital Works remaining to be executed</b>	<b>100,600</b>

Project capital works remaining to be executed



Not adjusted for ITNL's stake (All figures in ₹ million)

Toll Projects under Operation	Average Daily Toll Collection		
	In FY11	In Q2FY12	In Q3FY12
Ahmedabad Mehsana Road (Gujarat)	1.32	1.61	1.61
Vadodra Halol Road (Gujarat)	1.01	1.21	1.30
Noida Toll Bridge (UP)	1.91	1.97	2.17
Mega Highways – Rajasthan	2.91	3.99	4.36
Rajkot to Jetpur – Gondal (Gujarat)	0.92	0.99	1.09
Beawer Gomti (Rajasthan)	0.43	0.46	0.48

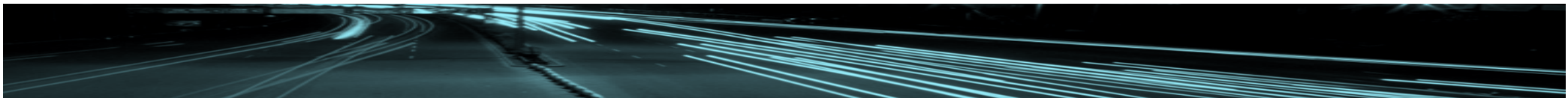
Operational Annuity Projects	Annuity receivable Per Annum	Accrued in Q3FY12
Maharashtra Border to Belgaum (Karnataka)	1,010.34	252.58
Thirvananthapuram City Roads (Ph-I) (Kerala)	118.00	29.50
Kotakatta to Kurnool (Andhra Pradesh)	1130.40	282.60
East Hyderabad Expressway Limited	666.60	166.50

**Total Average Daily Collection from toll and annuity in Q3FY12 has been around ₹ 18.96 million**  
**Average annualised toll/annuity revenue in Q3 per billion of project cost (net of grant) is ~₹ 115 million**

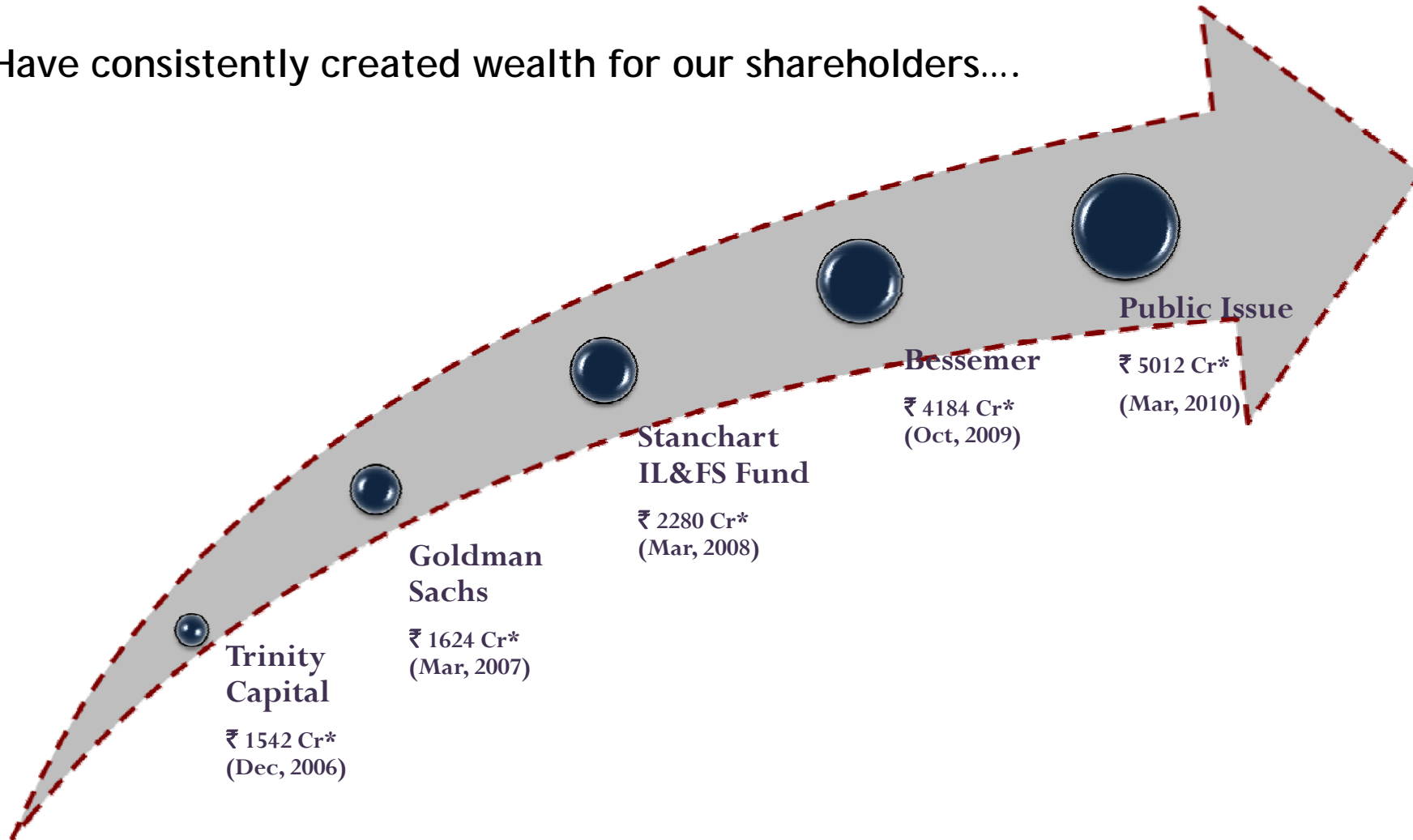


Rs in million

Sr.No	Name of the Project	Toll Revenue start date	2007-08	2008-09	2009-10	2010-11
1	Ahmedabad Mehsana Road (Gujarat)	Feb-03	614	660	747	850
2	Vadodra Halol Road (Gujarat)	Oct-00				
3	Noida Toll Bridge (UP)	Feb-01	547	659	706	696
4	Mega Highways - Rajasthan (Ph - I)	Mar-08	93	546	826	1063
5	Rajkot to Jetpur - Gondal (Gujarat)	May-08	121	225	312	337
6	Beawer Gomti (Rajasthan)	Aug-10			-	94
	<b>Total</b>		<b>1375</b>	<b>2090</b>	<b>2591</b>	<b>3040</b>



Have consistently created wealth for our shareholders....



\* Post money valuation



## Independent Directors

Name	Designation
Mr Deepak Dasgupta	Chairman; Former Chairman, NHAI
Mr RC Sinha	Former Vice Chairman & MD, Maharashtra Airport Development Company Limited
Mr HP Jamdar	Former Principal Secretary, Government of Gujarat
Mr Deepak Satwalekar	Former Managing Director, HDFC

## Non-Independent Directors

Name	Designation
Mr Ravi Parthasarthy	Chairman, IL&FS
Mr Hari Sankaran	Managing Director, IL&FS
Mr Arun K Saha	Joint Managing Director, IL&FS
Mr Vibhav Kapoor	Group Chief Investment Officer, IL&FS
Mr Pradeep Puri	Managing Director, NTBCL
Mr R C Chandra	Partner, Bessemer Venture Partners
Mr K Ramchand	Managing Director
Mr Mukund Sapre	Executive Director



**K. Ramchand**  
Managing Director

- He has over 30 years of experience in urban and transport infrastructure development sector

**Mukund Sapre**  
Executive Director

- He has over 27 years of experience in the industry.

**Harish Mathur**  
Chief Executive

- Has over 33 years of experience in various road construction projects.

**Cherian George**  
Chief Financial Officer

- He has over 35 years of experience in accounting and finance. Responsible for Financial and Accounting matters, Statutory Compliances and Financial Planning

**V. K. Raina**  
Technical Director

- He has over 40 years of experience in the industry and is our in-house expert on structures including bridges and RoBs. He has been associated with many projects & has authored books on the subject too

**S C Mittal**  
Senior Vice President

- He has over 28 years of experience in the industry. He heads our in-house design unit

**Krishna Ghag**  
AVP & Company Secretary

- He has over 28 years of experience in the industry. He is the compliance officer, legal adviser and Company Secretary



# Thank You



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