

ITNL Africa Projects Limited

Financial Statements

As at March 31, 2013

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL AFRICA PROJECTS LIMITED, NIGERIA
Balance Sheet As At March 31, 2013

Equivalent ₹

Particulars		Note	As At March 31, 2013	
I	<u>EQUITY AND LIABILITIES</u>			
1	SHAREHOLDERS' FUNDS			
	(a) Share capital	2	168,800,000	
	(b) Reserves and surplus	3	(9,725,721)	159,074,279
2	CURRENT LIABILITIES			
	Other current liabilities	4		51,585,611
	TOTAL			210,659,890
II	<u>ASSETS</u>			
1	NON CURRENT ASSETS			
	Fixed assets			
	(i) Capital work-in-progress	5		34,216,070
2	CURRENT ASSETS			
	(a) Cash and cash equivalents	6	142,106,404	
	(b) Short-term loans and advances	7	12,286,776	
	(c) Other current assets	8	22,050,640	176,443,820
	TOTAL			210,659,890

Notes 1 to 14 form part of the special purpose financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

 Mr. Kalpesh J. Mehta
Partner

Director

Director

Mumbai
Date :

Mumbai
Date :

SPECIAL PURPOSE FINANCIAL STATEMENTS

ITNL AFRICA PROJECTS LIMITED, NIGERIA

Statement of Profit and Loss for the period from October 3, 2012 (Date of Incorporation) to March 31, 2013

Equivalent ₹

Particulars		Note	For the period October 3, 2012 to March 31, 2013
I	Revenue from operations		-
II	Total revenue (I)		-
III	Expenses		
	Employee benefits expense	9	67,170
	Administrative and general expenses	10	10,014,875
	Total expenses		10,082,045
IV	Profit before taxation (II - III)		(10,082,045)
V	Tax expense:		
	(1) Current tax		-
	(2) Tax relating to earlier period		-
	(3) Deferred tax		-
	Total tax expenses (V)		-
VI	Loss for the period (IV - V)		(10,082,045)
	Earnings per equity share (Face value per share Naira 1, Equivalent Rs. 0.34)	11	
	(1) Basic		(0.11)
	(2) Diluted		(0.11)

Notes 1 to 14 form part of the special purpose financial statements.

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

 Mr. Kalpesh J. Mehta
Partner

Director

Director

Mumbai
Date :

Mumbai
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SPECIAL PURPOSE FINANCIAL STATEMENTS

ITNL AFRICA PROJECTS LIMITED, NIGERIA

Cash Flow Statement for the period from October 3, 2012 (Date of Incorporation) to March 31, 2013

Equivalent ₹

Particulars	For the period October 3, 2012 to March 31, 2013
Cash Flow from Operating Activities	
Loss before Tax	(10,082,045)
Adjustments	
Operating loss before Working Capital Changes	(10,082,045)
Adjustments for changes in working capital:	
Increase in other assets & loans and advances (current and non current)	(12,286,776)
Increase in liabilities (current and non current)	20,280,682
Cash used in Operations	(2,088,139)
Direct Taxes paid (Net)	
Net Cash used in Operating Activities (A)	(2,088,139)
Cash flow from Investing Activities	
Amount paid for purchase of fixed assets (Capital WIP)	(3,113,615)
Net Cash used in Investing Activities (B)	(3,113,615)
Cash flow from Financing Activities	
Proceeds from Issue of Shares	146,749,360
Net Cash generated from Financing Activities (C)	146,749,360
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	141,547,605
Cash and Cash Equivalent at the beginning of the period	-
(+) Impact of forex differences	558,799
Cash and Cash Equivalent at the end of the period	142,106,404

Notes 1 to 14 form part of the special purpose financial statements.

In terms of our report attached.

For
Chartered Accountants

For and on behalf of the Board

KJM

Mr. Kalpesh J. Mehta
Partner

Director

Director

Mumbai

Date :

Mumbai

Date :

SPECIAL PURPOSE FINANCIAL STATEMENTS

ITNL AFRICA PROJECTS LIMITED, NIGERIA

Notes forming part of the Special Purpose Financial Statements for the period from October 3, 2012 (Date of Incorporation) to March 31, 2013

Note 1 : Significant Accounting Policies

I Basis for preparation of Financial Statements

The primary books of account of the Company are prepared and maintained as per the Nigerian GAAP. These Special Purpose Financial Statements have been specifically prepared in accordance with the Companies (Accounting Standards) Rules, 2006 issued by the Ministry Company Affairs, Government of India (hereinafter referred to as "the Rules"). The accounting policies followed in the preparation and presentation of the Special Purpose Financial Statements are consistent with those followed by IL&FS Transportation Networks Limited ("ITNL") (the Intermediate Holding Company) i.e. the accounting principles generally accepted in India and also the accounting policies given in the Group Referral Instructions issued by ITNL. The functional currency of the company is "Naira".

Since these special purpose financial statements have been prepared for the limited purpose of inclusion in the preparation of the consolidated financial statements of ITNL, these special purpose financial statements have been prepared in Indian Rupees in accordance with the principles for conversion laid down in Accounting Standard -11 notified under the Rules.

II Use of estimates

The preparation of special purpose 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 special purpose financial statements and the reported Income and Expenses during the reporting period. Management believes that the estimates used in the preparation of the special purpose financial statements are prudent and reasonable. Actual results could differ from these estimates.

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 location and in working condition for its intended use.

IV 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. Provisions 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.

V Foreign Currency Transactions

Transactions in foreign currencies (other than the company's functional currency) 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 bank balances, receivables (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.

SPECIAL PURPOSE FINANCIAL STATEMENTS

ITNL AFRICA PROJECTS LIMITED, NIGERIA

Notes forming part of the Special Purpose Financial Statements for the period from October 3, 2012 (Date of Incorporation) to March 31, 2013

Since these special purpose financial statements have been prepared for the limited purpose of inclusion in the preparation of the consolidated financial statements of ITNL, the assets and liabilities, both monetary and non - monetary have been translated into Indian Rupees at the closing exchange rate. Income and expense items are translated into Indian Rupees at the average exchange rate for the period. The equity share capital has been translated into Indian Rupees at the historical exchange rates. All resulting exchange differences are accumulated in a foreign currency translation reserve.

VI 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.

VII 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 as notified under the Rules.

VIII Earnings per Share

Basic earnings per share is calculated by dividing the profit / (loss) 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 profit / (loss) 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.

IX Employee Benefits

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.

SPECIAL PURPOSE FINANCIAL STATEMENTS

ITNL AFRICA PROJECTS LIMITED, NIGERIA

Notes forming part of the Special Purpose Financial Statements for the period from October 3, 2012 (Date of Incorporation) to March 31, 2013

Note 2: Share capital

Particulars	As at March 31, 2013	
	Number	Equivalent ₹
Authorised Equity Shares of Naira 1 each	500,000,000	NOT APPLICABLE
Issued, Subscribed and allotted Equity Shares of Naira 1 each paid (refer foot note no. i, ii, and iii)	500,000,000	168,800,000
Total	500,000,000	168,800,000.00

Foot Notes:

i. Of the above, 497,500,000 shares are held by ITNL International Pte. Ltd., Singapore and 2,500,000 shares are held by IL&FS Transportation Networks Ltd.

ii. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at March 31, 2013	
	Equity Shares	
	No. of Shares	Equivalent ₹
Shares outstanding at the beginning of the period	-	-
Shares issued during the period (allotted on _____, 2013)	500,000,000	168,800,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	500,000,000	168,800,000

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2013	
	No. of Shares held	% of total holding
ITNL International Pte. Ltd., Singapore	497,500,000	99.50%
Total	497,500,000	99.50%

Note 3: Reserves and surplus

Particulars	Equivalent ₹	
	As at March 31, 2013	
(a) Foreign currency translation reserve		
Opening balance	-	-
(+) Created during the period	356,324	356,324
(b) Deficit in Statement of Profit and Loss		
Opening balance	-	-
(+) Loss for the current period	(10,082,045)	(10,082,045)
Total		(9,725,721)

SPECIAL PURPOSE FINANCIAL STATEMENTS

ITNL AFRICA PROJECTS LIMITED, NIGERIA

Notes forming part of the Special Purpose Financial Statements for the period from October 3, 2012 (Date of Incorporation) to March 31, 2013

Note 4: Other Current Liabilities

Particulars	Equivalent ₹	
	As at March 31, 2013	
(a) Payable to Related Party	51,411,578	
(b) Payables to others	174,033	51,585,611
Total		51,585,611

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL AFRICA PROJECTS LIMITED, NIGERIA

Notes forming part of the Special Purpose Financial Statements for the period from October 3, 2012 (Date of Incorporation) to March 31, 2013

Note 5: Fixed assets

Particulars	Gross block				Accumulated depreciation			Equivalent ₹ Net block	
	Balance as at October 3, 2012	Forex and other adjustments	Additions	Disposals	Balance as at October 3, 2012	Forex and other adjustments	Depreciation charge for the period	On disposals	Balance as at March 31, 2013
Capital work-in-progress	-	(202,474)	34,418,544	-	-	-	-	-	34,216,070
Grand total	-	(202,474)	34,418,544	-	-	-	-	-	34,216,070

SPECIAL PURPOSE FINANCIAL STATEMENTS**ITNL AFRICA PROJECTS LIMITED, NIGERIA**

Notes forming part of the Special Purpose Financial Statements for the period from October 3, 2012 (Date of Incorporation) to March 31, 2013

Note 6: Cash and cash equivalents

Equivalent ₹

Particulars	As at March 31, 2013	
(a) Cash and cash equivalents		
Cash on hand	338,200	
Current accounts	141,768,204	142,106,404
Total		142,106,404

Note 7: Short-term Loans and advances

Equivalent ₹

Particulars	As at March 31, 2013	
(a) Other loans and advances		
- Prepaid expenses		12,286,776
Total		12,286,776

Note 8: Other Current Assets

Equivalent ₹

Particulars	As at March 31, 2013	
Call money Receivable from Related parties		22,050,640
Total		22,050,640

SPECIAL PURPOSE FINANCIAL STATEMENTS

ITNL AFRICA PROJECTS LIMITED, NIGERIA

Notes forming part of the Special Purpose Financial Statements for the period from October 3, 2012 (Date of Incorporation) to March 31, 2013

Note 9: Employee benefit expenses

Particulars	Equivalent ₹	
	For the period October 3, 2012 to March 31, 2013	
Salaries, Wages and allowances		67,170
Total		67,170

Note 10: Administrative and general expenses

Particulars	Equivalent ₹	
	For the period October 3, 2012 to March 31, 2013	
Legal and consultation fees	1,708,215	
Travelling and conveyance	2,781,851	
Rent	1,765,115	
Rates & Taxes	2,699,343	
Business Promotion Expenses	1,014,056	
Bank commission	13,569	
Exchange rate fluctuation (net)	32,726	10,014,875
Total		10,014,875

SPECIAL PURPOSE FINANCIAL STATEMENTS

ITNL AFRICA PROJECTS LIMITED, NIGERIA

Notes forming part of the Special Purpose Financial Statements for the period from October 3, 2012 (Date of Incorporation) to March 31, 2013

Note 11: Earnings per equity share

Particulars	Unit	For the period October 3, 2012 to March 31, 2013
Loss available for Equity Shareholders	Equivalent ₹	(10,082,045)
Weighted number of Equity Shares outstanding	Numbers	88,888,889
Nominal Value of equity shares	Equivalent ₹	0.3401
Nominal Value of equity shares	Naira	1
Basic Earnings per share	Equivalent ₹	(0.11)
Equity shares used to compute diluted earnings per share	Numbers	88,888,889
Diluted Earnings per share	Equivalent ₹	(0.11)

SPECIAL PURPOSE FINANCIAL STATEMENTS
ITNL AFRICA PROJECTS LIMITED, NIGERIA

Notes forming part of the Special Purpose Financial Statements for the period from October 3, 2012 (Date of Incorporation) to March 31, 2013

Note 12: Related Party Statement

Current Year

- | a | Name of related parties and description of relationship | Acronym Used |
|-------|--|--------------|
| (i) | ITNL International Pte. Ltd., Singapore
Immediate Holding Company | I IPL |
| (ii) | IL&FS Transportation Networks Ltd., India
Intermediate Holding Company | ITNL |
| (iii) | Infrastructure Leasing and Financial Services Ltd.
Ultimate Holding Company | IL&FS |
- b Transactions / Balances with related parties as mentioned (a) above**

Particulars	Equivalent ₹	
	I IPL	ITNL
Transactions	-	-
Payables	25,426,502	25,985,077
Receivables	22,050,640	-

Note 13 : Segment Reporting

As per para 1 of AS - 17 as notified under the Companies (Accounting Standards) Rules, 2006, Segment reporting is applicable to the General Purpose financial statements. These Special Purpose Financial Statements have been prepared for limited and specific purpose to be included into the Consolidated Financial Statements of IL&FS Transportation Networks Limited and hence disclosure requirements as per AS-17 under Segment Reporting is not applicable.

Note 14 : Comparative Information

The Company was incorporated on October 3, 2012. Therefore, these are the first Special Purpose Financial Statements prepared for the period from October 3, 2012 to March 31, 2013, and hence, no comparative figures have been given.

For and on behalf of the Board

Director

Director

Mumbai
Date: