

October 18, 2012

Corporate Relationship Department, The Bombay Stock Exchange Ltd P.J. Towers, 1st Floor, Dalal Street, Mumbai - 400 023. <i>Fax No: 22722037/ 39/ 41</i>	National Stock Exchange of India Limited Exchange Plaza, Bandra – Kurla Complex, Bandra (East) Mumbai – 400 051 <i>Fax No: 66418125/ 26</i>
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Dear Sir/ Madam,

Re : Clarification

Scrip Code: 532947, Symbol: IRB

This is to inform you that we have received queries from a National news channel in respect of IRB Infrastructure Developers Ltd's relationship with Mr. Nitin Gadkari.

In this regard, our reply to these queries as forwarded to the news channel is reproduced below in verbatim as a clarification for the information of all investors:

“1) What is IRB's relationship, past and present, with Mr Nitin Gadkari ?

Reply : IRB Infrastructure Developers Ltd and its subsidiaries do not have any business relationship, past or present, with Mr. Nitin Gadkari.

2) Is there a conflict of interest in your relationship with Mr Nitin gadkari ? Mr D P Mhaishkar who is a director in IRB is directly invested in MR Nitin Gadkari's Purti Group individually and through the group company Ideal Road Builders to the tune of over 4 crore rupees.

Reply : As stated above, since IRB Infrastructure Developers Ltd and its subsidiaries do not have any business relationship, past or present, with Mr. Nitin Gadkari, the question of any conflict of interest does not arise.

Also, Shri D P Mhaishkar is a non-executive director of IRB Infrastructure Developers Ltd

3) What has led Mr Dattatray Mhaishkar, as a Director of IRB, to invest over Rs 4 crore by yourself and through one of the group companies Ideal Road Builders in the Purti Power and Sugar?

Reply : Ideal Road Builders Pvt. Ltd made an investment of Rs. 1.85 Crore in equity shares of Purti Sakhar Karkhana Ltd in 2001. At that time, investment in sugar factory in Vidarbha region

was felt to yield promising return. It is pertinent to note that Mr. Nitin Gadkari was not the PWD Minister at the time of this investment.

Also, at the time of making this investment, Ideal Road Builders Pvt. Ltd was not a subsidiary of IRB Infrastructure Developers Ltd. It later became a subsidiary of IRB Infrastructure Developers Ltd in Financial year 2006-07. It can be seen that this investment in Purti was made much before Ideal Road Builders Pvt. Ltd became a subsidiary of IRB Infrastructure Developers Ltd.

It may be noted that the name of Purti Sakhar Karkhana Ltd was changed to Purti Power & Sugar Ltd on 10-11-2009 as it can be seen from the filings made by it with RoC.

- 4) There are allegations that Nitin Gadkari favoured you by allotting land right next to Purti's plant in Nagpur to set up a power plant in name of Ideal Energy?

Even if Ideal Power is not a company of IRB, It's a company of one of IRB's Directors whose dealings are being questioned.

Reply : Shri D. P .Mhaikar became a director of IRB Infrastructure Developers Ltd only in December 2006. Even though Shri D P Mhaikar is our non-executive director, we are not privy to business decisions or information on investment made by Shri D P Mhaikar in personal capacity.

Similarly, we are not privy to business decisions or information in relation to Ideal Energy /Ideal Power as these companies are neither subsidiary of IRB Infrastructure Developers Ltd nor group companies of IRB Infrastructure Developers Ltd.

- 5) What were the projects you executed during the years 1995 to 1999 in Maharashtra which were awarded to you by the state's PWD department?

Reply : Following Construction contracts (EPC) were executed by Ideal Road Builders Pvt. Ltd between 1995 to 1999.

Name of the Project	Project cost in Rs. Crore	Date of commencement	Date of completion
Improvement to Pune - Jalgaon Road 318/00 to 332/00 and Ajanta Caves Road 0/00 to 4/00 SH 182	8.75	1995-96	31-12-1997
Construction of two lane ring road around Nagpur city from Katol Road to Amravati Road	4.14	19-3-1996	31-3-1999
Improvement to Malegaon - Mehkar Road SHW 207 Km 0/00 to 45/00	21.00	21-7-1997	10-7-2000
Improvement of Balapur - Patur Road from Km 17/400 to 27/00 (SH 198) & from Km 274/500 to 276/960 of NH.61	4.50	24-6-1997	29-3-1999

Following BOT projects were awarded to Ideal Road Builders Pvt. Ltd between 1995 to 1999:

Name of the Project	Name of the Awarding Agency/ Department	Project cost in Rs. Crore	Date of commencement	Completion of construction date	Date of Completion of Concession period
Thane Bhiwandi bypass project (Phase 1 & 2)	Ministry of Road Transport & Highways (MoRTH)	104.83	12-9-1995	11-6-1997 (Phase 1) 13-12-2001 (Phase 2)	13-5-2017
Bhiwandi Wada	PWD	9.45	23-1-1998	4-2-1999	22-9-2008
Kaman Paygaon	PWD	14.40	7-12-1998	25-3-2000	23-11-2009
Khambhatki Ghat	MoRTH	43.05	16-11-1998	15-8-2000	3-5-2009
Kharpada Bridge	MoRTH	33.30	29-11-1997	20-07-1999	28-8-2015

We would like to draw your attention to the fact that above EPC & BOT Projects were awarded to Ideal Road Builders Pvt. Ltd as a result of competitive & transparent bidding process.

6) How many of those projects have been executed and how many still remain to be completed?

Reply : Construction of all EPC & BOT projects is completed as evident from our reply of para 5.

7) How did that benefit IRB. What was the growth and profit you registered during that period?

Reply : Ideal Road Builders Pvt. Ltd's turnover & profit after tax as per audited Financials is as follows:

Particulars	Financial year					
	2001-02	2000-01	1999-2000	1998-99	1997-98	1996-97
Turnover Rs Crore	91.3	67.46	66.78	51.65	49.38	41.8
Profit after tax Rs. Crore	2.41	2.72	1.57	1.32	2.15	1.21

We would draw your attention to the fact that there was no undue benefit given to Ideal Road Builders Pvt. Ltd and all EPC & BOT Projects were awarded to Ideal Road Builders Pvt. Ltd as a result of competitive & transparent bidding process.

8) There are allegations that IRB did not follow proper tendering processes when it was awarded contracts by PWD dept of Maharashtra in between 1995 and 1999. Comment.

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Reply : We would draw your attention to the fact that all EPC & BOT Projects were awarded to Ideal Road Builders Pvt. Ltd as a result of competitive & transparent bidding process.”

This is for your information & record.

For IRB Infrastructure Developers Ltd

A handwritten signature in black ink, appearing to read "V. Mhaikar". The signature is written in a cursive style with a large initial "V".

Virendra D. Mhaikar

Chairman & Managing Director