

**MORADABAD BAREILLY EXPRESSWAY
LIMITED**

FINANCIAL STATEMENT

2014-15

F-7 Laxmi Mills
Shakti Mills Lane (Off Dr E Moses Rd)
Mahalaxmi Mumbai 400 011 India
Tel : 91 22 2493 2502 / 6655 1770
Fax : 91 22 6655 1774
Grams : VERIFY
www.KSAiyar.com
Mail@KSAiyar.com

Independent Auditor's Report

To the Members of Moradabad Bareilly Expressway Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of **Moradabad Bareilly Expressway Limited**. ('the Company'), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, 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

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ('the Act') with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan



Offices also at
Chennai Kolkata Goa
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and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 internal financial control relevant to the Company's preparation of the 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 whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

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, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

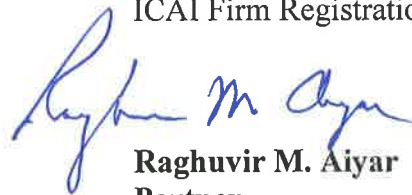
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No. 100186W



Raghuvir M. Aiyar
Partner
Membership No: 38128

Place: Mumbai
Date: April 28, 2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2015, of **Moradabad Bareilly Expressway Limited**)

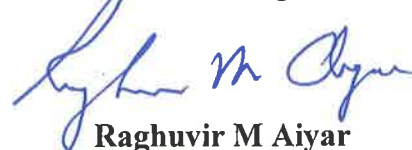
- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) Considering the nature of business of the Company, clauses 3 (ii) (a), (b) and (c) of the Order regarding inventory is not applicable to the company.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clause (a) and (b) of clause (iii) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and sale of services. There is no continuing failure to correct major weaknesses in internal control system.
- (v) The Company has not accepted any deposits from the public to which the provisions of section 73 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules 2014 apply.
- (vi) According to information & explanations given to us, the Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, and the Company has made and maintained the same.
- (vii) (a) During the year there were no employees in the employment of the Company. Accordingly the directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards wealth tax, customs duty, excise duty, cess, sales tax and value added tax.

The Company has been generally regular in depositing income tax and service tax



- dues along with cess thereon with the appropriate authority and there are no undisputed amounts payable there of which are outstanding, as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
- (c) Based on our examination of the records of the Company, there are no amounts required to be transferred by the Company to Investor Education Protection Fund during the year.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank or financial institution, The Company does not have any outstanding debentures.
- (x) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xii) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No: 100186W



Raghuvir M Aiyar
Partner
Membership No.: 38128

Place: Mumbai
Date: April 28th, 2015

MORADABAD BAREILLY EXPRESSWAY LIMITED

Balance Sheet As at March 31, 2015

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Particulars		Note	As At March 31, 2015		As At March 31, 2014	
I EQUITY AND LIABILITIES						
1 SHAREHOLDERS' FUNDS						
	(a) Share capital	2	2,216,600,000		2,216,600,000	
	(b) Reserves and surplus	3	4,724,747,545	6,941,347,545	4,425,395,309	6,641,995,309
2 NON-CURRENT LIABILITIES						
	(a) Long-term borrowings	4	12,724,972,500		12,371,415,835	
	(b) Deferred tax liabilities (Net)	5	526,000	12,725,498,500	-	12,371,415,835
3 CURRENT LIABILITIES						
	(a) Short-term borrowings	6	5,532,500,000		1,487,500,000	
	(b) Trade payables	7	2,646,365,971		863,199,423	
	(c) Other current liabilities	8	562,569,253		128,737,542	
	(d) Short-term provisions		-	8,741,435,224	-	2,479,436,965
TOTAL				28,408,281,269		21,492,848,109
II ASSETS						
1 NON CURRENT ASSETS						
	(a) Fixed assets	9				
	(i) Tangible assets (net)		10,559,172		9,569,312	
	(ii) Intangible assets (net)		1		1	
	(iii) Capital work-in-progress		-		-	
	(iv) Intangible assets under development		28,236,869,021	28,247,428,194	21,264,882,905	21,274,452,218
	(b) Deferred tax assets (Net)	5			141,000	
	(c) Long-term loans and advances	10	5,500,972	5,500,972	45,679,034	45,820,034
2 CURRENT ASSETS						
	(a) Trade receivables	11	18,691,314		12,543,895	
	(b) Cash and bank balances	12	66,665,540		27,402,255	
	(c) Short-term loans and advances	13	24,059,249		6,850,655	
	(d) Other current assets	14	45,936,000	155,352,103	125,779,052	172,575,857
TOTAL				28,408,281,269		21,492,848,109

Note 1 to 25 forms part of the financial statements.

In terms of our report attached.

For K. S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No.100186W

Raghuvir M. Aiyar

Raghuvir M. Aiyar

Partner

Membership Number : 38128

Place: Mumbai

Date : April 28, 2015

For and on behalf of the Board

[Signature]

Managing Director

[Signature]

Director

[Signature]

Chief Financial Officer

Place: Mumbai

Date : April 28, 2015



MORADABAD BAREILLY EXPRESSWAY LIMITED

Statement of Profit and Loss for the year ended March 31, 2015

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	Particulars	Note	For the Year ended March 31, 2015	For the Year ended March 31, 2014
I	Revenue from operations	15	116,348,507	142,874,585
II	Other income	16	3,896,759	2,228,825
III	Total revenue (I + II)		120,245,266	145,103,410
IV	Expenses			
	Operating expenses	17	12,417,478	8,673,172
	Depreciation and amortization expense	9	(1,211,578)	2,943,357
	Other Expenses	18	2,670,860	5,354,362
	Total expenses		13,876,760	16,970,891
V	Profit before taxation (III-IV)		106,368,506	128,132,519
VI	Tax expense:			
	(1) Current tax		33,800,000	43,920,000
	(2) Tax relating to earlier year		-	-
	(3) Deferred tax		667,000	(352,000)
	Total tax expenses (VI)		34,467,000	43,568,000
VII	Profit for the year (V-VI)		71,901,506	84,564,519
	Earnings per equity share (Face value per share Rupees 10/-):	19		
	(1) Basic		0.32	0.38
	(2) Diluted		0.32	0.38

Note 1 to 25 forms part of the financial statements.

In terms of our report attached,

For K. S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No.100186W

Raghuvir M. Aiyar
Raghuvir M. Aiyar
Partner

Membership Number : 38128

Place: Mumbai

Date : April 28, 2015

For and on behalf of the Board

[Signature]
Managing Director

[Signature]
Director

[Signature]
Chief Financial Officer

Place: Mumbai

Date : April 28, 2015



MORADABAD BAREILLY EXPRESSWAY LIMITED

Cash Flow Statement for the year ended March 31, 2015

Particulars	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Cash Flow from Operating Activities		
Profit Before Taxes	106,368,506	128,132,519
Adjustments for :-		
Interest Income	-	(826,161)
Depreciation and amortization expense	(1,211,578)	2,943,357
Operating profit before Working Capital Changes	105,156,928	130,249,715
Adjustments changes in working capital:		
(Increase) / Decrease in other assets & loans and advances (current and non current)	(6,206,845)	(11,285,726)
Increase / (Decrease) in liabilities (current and non current)	2,216,998,259	(315,598)
Cash Generated from Operations	2,315,948,341	118,648,391
Direct Taxes (paid) (Net)	(47,354,718)	(35,669,681)
Net Cash generated from Operating Activities (A)	2,268,593,624	82,978,710
Cash flow from Investing Activities		
(Additions) to fixed assets	(94,500)	-
(Increase) in Intangible assets	(4,775,919,082)	(2,715,470,462)
(Increase) / decrease in loans and advances	116,426,664	712,859,707
Increase / (decrease) in current liabilities & provisions	(271,199,238)	(1,026,055,667)
Interest received	-	1,790,194
Net Cash used in Investing Activities (B)	(4,930,786,156)	(3,026,876,228)
Cash flow from Financing Activities		
Capital Grant received from National Highway Authority of India	307,610,000	956,466,000
Proceeds from borrowings	644,504,550	1,939,100,000
Proceeds from borrowings - ITNL	4,045,000,000	1,487,500,000
Repayments of borrowings	(99,576,235)	(12,494,815)
Finance costs paid	(2,196,085,918)	(1,585,511,642)
Net Cash generated from Financing Activities (C)	2,701,452,398	2,785,059,543
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	39,259,865	(158,837,975)
Cash and Cash Equivalent at the beginning of the year	27,364,780	186,202,755
Cash and Cash Equivalent at the end of the year	66,624,645	27,364,780
Net Increase/(Decrease) in Cash and Cash Equivalents	39,259,865	(158,837,975)

Components of Cash and Cash Equivalents		
Cash on Hand	5,169,013	15,769
Balances with Banks in current accounts	61,455,632	27,349,011
Fixed deposits placed (Cash and Cash Equivalent excludes deposits with Scheduled Banks with maturity more than 3 months Rs.NIL)	66,624,645	27,364,780
Unpaid Dividend Accounts		
Cash and Cash equivalents on acquisition of Joint Venture		
Bank balances held as margin money or else security against borrowings		
Fixed deposits placed for periods exceeding 3 months	40,895	37,475
Cash and bank balances as per Balance Sheet	66,665,540	27,402,255

Note 1 to 25 forms part of the financial statements.

In terms of our report attached.
For K. S. Aiyar & Co.
 Chartered Accountants
 ICAI Firm Registration No.100186W

 Raghuvir M. Aiyar
 Partner
 Membership Number : 38128

Place: Mumbai
 Date : April 28, 2015



For and on behalf of the Board


 Managing Director


 Director


 Chief Financial Officer

Place: Mumbai
 Date : April 28, 2015

MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming parts of the Financial Statements for the year ended March 31, 2015

Note 1: Significant Accounting Policies

1. Basis of preparation of Financial Statements

The financial statements are prepared under Historical cost convention in accordance with the Generally Accepted Accounting Principles in India, Accounting Standards as specified under section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

The preparation of financial statements in conformity with IGAAP requires the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statements. The recognition, measurement, classification or disclosures of an item or information in the financial statements have been made relying on these estimates to a greater extent.

2. Fixed Assets and Depreciation / Amortisation:

(a) Tangible fixed 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 is provided pro-rata for the period of use.

Depreciation on tangible fixed assets is computed as under:

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II of the Companies Act 2013 comes into effect from April 1, 2014 which prescribes the useful life of depreciable assets. The Company has adopted the useful life prescribed under the Schedule II of the Companies Act 2013. Also, with effect from April 1, 2014 the Company has decided to change the policy retrospectively for charging depreciation on the basis of Straight Line Method in place of Written Down Method other than



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those specified otherwise. Accordingly the Company has reinstated its policy for charging depreciation with effect from April 1, 2014 which is as below:

(i) Assets purchased on or after April 1, 2014 are depreciated on Straight Line Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para (ii) below

(ii) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on the Management's estimate

(iii) Data Processing Equipment – Server and Networking equipment are depreciated over a period of 4 years

(iv) Mobile Phones and Ipad / Tablets are fully depreciated in the year of purchase

(v) Specialised office equipment's are depreciated on Straight Line Method over a period of three years

(vi) Cars purchased by the company for employees, are depreciated over a period of five years

(vii) Assets provided to employees are depreciated over a period of three years

(viii) Leasehold improvement costs are capitalised and amortised over the period of lease agreement

(ix) All categories of assets costing less than Rs. 5,000 each are fully depreciated in the year of purchase.

(x) The residual value of all the assets is retained at Rs. 1/- each

Tangible fixed assets are stated at original cost net of tax / duty credits availed if any, less accumulated depreciation, accumulated amortization and cumulative impairment. Administrative and other general overheads that are specifically attributable to the construction/ acquisition / development of fixed assets or bringing the fixed asset to working condition are allocated and capitalised as a part of cost of fixed asset.

Expenses incurred on the Project includes direct and attributable / allocated indirect expenses incurred for the construction of the road and is capitalized when the project is complete in all respects and when the Company receives the final completion certificate from the authority as specified in the Concession Agreement and not on completion of component basis as the intended purpose of the project is to have the complete length of the road available for use. The economics of the project is for the entire length of the road as per the bidding submitted by the Company. The component based certification which is received is an intermediate mechanism provided in the Concession Agreement to provide a right to collect a discounted toll to



MORADABAD BAREILLY EXPRESSWAY LIMITED

compensate the Company for cost recovery during construction period and for any delays beyond the control of the Company.

Estimated value of components removed or not reused are reduced from the gross block and the cost of overlay or renewal expenses incurred to increase serviceability and throughput or which are in the nature of preservation costs and which extend the original useful life of the road are capitalised on a component basis

Capital work in progress:

The construction cost includes borrowing cost, administrative and general overhead expenses specifically attributed to the construction project are part of the cost of the project and debited to capital work in progress up to the date when the asset is ready for its intended use, which is when the complete length of the project as specified in the Concession Agreement is complete and on receipt of final completion certificate from the authority as specified in the Concession Agreement and not on component basis certifications received. Discounted Revenue collected on receipt of the component based certification received as an intermediate mechanism provided in the Concession Agreement is reduced from the cost of the Intangible asset as the construction work is still in progress and the entire asset is not ready for its intended purpose.

(b) Intangible Assets under Development

The construction cost includes borrowing cost, administrative and general overhead expenses specifically attributed to the construction project are part of the cost of the project and debited to Intangible Assets under Construction up to the date when the asset is ready for its intended use.

3. Impairment of Assets

The carrying values of assets of the Company'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.

4. Revenue Recognition

Toll revenue is recognised on collections, which coincides with the usage of the toll roads. Where the toll collection activity is auctioned, the toll revenue is recognised on accrual basis. Any revenue collection until the capitalization of asset is credited to Intangible Asset. Interest Income is recognised on a time proportion basis.



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5. Cash Flow Statements

The Cash-flow Statements are prepared in accordance with "indirect method" as explained in the Accounting Standard on Cash Flow Statements (AS-3), specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) rules 2014

6. Provisions and Contingencies

- a) A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation
- b) Contingent Liabilities, if material are disclosed by way of notes to accounts
- c) Contingent asset are not recognised or disclosed in the financial information.

7. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of the roads are capitalised up to the date of the final completion certificate of the asset / facility received from the authority as specified in Concession Agreement. All borrowing costs subsequent to the final completion certificate of the asset / facility as specified in Concession Agreement are charged to the Statement of Profit and Loss in the period in which such costs are incurred

8. Preliminary Expenditure

Preliminary expenses incurred on incorporation of the Company are written off in the year in which they are incurred.

9. Taxation

Income Tax comprises of Current Tax, and net changes in Deferred Tax Assets or liabilities during the period. Current Tax is determined at the amount of tax payable in respect of taxable income for the period as per the Income Tax Act, 1961. Deferred Tax Assets and Liabilities are recognised for the future tax consequences of timing differences between the Book profit and Income Tax profit. Deferred Tax Assets and Liabilities other than carry forward losses and unabsorbed depreciation under tax laws are recognised when it is reasonably certain that there will be future taxable income. Deferred Tax Asset on carry forward losses and unabsorbed depreciation, if any, are recognised when it is virtually certain that there will be future taxable



MORADABAD BAREILLY EXPRESSWAY LIMITED

profit. Deferred Tax Assets and Liabilities are measured using substantively enacted tax rates. The effect on Deferred Tax Assets and liabilities of a change in tax rates is recognised in the Profit & Loss Account in the period of substantive enactment of the change.

09. Accounting of Claims:

Price Escalation and other claims or variation is recognized only when:-

- (a) Negotiations have reached to an advanced stage such that it is probable that authority will accept the claim; and/or
- (b) The amount that is probable will be accepted by the authority and can be measured reliably.

10. 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 outstanding during the period.

11. 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.



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 2: Share capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	₹	Number	₹
Authorised				
Equity Shares of Rupees 10/- each	221,660,000	2,216,600,000	221,660,000	2,216,600,000
Issued				
Equity Shares of Rupees 10/- each	221,660,000	2,216,600,000	221,660,000	2,216,600,000
Subscribed and Paid up				
Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii and iii)	221,660,000	2,216,600,000	221,660,000	2,216,600,000
Total	221,660,000	2,216,600,000	221,660,000	2,216,600,000

Foot Notes:

- Of the above 221,660,000 shares are held by the holding Company (As at March 31, 2014 : 221,660,000).
- Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2015		As at March 31, 2014	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	221,660,000	2,216,600,000	221,660,000	2,216,600,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	221,660,000	2,216,600,000	221,660,000	2,216,600,000

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL & FS Transportation Networks Ltd.	221,660,000	100	221,660,000	100
Total	221,660,000	100	221,660,000	100

iv. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Each holder of these ordinary shares are entitled to receive dividends as and when declared by the company. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportionate to the number of equity shares held by the shareholders.

Note 3: Reserves and surplus

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Capital Reserve				
Opening balance	4,205,466,052		3,553,550,676	
(+) Created during the period	227,766,948		651,915,376	
(-) Written back in current period		4,433,233,000		4,205,466,052
(b) Profit / (Loss) Surplus				
Opening balance	219,929,257		135,364,738	
(-) Adjustment due to change in depreciation policy	(316,218)		-	
(+) Profit for the current period	71,901,506	291,514,545	84,564,519	219,929,257
Total		4,724,747,545		4,425,395,309



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 4: Long-term borrowings

Particulars	As at March 31, 2015		As at March 31, 2014	
Term Loans				
(i) Secured				
From banks	12,724,972,500		12,371,415,835	
From others	-	12,724,972,500	-	12,371,415,835
Total		12,724,972,500		12,371,415,835

Foot Notes:**(Secured By:**

Term loans from banks are secured by hypothecation of:

- All movable, tangible and intangible assets, receivables, cash and investments created as part of the projects.
- All the monies lying in Escrow Account into which all the investments in the Project and all Project revenues and insurance proceeds are to be deposited.
- Assignment of all rights, title, benefits, claims and demands of the Borrowers under Project Agreements i.e. Concession agreement, Substitution agreement, Construction contract and operations contract, etc.
- Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project.
- First ranking assignment of all contract, documents insurance contracts/insurance Proceeds (Security Trustee to be named as loss payee), clearances and interests of the Borrower.
- Debt Service Reserve Account and any other accounts required to be created by the Borrower under any Project agreement contract.

Terms of Repayment:

- The Borrower shall repay the term loans to each of the senior lenders in 43 unequal quarterly installments commencing in the quarter ending March 31, 2014 and terminating on September 30, 2024, as the repayment schedule, as set out below.
- Amounts repaid by the Borrower shall not be re-borrowed.
- Any senior lenders may, in suitable circumstances, at the request of the Borrower and subject to consent of the other senior lenders revise or vary the repayment schedule or postpone the payment of any specific repayment installment(s) or part thereof, upon such terms and conditions shall form a part of this agreement as an amendment to repayment schedule hereto.
- If for any reason the amount finally disbursed by the senior lenders is less than the total commitments, the repayment installments shall stand reduced proportionately but shall be paid on the repayment dates as set out in the repayment schedule.
- In the event of any default in the payment of the repayment installments of principal, interest and default interest, postponement, if any, allowed by any of the senior lenders shall be at the rate of interest as may be stipulated by the concerned senior lenders at the time of postponement.

Repayment Schedule:

Total Loans Commitment is Rs. 13,186,500,000/- from Banks.

As of March 31, 2015 Total Loan has been disbursed by Banks

Senior Debt : In 43 unequal quarterly installments commencing on quarter ending March 31, 2014 and terminating on September 30, 2024

Financial Year	Repayment (% of Senior Debt)	Amount of Debt Repayment (Rs.)
2013-2014	0.10	13,186,500
2014-2015	1.00	131,865,000
2015-2016	2.40	316,476,000
2016-2017	4.00	527,460,000
2017-2018	5.20	685,698,000
2018-2019	6.00	791,190,000
2019-2020	8.60	1,134,039,000
2020-2021	11.00	1,450,515,000
2021-2022	13.60	1,793,364,000
2022-2023	16.50	2,175,772,500
2023-2024	19.53	2,575,323,450
2024-2025	12.07	1,591,610,550
Total	100.00	13,186,500,000



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 5: Deferred tax liabilities (Net) and Deferred tax assets (Net)

a) A breakdown of the components of deferred tax liabilities is furnished below:

Particulars	As at March 31, 2015	Movement	As at March 31, 2014
Liabilities:			
Timing differences in respect of income *	-	-	-
Timing differences in respect of depreciation	526,000	526,000	
Assets:			
Timing differences in respect of depreciation		141,000	(141,000)
Net deferred tax liability	526,000	667,000	(141,000)



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 6: Short-term borrowings

₹

Particulars	As at March 31, 2015		As at March 31, 2014	
Short term loans				
(i) Unsecured				
From Related party	5,532,500,000	5,532,500,000	1,487,500,000	1,487,500,000
Total		5,532,500,000		1,487,500,000



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 7: Trade Payables

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Trade Payables				
Related parties	2,630,163,408		853,104,257	
Others	16,202,563	2,646,365,971	10,095,166	863,199,423
Total		2,646,365,971		863,199,423

Foot note

According to the records available with the Company, there were no dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the end of the year with the interest paid / payable as required under the said Act have not been given.

Note 8: Other current liabilities

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Current Maturities of Long Term Debt	316,476,000	316,476,000	125,104,350	125,104,350
(b) Interest accrued and due on borrowings				
From related parties	240,040,884		-	
From others	3,040,953	243,081,837	15,464	15,464
(c) Statutory dues	378,910	378,910	78,078	78,078
(d) Other current liabilities				
From related parties				
From others - Retention Money	2,632,506	2,632,506	3,539,650	3,539,650
Total		562,569,253		128,737,542



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 9: Fixed assets

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at April 1, 2014	Additions	Balance as at March 31, 2015	Balance as at April 1, 2014	Opening adjustments	Charge for the period	Balance as at March 31, 2015	Balance as at March 31, 2014
a) Tangible assets								
Plant and machinery	4,538,105	94,500	4,632,605	1,432,648	-	(558,065)	3,758,022	3,105,457
Furniture and fixtures	17,309	-	17,309	17,302	-	2	5	7
Vehicles	9,179,139	-	9,179,139	3,449,628	-	(783,604)	6,513,115	5,729,511
Office equipments	497,736	-	497,736	138,665	-	71,047	288,024	359,071
Data processing equipments	1,527,990	-	1,527,990	1,152,724	316,218	59,042	1,527,984	375,266
Total	15,760,279	94,500	15,854,779	6,190,967	316,218	(1,211,578)	10,559,172	9,569,312
b) Intangible assets								
Software / Licences	5,000	-	5,000	4,999	-	-	4,999	1
Total	5,000	-	5,000	4,999	-	-	4,999	1
c) Capital work-in-progress								
Intangible Assets under Development	21,264,882,905	6,971,986,116	28,236,869,021	-	-	-	28,236,869,021	21,264,882,905
GRAND TOTAL	21,280,648,184	6,972,080,616	28,252,728,800	6,195,966	316,218	(1,211,578)	5,300,606	21,274,452,218
PREVIOUS YEAR	18,636,390,599	4,611,282,595	23,247,673,194	3,252,609	-	2,943,357	6,195,966	11,728,418,691

Foot Note:

i Intangible asset under development includes claim against the National Highway Authority for amounting to Rs. 194,72,64,565/- as claimed by the Developer viz IL&FS Transportation Networks Limited.



MORADABAD BAREILLY EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 10: Long-term loans and advances

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Capital Advances Unsecured, considered good	3,532,586	3,532,586	42,799,138	42,799,138
(b) Security Deposits Unsecured, considered good	1,968,386	1,968,386	1,968,386	1,968,386
(c) Other loans and advances Unsecured, considered good - Advance recoverable in cash or kind - others - Loans to others	-	-	911,510	911,510
Total		5,500,972		45,679,034

Note 11: Trade receivables

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good		18,691,314		12,543,895
Total		18,691,314		12,543,895

Note 12: Cash and cash equivalents

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Cash and cash equivalents Cash on hand Current accounts Fixed Deposits placed	5,169,013 61,455,632 -	66,624,645	15,769 27,349,011 -	27,364,780
(b) Other bank balances Unpaid dividend accounts Fixed Deposits placed for a period exceeding 3 months Bank balances held as margin money or else security against borrowings	40,895 -	40,895	37,475 -	37,475
Total		66,665,540		27,402,255

Note 13: Short-term loans and advances

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Other loans and advances (Unsecured, considered good) Unsecured, considered good - Advance payment of taxes (net of provision) - Prepaid Expenses - Works Contract Tax Receivable - Short term loans - others	15,197,841 1,055,519 7,805,890 -	24,059,249	1,643,123 1,174,929 4,032,603 -	6,850,655
Total		24,059,249		6,850,655

Note 14: Other current assets

Particulars	As at March 31, 2015		As at March 31, 2014	
a) Grant receivable from National Highway Authorities of India	45,936,000	45,936,000	125,779,052	125,779,052
Total		45,936,000		125,779,052



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 15: Revenue from operations

Particulars	For the Year ended March 31, 2015		For the Year ended March 31, 2014	
(a) Income from services				
Toll revenue		116,348,507		142,874,585
Total		116,348,507		142,874,585

Note 16: Other income

Particulars	For the Year ended March 31, 2015		For the Year ended March 31, 2014	
Other non-operating income				
Interest on Income tax refund	-		826,161	
Excess provisions written back	110,102			
Interest income	-			
Miscellaneous income	3,786,657	3,896,759	1,402,664	2,228,825
Total		3,896,759		2,228,825



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 19: Earnings per equity share

Particulars		For the Year ended March 31, 2015	For the Year ended March 31, 2014
Profit after tax and minority interest	₹	71,901,506	84,564,519
Tax on premium on preference shares	₹	-	-
Profit available for Equity Shareholders	₹	71,901,506	84,564,519
Weighted number of Equity Shares outstanding	Numbers	221,660,000	221,660,000
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	0.32	0.38
Equity shares used to compute diluted earnings per share	Numbers	221,660,000	221,660,000
Diluted Earnings per share	₹	0.32	0.38



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 20: Contingent liabilities and capital commitments**A. Contingent Liabilities**

Particulars			As at March 31, 2015	As at March 31, 2014
Sr. No.	Name of Party	Description		
1	IL&FS Transportation Networks Limited	Income tax demands contested by the Company	9,522,300	NIL

B. Capital commitments

Particulars			As at March 31, 2015	As at March 31, 2014
Sr. No.	Name of Party	Description		
1	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed on capital account (net of capital advances of Rs. Nil- [previous year ended March 31, 2014 Rs.30,992,736/-])	800,000,000	2,377,701,317
2	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed on Operation & Maintenance (Base price Rs.116,000,000/- p.a. for the base financial year 2010, escalated @7% p.a. for the period upto the end of concession period)	4,070,115,950	7,772,086,705



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 21: Completion Certificate

NHAI has issued the Provisional Completion Certificate w.e.f January 6, 2015 in term of sub clause 15.1 of concession agreement dated February 19, 2010. Final completion certificate will be issued on completion of punch list item and balance work

Note 22: Related Party Statement

Name of Entity	Nature of Relationship	Acronym used
IL&FS Transportation Networks Limited	Holding Company	ITNL
IL&FS Trust Company Limited	Fellow Subsidiary	ITCL
IL&FS Financial Services Limited	Fellow Subsidiary	IFIN
IL&FS Education & Technology Services Limited	Fellow Subsidiary	IETS
IL&FS Securities Services Limited	Fellow Subsidiary	ISSL
Mr. Ashutosh Chandwar	Key Management personnel	Managing Director
Mr. Sachin Gole	Key Management personnel	Chief Financial Officer

Details of balances and transactions during the period with related parties :

Account head	Name of Entity	As at March 31, 2015	As At March 31, 2014
Balances:			
Share Capital	ITNL	2,216,600,000	2,216,600,000
Mobilisation Advance Recoverable	ITNL	-	24,910,841
Trade payables	ITNL	2,630,148,239	853,104,257
Short Term Loan	ITNL	5,532,500,000	1,487,500,000
Deposit Given	ITCL	1,000	1,000
Sundry Creditors	ISSL	15,169	-
Loan Interest Payables	ITNL	240,040,884	-
₹			
		For the Year ended March 31, 2015	For the Year ended March 31, 2014
Transactions:			
Milestone Payment	ITNL	4,974,278,472	2,573,549,869
Loan Taken	ITNL	4,045,000,000	1,487,500,000
Management Fees Paid	ITNL	99,450,000	132,600,000
Mobilisation Advance Recover	ITNL	24,910,841	373,481,876
Operation & Maintenance Expenses	ITNL	38,687,947	-
Interest on Short Term Loan	ITNL	311,946,109	49,519,759
Professional Fees	ISSL	34,308	22,972
Security Trustee Fees paid	ITCL	592,584	786,520
Directors' Fees		280,000	151,236



Note 23: Impact of change in Accounting Policy

The Company has changed the method of charging depreciation on all tangible assets from written down value method to straight line method with retrospective effect. Further, the company has also implemented schedule II of the Companies Act 2013 and has accordingly estimated useful life of individual assets.

(a) Effect due to changes mentioned above

Particulars	For the Year ended March 31, 2015
The charge on account of Depreciation for the year is lower by / (higher by) than the amount that would correspond to the method of depreciation previously used and useful lives previously assessed	2,973,467
Carrying amount of assets with revised useful life as Nil, has been charged to Surplus in the Statement of Profit & Loss as at April 1, 2014	316,218
Carrying amount of assets with revised useful life as Nil, has been credited to capital work in progress	

(b) Depreciation / Amortisation Reconciliation :

Particulars	For the Year ended March 31, 2015
Depreciation / Amortisation as per addition to accumulated depreciation in Tangible Assets & Intangible Assets Schedule	(895,360)
Add / Less :	
Impact due to change in depreciation accounting policy	(316,218)
Depreciation / Amortisation capitalised in CWIP / Inventory / Other Assets	
Foreign Exchange difference	
Grant Amortization	
Other (please specify)	
Depreciation / Amortisation as per profit & loss account	(1,211,578)

Note 24:

In the Absence of appointment of company secretary, Financial statement of the company have not been signed by a company secretary as required under section 203 of the Companies Act 2013

Note 25: Previous year

Figures for the previous year have been regrouped, reclassified where necessary, to conform to the classification of the current year.

In terms of our report attached.

For K. S. Aiyar & Co.

Chartered Accountants

ICAI Firm Registration No.100186W



Raghuvir M. Aiyar

Partner

Membership Number : 38128

Place: Mumbai

Date : April 28, 2015

For and on behalf of the Board



Managing Director



Director



Chief Financial Officer

Place: Mumbai

Date : April 28, 2015

