

**MORADABAD BAREILLY EXPRESSWAY
LIMITED**

ANNUAL REPORT

2011-12

DIRECTORS' REPORT

The Shareholders,
Moradabad Bareilly Expressway Limited

Your Directors have pleasure in presenting the Second Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2012

Financial Results:

The financial results of the Company are as under:

(in `.)

Particulars	Year ended March 31, 2012	Period ended March 31, 2011
Total Income	113,928,734	6,415,648
Total Expenses	34,071,296	6,857,335
Profit/(Loss) Before Tax	79,857,438	(441,687)
<u>Less: Provision for Tax</u>	27,227,354	160,000
Profit /(Loss)After Tax	52,630,084	(601,687)
Balance carried forward	52,028,397	(601,687)

Operations:

During the year under review, your Company continued the development works of 4 laning of Moradabad to Bareilly section of NH-24 comprising of 122 kms in the state of Uttar Pradesh, on Design Build Finance Operate & Transfer (DBFOT) on toll basis. The Company has achieved physical progress of 40.76% and financial progress of 59% as of March 31, 2012.

Dividend:

Due to inadequacy of profits, your Directors have not recommended any dividend for the financial year under review.

Directors:

During the year under review, Mr. Deep Sen and Mr. Ashutosh Chandwar were appointed as Additional Directors on the Board of the Company with effect from January 19, 2012. Mr. Ashutosh Chandwar was also designated as Managing Director of the Company for a term of 5 years commencing from January 19, 2012. Mr. Deep Sen and Mr. Ashutosh Chandwar being Additional Directors hold their offices till the date of ensuing Annual General Meeting and are eligible for being appointed as Directors. The Company has received notices in writing under Section 257 of the Act, along with the requisite deposit from the Members of the Company, proposing their candidature as the Directors of the Company.

In terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company, Dr. Krishna Ghag, Director, is liable to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Your Directors recommend the aforesaid re-appointment.

Auditors:

M/s. K. S. Aiyar & Co., Chartered Accountants, who were appointed as Statutory Auditors of the Company to fill in the casual vacancy caused by the resignation of M/s. N. M. Raiji & Co., Chartered Accountants, retires as the Statutory Auditors of the Company at the ensuing Annual General Meeting and have expressed their willingness to continue as Statutory Auditors of the Company, if re-appointed.

Corporate Governance:

Four Board Meetings were held during the year under review on April 19, 2011, July 20, 2011, October 18, 2011 and January 19, 2012. The numbers of meetings attended by the Directors are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Krishna Ghag	4	4
2	Mr. Ravi Sreehari	4	3
3	Mr. Harish Mathur	4	3
4	Mr. Ashutosh Chandwar - (w.e.f. January 19, 2012)	1	1
5	Mr. Deep Sen - (w.e.f. January 19, 2012)	1	0

The Audit Committee was constituted on January 25, 2011 in accordance with the provisions of Section 292A of the Companies Act, 1956. The Audit Committee comprises of Mr. Krishna Ghag, Mr. Harish Mathur and Mr. Ravi Sreehari. The Audit Committee met four times during the year under review on April 19, 2011, July 20, 2011, October 18, 2011 and January 19, 2012

Deposits:

Your Company has not invited/ accepted any deposits during the year under review

Particulars of Employees:

There were no employees in respect of whom the information is required to be provided pursuant to Section 217(2A) of the Companies Act, 1956.

Directors Responsibility Statement:

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments 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 Loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis

Foreign Exchange Earnings and Outgo:

There was no earning or outgo of foreign exchange during the year under review.

Since your Company does not have any manufacturing facility, the other particulars in the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable and hence not provided

Acknowledgments:

The Directors place on record their appreciation for the support and co-operation received from various Government Authorities including National Highway Authority of India (NHAI), and other Regulatory Authorities, Banks, Financial Institution and Shareholders of the Company.

By the Order of the Board

Sd/-
Director

Sd/-
Director

Date : April 19, 2012

Place : Mumbai

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

Auditor's Report

To the Members of Moradabad Bareilly Expressway Limited

Report on the accounts for the year ended on 31st March, 2012 in compliance with Section 227(2) of the Companies Act, 1956

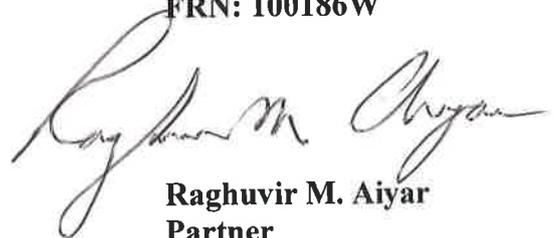
1. We have audited the attached Balance Sheet of Moradabad Bareilly Expressway Limited, as at 31st March, 2012 and also the Statement of Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;



Offices also at
Chennai Kolkata Goa
Bangalore Coimbatore

- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
- (e) On the basis of written representations received from the directors / companies, as on 31st March, 2012, and taken on record by the Board of Directors we report that none of the directors are disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- (ii) In the case of Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For K.S. Aiyar & Co
Chartered Accountants
FRN: 100186W



Raghuvir M. Aiyar
Partner
M.No.38128

Place: Mumbai
Date: 19th April, 2012



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 at Report on Other Legal and Regulatory Requirements of our main report of even date on the Accounts for the year ended on 31st March, 2012 of Moradabad Bareilly Expressway Limited)

- (i) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (ii) A substantial portion of the fixed assets have been physically verified by the management during the year and in our opinion the frequency of such verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (iii) Company has not disposed off any of the fixed assets during the year. As a result the question of affecting the going concern status of the Company does not arise.
- (iv) The Company does not have any inventory. Accordingly, sub-clauses (b) & (c) of Clause 2 of paragraph 4 of the order is not applicable.
- (v) Based on our examination of books of account and according to the information and explanation given to us, the company has not granted any Secured or unsecured loans and Inter-Corporate Deposits to companies covered in the Register maintained under Section 301 of the Act. Hence the provisions of clause (iii) (b), (c), (d) of paragraph 4 are not applicable to the company.
- (vi) Based on our examination of the books of account and according to the information and explanations given to us, the company has not taken any loans, secured or unsecured from companies, firms or other third parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clauses (f) & (g) of Clause 3 of paragraph 4 of the order are not applicable.
- (vii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for purchase of inventory and fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness in internal control system.

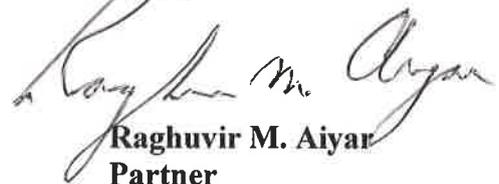


- (viii) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the Company has, during the year not entered into any contracts or arrangements which needed to be entered into the register maintained under Section 301 of the Companies Act, 1956. Therefore, sub-clauses (a) & (b) of Clause 5 of paragraph 4 of the order are not applicable.
- (ix) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under. Therefore, the provisions of Section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to deposits accepted from the public are not applicable to the Company.
- (x) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (xi) According to information & explanations given to us, the Central Government has prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and the Company has made and maintained the same. However, we are not required to make a detailed examination the same.
- (xii) Based on our examination of the books of accounts and according to the information and explanation given to us, the company has been generally regular in depositing with the appropriate authorities undisputed statutory dues, including Income tax, service tax, cess and other statutory dues, wherever applicable. There were no undisputed dues as at March 31, 2012, that were outstanding for a period of more than six months from the date on which they became payable.
- (xiii) According to information & explanations given to us and based on the examination of records, there are no dues in respect of Income tax, Sales tax & cess which have not been deposited with the appropriate authorities on account of any dispute with the related authorities.
- (xiv) 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 covered by our audit but it had incurred cash loss in the immediately preceding financial year.
- (xv) 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.
- (xvi) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.



- (xvii) In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- (xviii) In our opinion the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable to the Company.
- (xix) In our opinion, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xx) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xxi) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xxii) 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.
- (xxiii) The Company has not raised any monies by way of issue of debentures. As such reporting under clause (xix) of the order is not required.
- (xxiv) The Company has not raised any money by way of public issue during the year.
- (xxv) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For K.S.Aiyar & Co
Chartered Accountants
FRN: 100186W


Raghuvir M. Aiyar
Partner

Membership No.38128

Place: Mumbai
Date: 19th April, 2012

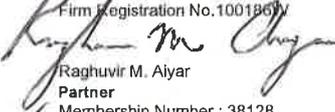


MORADABAD BAREILLY EXPRESSWAY LIMITED

Balance Sheet As At March 31, 2012

	Particulars	Note	As At		As At	
			March 31, 2012		March 31, 2011	
I	EQUITY AND LIABILITIES					
1	SHAREHOLDERS' FUNDS					
	(a) Share capital	2	2,216,600,000		2,216,600,000	
	(b) Reserves and surplus	3	2,600,356,560	4,816,956,560	1,461,817,205	3,678,417,205
2	NON-CURRENT LIABILITIES					
	(a) Long-term borrowings	4	7,579,915,000		4,349,915,000	
	(b) Deferred tax liabilities (Net)	5	267,000	7,580,182,000	160,000	4,350,075,000
3	CURRENT LIABILITIES					
	(a) Trade payables	6	88,177,652		633,296,454	
	(b) Other current liabilities	7	1,705,475	89,883,127	43,868,892	677,165,346
	TOTAL			12,487,021,687		8,705,657,551
II	ASSETS					
1	NON CURRENT ASSETS					
	(a) Fixed assets	8				
	(i) Tangible assets		7,606,020		2,880,105	
	(ii) Intangible assets		-		-	
	(iii) Capital work-in-progress		10,655,332,309	10,662,938,329	5,489,208,006	5,492,088,111
	(b) Long-term loans and advances	9	3,573,094	3,573,094	1,126,539,152	1,126,539,152
2	CURRENT ASSETS					
	(a) Trade receivables	10	877,872		-	
	(b) Cash and bank balances	11	50,725,699		319,156,020	
	(c) Short-term loans and advances	12	1,170,479,530		305,406,062	
	(d) Other current assets	13	598,427,163	1,820,510,264	1,462,468,206	2,087,030,288
	TOTAL			12,487,021,687		8,705,657,551

Notes 1 to 22 form part of the financial statements.

In terms of our report attached
 For K. S. Aiyar & Co.
 Chartered Accountants
 Firm Registration No. 10018647

 Raghuvir M. Aiyar
 Partner
 Membership Number : 38128
 Place: Mumbai
 Date:

For MORADABAD BAREILLY EXPRESSWAY LIMITED


 Managing Director


 Director

19 APR 2012



MORADABAD BAREILLY EXPRESSWAY LIMITED

Statement of Profit and Loss for the Year Ended March 31, 2012

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	Particulars	Note	Year ended March 31, 2012	For the period ended March 31, 2011
I	Revenue from operations	15	113,822,325	6,415,648
II	Other income	16	106,409	-
III	Total revenue (I + II)		113,928,734	6,415,648
IV	Expenses			
	Operating expenses	17	30,492,124	5,785,173
	Administrative and general expenses	18	2,418,695	1,029,938
	Preliminary / Miscellaneous Expenditure Written Off		-	21,381
	Depreciation and amortization expense	8	1,160,477	20,843
	Total expenses		34,071,296	6,857,335
V	Profit before taxation (III-IV)		79,857,438	-441,687
VI	Tax expense:			
	(1) Current tax		25,810,000	-
	(2) Tax relating to earlier period		1,310,354	-
	(3) Deferred tax		107,000	160,000
	Total tax expenses (VI)		27,227,354	160,000
VII	Profit for the period (V-VI)		52,630,084	-601,687
	Earnings per equity share (Face value per share Rupees 10/-):	19		
	(1) Basic (Not Annualised)		0.24	-0.00
	(2) Diluted (Not Annualised)		0.24	-0.00

Notes 1 to 22 form part of the financial statements.

In terms of our report attached.

For K. S. Aiyar & Co.

Chartered Accountants

Firm Registration No. 100186W

Raghuvir M. Aiyar

Partner

Membership Number : 38128

Place: Mumbai

Date:

19 APR 2012

For MORADABAD BAREILLY EXPRESSWAY LIMITED



Managing Director



Director



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	Year ended March 31, 2012	For the period ended March 31, 2011
Cash Flow from Operating Activities		
Net Profit / (Loss) Before Tax	79,857,438	(441,687)
Adjustments for :-		
Depreciation	1,160,477	20,843
Operating profit before Working Capital Changes	81,017,915	(420,844)
Adjustments for changes in working capital:		
(Increase) / Decrease in Other Current, Other Non-Current Assets & Trade Receivables	(877,872)	-
Increase / (Decrease) in Other Current, Other Non-Current Liabilities & Trade Payables	(524,374)	6,184,877
Cash Generated from Operating Activities	79,615,669	5,764,033
Payment of Taxes	(33,007,717)	(18,121,118)
Net Cash Flow from Operations (A)	46,607,952	(12,357,085)
Cash flow from Investing Activities		
Purchase of Fixed Assets (Intangible Assets)	(4,297,794,741)	(5,103,722,994)
Purchase of other fixed assets	(5,886,392)	-
Fixed deposits placed for periods exceeding 3 months	(30,000)	-
Interest income	22,858,521	12,631,470
(Increase) / decrease in loans and advances	263,779,953	(1,413,873,410)
Increase / (decrease) in current liabilities & provisions	(670,440,250)	670,980,469
Net Cash from Investing Activities (B)	(4,687,512,909)	(5,833,984,465)
Cash flow from Financing Activities		
Issue of Equity Share capital	-	2,216,600,000
Proceeds from Long-term Borrowings	3,230,000,000	4,349,915,000
Grant Received	1,949,901,000	-
Interest and Finance Charges Paid	(807,458,281)	(401,017,430)
Net Cash from Financing Activities (C)	4,372,442,719	6,165,497,570
Net Increase in Cash & Cash Equivalents (A+B+C)	(268,462,238)	319,156,020
Cash and Cash Equivalent at the beginning of the Year (Note No. 11)	319,156,020	-
Cash and Cash Equivalent at the end of the Year (Note No. 11)	50,693,782	319,156,020
Net Increase / (Decrease) in Cash & Cash Equivalents	(268,462,238)	319,156,020
Notes:		
Components of Cash & Cash Equivalent		
Cash on Hand	8,237	478,990
Balance with Scheduled Banks - Current Accounts	50,685,545	18,677,030
Balance with Scheduled Banks in term deposits (maturity less than 3 months)	-	300,000,000
Balance with Scheduled Banks in term deposits (maturity more than 3 months)	31,917	-
Cash and bank balance (Note no. 11)	50,725,699	319,156,020

Notes 1 to 22 form part of the financial statements.

In terms of our report attached,

For K. S. Aiyar & Co.

Chartered Accountants

Firm Registration No. 100186W

Raghuvir M. Aiyar

Partner

Membership Number : 38128

Place: Mumbai

Date:

19 APR 2012



For MORADABAD BAREILLY EXPRESSWAY LIMITED

Managing Director

Director

MORADABAD BAREILLY EXPRESSWAY LIMITED

Note 1 : Significant Accounting Policies of Accounts as at March 31, 2012

1. Basis of preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention in accordance with the Accounting Standards specified in The Companies (Accounting Standard) Rules, 2006 notified by the Central Government in terms of Section 211(3C) of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including current liabilities) as of the date of the financial statements, the reported income and expenses during the reporting period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

2. Fixed Assets and Depreciation / Amortisation:

(a) Tangible fixed assets and depreciation

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

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

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 of the Fixed Assets, under the Written Down Value Method in the manner and as per the rates prescribed under Schedule XIV to the Companies, Act, 1956, as amended from time to time except in the case of following assets, Company follows Straight Line Method of depreciation so as to write off 100% of the cost of the assets at rates higher than those prescribed under Schedule XIV to the Companies Act 1956, based on the Managements estimate of useful life of such assets:



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MORADABAD BAREILLY EXPRESSWAY LIMITED

Asset Type	Useful Life
Computers	4 Years
Specialised Office Equipment	3 Years
Assets Provided to Employees	3 Years
Licensed Software	Over the license period

All categories of assets costing less than Rs. 5,000 each, mobile phones and items of soft furnishing are depreciated fully in the year of capitalization.

b) 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.

3. Revenue Recognition

Revenue is recognised on accrual basis.

4. 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) issued by the Institute of Chartered Accountants of India (ICAI) and notified under Companies Act 1956.



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MORADABAD BAREILLY EXPRESSWAY LIMITED

5. 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.

6. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized as finance charges in the income statement in the period in which they are incurred

7. Preliminary Expenditure

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

8. 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 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.



MORADABAD BAREILLY EXPRESSWAY LIMITED

9. Earnings per Share

Basic Earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

10. 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.

11. Current / Non-current Assets and Liabilities

Assets are classified as current when it satisfies any of following criteria:

- a) It is expected to be realized within 12 months after the reporting date,

All other assets are classified as Non-current;

Liabilities are classified as current when it satisfies any of following criteria:

- b) It is expected to be settled within 12 months after the reporting date,

All other liabilities are classified as Non-current.



MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

Note 2: Share capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	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 and ii)	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:

i. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2012		As at March 31, 2011	
	Equity Shares		Equity Shares	
	No. of Shares	Rs.	No. of Shares	Rs.
Shares outstanding at the beginning of the period / year	221,660,000	2,216,600,000	50,000	500,000
Shares issued during the period / year	-	-	221,610,000	2,216,100,000
Shares bought back during the period / year	-	-	-	-
Shares outstanding at the end of the period / year	221,660,000	2,216,600,000	221,660,000	2,216,600,000

ii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (Holding Company)	221,660,000	100.00%	221,660,000	100.00%
Total	221,660,000	100.00	221,660,000	100.00



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MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

Note 3: Reserves and surplus

₹

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Capital Reserve (Refer footnote (a) below)				
Opening balance	1,462,418,892		-	
(+) Created during the year (Grant From National Highway Authority Of India) (Equity Support)	1,085,909,271		1,462,418,892	
(-) Written back in current year	-	2,548,328,163	-	1,462,418,892
(b) Profit / (Loss) Surplus				
Opening balance	(601,687)		-	
(+) Profit for the current period / year	52,630,084	52,028,397	(601,687)	(601,687)
Total		2,600,356,560		1,461,817,205

Foot Note:

I. Capital Reserves:

(Grant from National Highways Authorities of India) (Equity Support): The National Highway Authority agrees to provide cash support by way of an outright grant Rs. 4,433,233,000/-. Equity support shall be due after it has expended the Equity, and shall be disbursed proportionately along with the loan funds thereafter remaining to be disbursed by the Senior Lenders under the Financing Agreements.



MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

Note 4: Long-term borrowings

Particulars	As at March 31, 2012		As at March 31, 2011	
(b) Term Loans				
(i) Secured				
From banks (refer Foot Note no. 1)	7,579,915,000	7,579,915,000	4,349,915,000	4,349,915,000
Total		7,579,915,000.00		4,349,915,000.00

₹

Foot Notes:

Note : 1

Secured By:

Term loans from banks are secured by hypothecation of:

- (a) All movable, tangible and intangible assets, receivables, cash and investments created as part of the projects.
- (b) 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.
- (c) 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.
- (d) Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project.
- (e) 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.
- (f) Debt Service Reserve Account and any other accounts required to be created by the Borrower under any Project agreement contract.

Terms of Repayment:

- (a) 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 in Footnote (a) below.
- (b) Amounts repaid by the Borrower shall not be re-borrowed.
- (c) 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.
- (d) 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.
- (e) 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.

Footnote:

(a) Repayment Schedule:

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

Loans Disbursed till March 31, 2012 is Rs. 7,579,915,000/-

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. In)
2013-2014	0.10	7,579,915
2014-2015	1.00	75,799,150
2015-2016	2.40	181,917,960
2016-2017	4.00	303,196,600
2017-2018	5.20	394,155,580
2018-2019	6.00	454,794,900
2019-2020	8.60	651,872,690
2020-2021	11.00	833,790,650
2021-2022	13.60	1,030,868,440
2022-2023	16.50	1,250,685,975
2023-2024	19.53	1,480,357,400
2024-2025	12.07	914,895,741
Total	100.00	7,579,915,000



b

MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

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

The entity have net deferred tax liabilities aggregating ₹ 267,000/- as at March 31, 2012 (previous period ₹ 160,000/- Only).

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

₹

Particulars	As at March 31, 2012	As at March 31, 2011
Liabilities:		
Timing differences in respect of income	-	-
Timing differences in respect of depreciation	267,000	160,000
Assets:		
Timing differences in respect of depreciation	-	-
Timing differences in respect of employee benefits	-	-
Timing differences in respect of unabsorbed depreciation and business losses	-	-
Timing differences in respect of provision for doubtful debts	-	-
Timing differences in respect of provision for overlay	-	-
Net deferred tax liability	267,000	160,000

b



MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

Note 6: Trade Payables

₹

Particulars	As at March 31, 2012		As at March 31, 2011	
	(a) Trade Payables			
From related parties	82,008,757		623,332,386	
From others	6,168,895	88,177,652	9,964,068	633,296,454
(b) Others				
Others				
Total		88,177,652		633,296,454

Footnote:

- (a) 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 7: Other current liabilities

₹

Particulars	As at March 31, 2012		As at March 31, 2011	
	(a) Other liabilities	1,705,475	1,705,475	43,868,892
Total		1,705,475		43,868,892



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MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

Note 8: Fixed assets

Particulars	Balance as at April 1st 2011		Gross block		Disposals	Balance as at March 31, 2012		Balance as at April 1st 2011	Accumulated depreciation		On disposals	Balance as at March 31, 2012		Net block Balance as at March 31, 2011
	Opening adjustments	Balance as at April 1st 2011	Opening adjustments	Additions		Opening adjustments	Depreciation charge for the year		Balance as at March 31, 2012	Balance as at March 31, 2012		Net block Balance as at March 31, 2012		
a) Tangible assets														
Vehicles	-	-	-	2,206,199	-	2,206,199	-	14,834	413,986	-	-	1,792,213	-	-
Data processing equipments	-	1,324,223	-	203,767	-	1,527,990	-	14,834	373,894	-	-	1,139,262	-	1,309,389
Office equipments	-	-	-	487,736	-	487,736	-	-	13,258	-	-	484,478	-	-
Furniture and fixtures	-	17,310	-	17,310	-	17,310	-	6,009	17,302	-	-	8	-	-
Plant and machinery	-	1,576,725	-	2,961,380	-	4,538,105	-	6,009	342,037	-	-	4,190,059	-	1,570,716
Total	-	2,900,948	-	5,886,392	-	8,787,340	-	20,843	1,160,477	-	-	7,606,020	-	2,880,105
b) Intangible assets														
Software / Licences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand total	-	2,900,948	-	5,886,392	-	8,787,340	-	20,843	1,160,477	-	-	7,606,020	-	2,880,105
c) Capital work-in-progress *	-	5,489,208,006	-	5,165,124,303	-	10,655,332,309	-	-	-	-	-	10,655,332,309	-	5,489,208,006

* Represents Toll road asset under 'Design, Build, Finance, Operate & Transfer. Vide concession agreement signed with National Highway Authority of India.



MORADABAD BAREILLY EXPRESSWAY LIMITED

Note 9: Long-term loans and advances

₹

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Security Deposits				
Secured, considered good				
Unsecured, considered good	3,573,094	3,573,094	3,001,000	3,001,000
(b) Loans and advances to related parties				
Unsecured, considered good				
- Advance recoverable in cash or kind - related parties				1,123,538,152
Total		3,573,094		1,126,539,152



b

MORADABAD BAREILLY EXPRESSWAY LIMITED

Note 10: Trade receivables

₹

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	877,872	877,872	-	-
Total		877,872		-

Note 11: Cash and bank balances

₹

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Cash and cash equivalents				
Cash on hand	8,237		478,990	
Current accounts	50,685,545		18,677,030	
Fixed Deposits placed for a period less than 3 months	-	50,693,782	300,000,000	319,156,020
(b) Other bank balances				
Fixed Deposits placed for a period exceeding 3 months	31,917	31,917	-	-
Total		50,725,699		319,156,020



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MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

Note 12: Short-term loans and advances

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	24,008,481		18,121,118	
- Advance recoverable in cash or kind - related parties	1,123,538,152		277,711,848	
- Advance recoverable in cash or kind - others	22,932,897	1,170,479,530	9,573,096	305,406,062
Total		1,170,479,530		305,406,062

Note 13: Other current assets

Particulars	As at March 31, 2012		As at March 31, 2011	
(a) Interest accrued			49,314	
(b) Grant receivable from National Highways and Authorities of India	598,427,163	598,427,163	1,462,418,892	1,462,468,206
Total		598,427,163		1,462,468,206



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MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

Note 14: Contingent liabilities and capital commitments & Other Information

A) Contingent liabilities :

₹

Particulars (Name & description)	As at March 31, 2012	As at March 31, 2011
Guarantees issued on behalf of Group Companies	-	-
Guarantees issued on behalf of Third parties	-	-
Claims against the Group not acknowledged as debt	-	-
Others (Please give description)	-	-

B) Financial commitments pending to be executed :

₹

Particulars (Name of party & description)	As at March 31, 2012	As at March 31, 2011
	-	-

C) Operating commitments pending to be executed :

₹

Particulars (Name of party & description)	As at March 31, 2012	As at March 31, 2011
	-	-

D) Estimated amount of contracts remaining to be executed on capital and other account :

₹

Particulars (Name of party & description)	As at March 31, 2012	As at March 31, 2011
IL&FS Transportation Networks Limited		
Estimated amount of contracts to be executed on capital account (net of capital advances of Rs.1,123,538,152/- [previous year ended March 31, 2011 Rs.11,401,250,000/-])	7,906,101,269	11,783,052,624
Estimated amount of contracts to be executed on Project Management fees	55,250,000	187,850,000
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)	8,082,783,561	8,082,783,561

E) Disclose the amount paid/Payable to Auditors :

₹

Particulars (Name of party & description)	As at March 31, 2012	As at March 31, 2011
N. M. Raiji & Co.		
Audit Fees	99,270	66,180
Taxation Matter	-	-
Certification Matter	115,815	82,725
Other Services	648,014	176,480
K. S. Aiyar & Co.		
Audit Fees	165,450	-
Taxation Matter	-	-
Certification Matter	13,236	-
Other Services	41,363	-



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MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

Note 15: Revenue from operations

₹

Particulars	Year ended March 31, 2012		For the period ended March 31, 2011	
	(a) Income from services Toll revenue		113,822,325	
		113,822,325		6,415,648

Upto the year ended March 31, 2011, the Company had recognised toll collection during construction as a revenue to the extent relatable to the operation and maintenance expenses incurred on the existing Road. Accordingly, the amount of Toll collection recognised as income was arrived at by adding a mark up equivalent to normal project IRR on the operation and maintenance expenses incurred. The residual Toll collection was adjusted against the cost incurred on the project. During the current year, the Company has revised its policy of recognising toll collection from the existing Road. The entire amount of Toll collected on existing road during current year is recognised as Revenue in Profit & Loss Account. The above change in accounting policy has resulted in increase in revenue by Rs. 78,846,201/- and tax liability by Rs. 25,581,650/-. Consequently, net profit for the current year has increased by Rs. 53,264,551/-. No changes have been made in previous year figures.

Note 16: Other income

₹

Particulars	Year ended March 31, 2012		For the period ended March 31, 2011	
	Miscellaneous income	106,409	106,409	-
		106,409		-



b

MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

Note 17: Operating expenses

₹

Particulars	Year ended March 31, 2012		For the period ended March 31, 2011	
	Operation and maintenance expenses	30,492,124	30,492,124	5,785,173
		30,492,124		5,785,173



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MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

Note 18: Administrative and general expenses

Particulars	Year ended March 31, 2012		For the period ended March 31, 2011	
Legal and consultation fees	441,236		118,874	
Auditors' Remuneration	1,083,148		325,385	
Travelling and conveyance	263,878		-	
Rent	39,000		-	
Rates and taxes	2,710		10,900	
Bank commission	136,235		152,323	
Insurance	101,869		221	
Directors' fees	310,000		150,000	
Miscellaneous expenses	40,619	2,418,695	272,235	1,029,938
		2,418,695		1,029,938



MORADABAD BAREILLY EXPRESSWAY LIMITED

Year Ended March 31, 2012

Note 19: Earnings per equity share

Particulars	Unit	Year ended March 31, 2012	For the period ended March 31, 2011
Profit after tax and minority interest	Rupees	52,630,084	-601,687
Premium on preference shares	Rupees	-	-
Tax on premium on preference shares	Rupees	-	-
Profit available for Equity Shareholders	Rupees	52,630,084	-601,687
Weighted number of Equity Shares outstanding	Numbers	221,660,000	221,660,000
Nominal Value of equity shares	Rupees	10.00	10.00
Basic Earnings per share	Rupees	0.24	-0.00
Equity shares used to compute diluted earnings per share	Numbers	221,660,000	221,660,000
Diluted Earnings per share	Rupees	0.24	-0.00

Note 20: Previous year

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

Note 21 : Details of Grant

From	Purpose	Sanctioned Grant Amount	Received	Utilised	Unutilised
NHAI	Equity Support	4,433,233,000.00	1,949,901,000.00	1,949,901,000.00	-
		-	-	-	-

