

MORADABAD BAREILLY EXPRESSWAY LIMITED

ANNUAL REPORT

2012-13

DIRECTORS' REPORT

The Shareholders,
Moradabad Bareilly Expressway Limited

Your Directors have pleasure in presenting the Third Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2013

Financial Results:

The financial results of the Company are as under:

Particulars	(in ₹.)	
	Year ended March 31, 2013	Year ended March 31, 2012
Total Income	1,384,98,737	113,928,734
Total Expenses	15,118,395	34,071,296
Profit/(Loss) Before Tax	123,380,342	79,857,438
Less: Provision for Tax	40,044,001	27,227,354
Profit/(Loss)After Tax	83,336,341	52,630,084
Balance carried forward	135,364,738	52,028,397

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 71.50% as of March 31, 2013.

Dividend:

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

Capital:

During the year under the review there was no change in the Capital Structure of the Company. The Authorized and Paid-up Share Capital of your Company has been ₹ 2,33,51,00,000

Directors:

In terms of the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ravi Sreehari and Mr. Harish Mathur, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

Auditors:

M/s. K. S. Aiyar & Co., Chartered Accountants, retires at the ensuing Annual General Meeting of the Company and has 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, 2012, July 19, 2012, October 17, 2012 and January 18, 2013. 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	4
3	Mr. Harish Mathur	4	3
4	Mr. Ashutosh Chandwar	4	4
5	Mr. Deep Sen	4	4

The Audit Committee has been constituted for good corporate governance and focused attention on the affairs of the Company. 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, 2012, July 19, 2012, October 17, 2012 and January 18, 2013

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.

For and on behalf of the Board

Mumbai, April 19, 2013

SD/-
Ashutosh Chandwar
Managing Director

SD/-
Krishna Ghag
Director

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, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, 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 purpose of our audit;

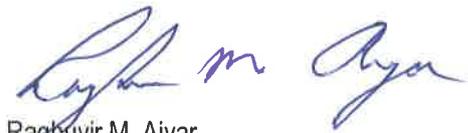
b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For K.S.Aiyar & Co.,
Chartered Accountants
Firm's Registration Number: 100186W



Raghuvir M. Aiyar
Partner

Membership Number: 38128

Mumbai

Date: 18th April, 2013



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, 2013 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.



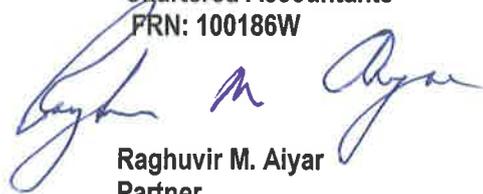
- (xi) According to information & explanations given to us, the Central Government has prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and the Company has made and maintained the same. However, we are not required to make a detailed examination the same.
- (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, 2013, 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 and 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.



K. S. AIYAR & CO
CHARTERED ACCOUNTANTS

- (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: 18th April, 2013



MORADABAD BAREILLY EXPRESSWAY LIMITED
Balance Sheet As At March 31, 2013

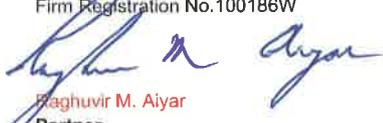
₹

Particulars	Note	As At March 31, 2013		As At March 31, 2012	
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share capital	2	2,21,66,00,000		2,21,66,00,000	
(b) Reserves and surplus	3	3,68,89,15,414	5,90,55,15,414	2,60,03,56,560	4,81,69,56,560
2 NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	10,55,93,45,085		7,57,99,15,000	
(b) Deferred tax liabilities (Net)	5	2,11,000	10,55,95,56,085	2,67,000	7,58,01,82,000
3 CURRENT LIABILITIES					
(a) Trade payables	6	1,58,00,14,515		8,64,01,150	
(b) Other current liabilities	7	1,91,98,057	1,59,92,12,572	34,81,977	8,98,83,127
TOTAL			18,06,42,84,071		12,48,70,21,687
II ASSETS					
1 NON CURRENT ASSETS					
(a) Fixed assets (net)	8			76,06,019	
(i) Tangible assets		1,25,12,669		-	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iii) Intangible Assets under Development		16,96,56,83,286	16,97,81,95,957	10,65,53,32,310	10,66,29,38,329
(b) Long-term loans and advances	9	40,93,12,902	40,93,12,902	1,12,96,40,974	1,12,96,40,974
2 CURRENT ASSETS					
(a) Trade receivables	12	11,98,743		8,77,872	
(b) Cash and bank balances	13	18,62,37,339		5,07,25,699	
(c) Short-term loans and advances	10	2,95,62,855		4,44,11,650	
(d) Other current assets	11	45,97,76,275	67,67,75,212	59,84,27,163	69,44,42,384
TOTAL			18,06,42,84,071		12,48,70,21,687

Notes 1 to 24 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

For and on behalf of the Board


Managing Director


Director

Place: Mumbai
Date :April , 2013

18 APR 2013



MORADABAD BAREILLY EXPRESSWAY LIMITED
Statement of Profit and Loss for the Year Ended March 31, 2013

₹

Particulars	Note	Year ended March 31, 2013	Year ended March 31, 2012
I Revenue from operations	15	13,71,83,840	11,38,22,325
II Other income	16	13,14,897	1,06,409
III Total revenue (I + II)		13,84,98,737	11,39,28,734
IV Expenses			
Operating expenses	17	96,96,111	3,04,92,124
Finance costs	18	-	-
Depreciation and amortization expense	8	20,71,289	11,60,477
Other Expenses	19	33,50,995	24,18,695
Total expenses		1,51,18,395	3,40,71,296
V Profit before taxation (III-IV)		12,33,80,342	7,98,57,438
VI Tax expense:			
(1) Current tax		4,01,00,001	2,58,10,000
(2) Tax relating to earlier year		-	13,10,354
(3) Deferred tax		-56,000	1,07,000
Total tax expenses (VI)		4,00,44,001	2,72,27,354
VII Profit for the year (V-VI)		8,33,36,341	5,26,30,084
Earnings per equity share (Face value per share Rupees 10/-):	20		
(1) Basic (Not Annualised)		0.38	0.24
(2) Diluted (Not Annualised)		0.38	0.24

Notes 1 to 24 form part of the financial statements.

In terms of our report attached.

For K. S. Aiyar & Co.

Chartered Accountants
 Firm Registration No.100186W

Reghuvir M. Aiyar
 Reghuvir M. Aiyar
 Partner

Membership Number : 38128

Place: Mumbai

Date :April , 2013 **18 APR 2013**

For and on behalf of the Board

Managing Director
 Managing Director

Director
 Director



MORADABAD BAREILLY EXPRESSWAY LIMITED
Cash Flow Statement for the year ended March 31, 2013

	Year ended March 31, 2013	Year ended March 31, 2012
Cash Flow from Operating Activities		
Profit Before Taxes	12,33,80,342	7,98,57,438
Adjustments for :-		
Interest Income	-12,59,779	-
Depreciation and amortization expense	20,71,289	11,60,477
Operating profit before Working Capital Changes	12,41,91,852	8,10,17,915
Adjustments changes in working capital:		
(Increase) / Decrease in other assets & loans and advances (current and non current)	-3,93,987	-8,77,872
Increase / (Decrease) in liabilities (current and non current)	4,51,073	-5,24,374
Cash Generated from Operations	12,42,48,938	7,96,15,669
Direct Taxes (paid) (Net)	-2,38,99,022	-3,30,07,717
Net Cash generated from Operating Activities (A)	10,03,49,916	4,66,07,952
Cash flow from Investing Activities		
(Additions) to fixed assets	-69,72,940	-58,86,392
(Increase) in Intangible assets	-5,12,97,59,574	-4,29,77,94,741
(Purchase of) / (advance) towards investments (net)	-	-30,000
(Increase) / decrease in loans and advances	69,09,65,279	26,37,79,953
Increase / (decrease) in current liabilities & provisions	1,49,82,15,961	-67,04,40,250
Interest received	38,95,144	2,28,58,521
Net Cash used in Investing Activities (B)	-2,94,36,56,130	-4,68,75,12,909
Cash flow from Financing Activities		
Capital Grant received from National Highway Authority of India	1,17,33,20,000	1,94,99,01,000
Proceeds from borrowings	2,99,00,00,000	3,23,00,00,000
Finance costs paid	-1,18,45,04,812	-80,74,58,281
Net Cash generated from Financing Activities (C)	2,97,88,15,188	4,37,24,42,719
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	13,55,08,974	-26,84,62,238
Cash and Cash Equivalent at the beginning of the year	5,06,93,782	31,91,56,020
Cash and Cash Equivalent at the end of the year	18,62,02,755	5,06,93,782
Net Increase / (Decrease) in Cash and Cash Equivalents	13,55,08,974	-26,84,62,238

	Year ended March 31, 2013	Year ended March 31, 2012
Components of Cash and Cash Equivalents		
Cash on Hand	4,712	8,237
Balances with Banks in current accounts	3,58,27,497	5,06,85,545
Fixed deposits placed	15,03,70,546	-
	18,62,02,755	5,06,93,782
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	34,584	31,917
Cash and bank balances as per Balance Sheet	18,62,37,339	5,07,25,699

Notes 1 to 24 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

For and on behalf of the Board

[Signature] *[Signature]*
Managing Director Director

Place: Mumbai
Date :April , 2013 **18 APR 2013**

Date :April , 2013 **18 APR 2013**



MORADABAD BAREILLY EXPRESSWAY LIMITED

Note 1: Significant Accounting Policies of Accounts as at March 31, 2013

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:

Asset Type	Useful Life
Computers	4 Years
Specialised Office Equipment	3 Years
Assets Provided to Employees	3 Years



MORADABAD BAREILLY EXPRESSWAY LIMITED

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.

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



MORADABAD BAREILLY EXPRESSWAY LIMITED

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.

9. 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.

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.



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 2: Share capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	₹	Number	₹
Authorised				
Equity Shares of Rupees 10/- each	22,16,60,000	2,21,66,00,000	22,16,60,000	2,21,66,00,000
Issued				
Equity Shares of Rupees 10/- each	22,16,60,000	2,21,66,00,000	22,16,60,000	2,21,66,00,000
Subscribed and Paid up				
Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii and iii)	22,16,60,000	2,21,66,00,000	22,16,60,000	2,21,66,00,000
Total	22,16,60,000	2,21,66,00,000	22,16,60,000	2,21,66,00,000

Foot Notes:

- Of the above 221,660,000 shares are held by the holding Company (As at March 31, 2012 : 221,660,000).
- Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2013		As at March 31, 2012	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	22,16,60,000	2,21,66,00,000	22,16,60,000	2,21,66,00,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	22,16,60,000	2,21,66,00,000	22,16,60,000	2,21,66,00,000

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL & FS Transportation Networks Ltd.	22,16,60,000	100	22,16,60,000	100
Total	22,16,60,000	100	22,16,60,000	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, 2013		As at March 31, 2012	
(a) Capital Reserve				
Opening balance	2,54,83,28,163		1,46,24,18,892	
(+) Created during the year	1,00,52,22,513		1,08,59,09,271	
(-) Written back in current year		3,55,35,50,676		2,54,83,28,163
(b) Profit / (Loss) Surplus				
Opening balance	5,20,28,397		-6,01,687	
(+) Profit for the current year	8,33,36,341	13,53,64,738	5,26,30,084	5,20,28,397
Total		3,68,89,15,414		2,60,03,56,560

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

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 4: Long-term borrowings

Particulars	As at March 31, 2013		As at March 31, 2012	
Term Loans				
(i) Secured				
From banks (refer foot notes)	10,55,93,45,085		7,57,99,15,000	
From others	-	10,55,93,45,085	-	7,57,99,15,000
Total		10,55,93,45,085		7,57,99,15,000

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.

Loans Disbursed till March 31, 2013 is Rs. 10,569,915,000/-

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 Crore)
2013-2014	0.10	1,05,69,915
2014-2015	1.00	10,56,99,150
2015-2016	2.40	25,36,77,960
2016-2017	4.00	42,27,96,600
2017-2018	5.20	54,96,35,580
2018-2019	6.00	63,41,94,900
2019-2020	8.60	90,90,12,690
2020-2021	11.00	1,16,26,90,650
2021-2022	13.60	1,43,75,08,440
2022-2023	16.50	1,74,40,35,975
2023-2024	19.53	2,06,43,04,400
2024-2025	12.07	1,27,57,88,741
Total	100.00	10,56,99,15,000



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 5: Deferred tax liabilities (Net)

The entity have net deferred tax liabilities aggregating ₹ 211,000/- as at March 31, 2013 (previous year ₹ 267,000/-).

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

Particulars	As at March 31, 2013	Movement	As at March 31, 2012
Liabilities:			
Timing differences in respect of depreciation	2,67,000	-	2,67,000
Assets:			
Timing differences in respect of depreciation	-56,000	56,000	-
Net deferred tax liability	2,11,000	56,000	2,67,000



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 6: Trade Payables

₹

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Trade Payables (Refer Footnote)				
Related parties	1,57,21,25,695		8,20,08,757	
Others	78,88,820	1,58,00,14,515	43,92,393	8,64,01,150
(b) Others				
Others		-		-
Total		1,58,00,14,515		8,64,01,150

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 7: Other current liabilities

₹

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Current Maturities of Long Term Debt	1,05,69,915		-	
(b) Interest accrued and due on borrowings	92,496			
(c) Sundry Creditors	32,33,277		17,76,502	
(d) Statutory dues	53,02,369	1,91,98,057	17,05,475	34,81,977
Total		1,91,98,057		34,81,977



MORADABAD BAREILLY EXPRESSWAY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 8: Fixed assets

Particulars	Gross block			Accumulated depreciation			Net block	
	Balance as at April 1, 2012	Additions	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation charge for the year	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
a) Tangible assets								
Plant and machinery	45,38,105	-	45,38,105	3,48,046	5,82,837	9,30,883	36,07,222	41,90,059
Furniture and fixtures	17,309	-	17,309	17,302	-	17,302	7	7
Vehicles	22,06,199	69,72,940	91,79,139	4,13,986	10,34,063	14,48,049	77,31,090	17,92,213
Office equipments	4,97,736	-	4,97,736	13,258	67,392	80,650	4,17,086	4,84,478
Data processing equipments	15,27,990	-	15,27,990	3,88,728	3,81,998	7,70,726	7,57,264	11,39,262
Total	87,87,339	69,72,940	1,57,60,279	11,81,320	20,66,290	32,47,610	1,25,12,669	76,06,019
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								
	-	-	-	-	-	-	-	-
d) Intangible Assets Under Development								
	10,65,53,32,310	6,31,03,50,976	16,96,56,83,286	-	-	-	16,96,56,83,286	10,65,53,32,310
GRAND TOTAL PREVIOUS YEAR	87,87,339	69,77,940	1,57,65,279	11,81,320	20,71,289	32,52,609	1,25,12,670	76,06,019
	5,49,21,08,954	5,17,20,10,695	10,66,41,19,649	20,843	11,60,477	11,81,320	10,66,29,38,329	

Foot Note:
Intangible Assets i.e. Right to collect toll under development by the company has been reclassified and regrouped as "Intangible Assets Under Development" w.e.f. April 01, 2012 considered being appropriate head



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 9: Long-term loans and advances

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Capital Advances				
Unsecured, considered good	40,77,65,546	40,77,65,546	1,12,60,67,880	1,12,60,67,880
(b) Security Deposits				
Secured, considered good	-		-	
Unsecured, considered good	15,47,356	15,47,356	35,73,094	35,73,094
Total		40,93,12,902		1,12,96,40,974

Note 10: Short-term loans and advances

Particulars	As at March 31, 2013		As at March 31, 2012	
Other loans and advances (Unsecured, considered good)				
- Advance payment of taxes (net of provision)	90,67,281		2,40,08,481	
- Insurance Claim Receivable	1,93,45,817		1,93,45,817	
- Works Contract Tax Receivable	11,49,757		10,57,352	
- Short term loans - others	-	2,95,62,855	-	4,44,11,650
Total		2,95,62,855		4,44,11,650

Note 11: Other current assets

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Interest accrued on Fixed Deposit	1,03,095		-	
(b) Receivable from NHAI - Utility Shifting	18,08,510		-	
(c) Receivable from NHAI - Insurance	2,75,34,994		-	
(d) Grant receivable from National Highway Authorities of India	43,03,29,676	45,97,76,275	59,84,27,163	59,84,27,163
Total		45,97,76,275		59,84,27,163



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 12: Trade receivables

₹

Particulars	As at March 31, 2013		As at March 31, 2012	
Trade receivables outstanding for a period less than six months from the date they are due for payment				
Unsecured, considered good		11,98,743		8,77,872
Total		11,98,743		8,77,872

Note 13: Cash and bank balances

₹

Particulars	As at March 31, 2013		As at March 31, 2012	
(a) Cash and cash equivalents				
Cash on hand	4,712		8,237	
Current accounts	3,58,27,497		5,06,85,545	
Fixed Deposits placed	15,03,70,546	18,62,02,755	-	5,06,93,782
(b) Other bank balances				
Unpaid dividend accounts				
Fixed Deposits placed for a period exceeding 3 months	34,584		31,917	
Bank balances held as margin money or else security against borrowings	-	34,584	-	31,917
Total		18,62,37,339		5,07,25,699



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 14:**(A) Capital commitments**

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

Particulars			Year ended March 31, 2013	Year ended March 31, 2012
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. 444,383,011/- (previous year ended March 31, 2012 Rs.1,123,538,152/-)	4,57,77,69,310	7,90,61,01,269
		Estimated amount of contracts to be executed on Project Management fees	-	5,52,50,000
		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)	7,88,61,38,830	8,08,27,83,561

B) Disclosure of the amount paid/Payable to Auditors :

Particulars			Year ended March 31, 2013	Year ended March 31, 2012
Sr. No.	Name of Party	Description		
	N. M. Raiji & Co.	Audit Fees	-	99,270.00
		Certification Matter	-	1,15,815.00
		Other Services	-	6,48,014.00
	K. S. Aiyar & Co.	Audit Fees	1,71,630	1,65,450.00
		Certification Matter	2,29,228	13,236.00
		Other Services	1,69,312	41,363.00
		Out of Pocket Expenses	16,109	-
			-	-



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 15: Revenue from operations

₹

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
(a) Income from services				
Toll revenue		13,71,83,840		11,38,22,325
(b) Construction income		-		-
Total		13,71,83,840		11,38,22,325

Note 16: Other income

₹

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
Other non-operating income				
Interest on Income tax refund	12,59,779			
Interest Income	55,118	13,14,897	1,06,409	1,06,409
Total		13,14,897		1,06,409



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 17: Operating expenses

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Construction contract costs	-		-
Operation and maintenance expenses of Toll Road	96,96,111	96,96,111	3,04,92,124	3,04,92,124
Total		96,96,111		3,04,92,124



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 18: Finance costs

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
Interest expenses				
Interest on loans for fixed period	-	-	-	-
Other interest	-	-	-	-
Total		-		-

Note 19: Other Expenses

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
Legal and consultation fees	6,34,383		5,41,236	
Auditors' Remuneration	5,86,279		10,83,148	
Travelling and conveyance	9,00,788		2,63,878	
Rent	-		39,000	
Rates and taxes	2,710		2,710	
Bank commission	12,242		1,36,235	
Insurance	8,80,340		1,01,869	
Printing and stationery	1,044		-	
Directors' fees	3,00,000		2,10,000	
Miscellaneous expenses	33,209	33,50,995	40,619	24,18,695
Total		33,50,995		24,18,695



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

Note 20: Earnings per equity share

Particulars	Unit	Year ended March 31, 2013	Year ended March 31, 2012
Profit after tax and minority interest	₹	8,33,36,341	5,26,30,084
Profit available for Equity Shareholders	₹	8,33,36,341	5,26,30,084
Weighted number of Equity Shares outstanding	Numbers	22,16,60,000	22,16,60,000
Nominal Value of equity shares	₹	10	10
Basic Earnings per share	₹	0.38	0.24
Equity shares used to compute diluted earnings per share	Numbers	22,16,60,000	22,16,60,000
Diluted Earnings per share	₹	0.38	0.24

In the absence of clarity as to the impact of advance towards capital on the earnings of the Group, no adjustment has been made for potential dilution in computing diluted earnings per share.

Note 21 : Details of Grant

Sr. No.	From	Purpose	Sanctioned Grant Amount	Year ended March 31, 2013	Year ended March 31, 2012
1	National Highway Authority Of India	Equity Support	Total Sanctioned Grant Amount	4,43,32,33,000	4,43,32,33,000
			Received during the year	1,17,33,20,000	1,94,99,01,000
			Received upto	3,12,32,21,000	1,94,99,01,000
			Utilised	3,12,32,21,000	1,94,99,01,000
			Unutilised	-	-



MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2013

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

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

Account head	Name of Entity	As at March 31, 2013	As At March 31, 2012
Balances:			
Share Capital	ITNL	2,21,66,00,000	2,21,66,00,000
Mobilisation Advance Recoverable	ITNL	39,83,92,717	1,12,35,38,152
Trade payables	ITNL	1,57,21,25,695	8,20,08,757
Deposit Given	ITCL	1,000	1,000
Transactions:			
		Year ended March 31, 2013	Year ended March 31, 2012
Milestone Payment	ITNL	4,92,34,77,394	4,15,46,63,203
Flood Restoration Work	ITNL	-	6,93,44,824
Advisory Fees	ITNL	-	6,83,86,000
Management Fees Paid	ITNL	13,26,00,000	13,26,00,000
Mobilisation Advance Recover	ITNL	72,51,45,435	27,77,11,848
Professional Fees	ISSL	22,972	-
Security Trustee Fees paid	ITCL	7,86,520	7,72,100
Directors' Fees	Managing Director	40,000	10,000

Note 23:

In the Absence of appointment of company secretary, Financial statement of the company have not been signed by a company secretary as required under 383(A) of the Companies Act 1956

Note 24: Previous year

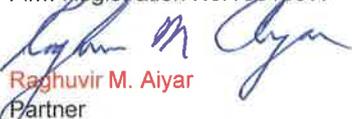
Figures for the previous year have been regrouped, reclassified where necessary, to conform to the classification of the current year.

In terms of our report attached.

For K. S. Aiyar & Co.

Chartered Accountants

Firm Registration No.100186W


Raghuvir M. Aiyar
Partner

Membership Number : 38128

For and on behalf of the Board


Managing Director


Director

Place: Mumbai

Date :April , 2013 **18 APR 2013**

