

**MP BORDER CHECKPOST DEVELOPMENT
COMPANY LIMITED**

FINANCIAL STATEMENT

2014-15

INDEPENDENT AUDITOR'S REPORT

To The Members of
MP Border Checkpost Development Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of MP Border Checkpost Development Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) **The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts**
 - d) **In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.**

- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statement- Refer note 26 to financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Luthra & Luthra
Chartered Accountants
FRN: 002081N



Akhilesh Gupta
Partner
M.No: 89909



Place: Mumbai
Date: April 27, 2015

ANNEXURE TO THE AUDITORS' REPORT

(Statement on the matters specified in Companies (Auditor's Report) Order, 2015)

1. a. The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and no discrepancy was noticed.
2. Clause (ii) of the order is not applicable to the Company.
3. In our opinion and according to the information and explanation given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act 2013. Consequently, requirement of clauses (iiia) and (iiib) of the paragraph 3 of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. We have not observed any continuing failure on the part of the company to correct major weakness in internal control system.
5. According to the information and explanations given to us the company has not accepted deposits.
6. According to the information and explanation given to us, the Company is not required to be maintained cost records u/s 148(1) of the Companies Act, 2013.
7. a. According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities during the year.

There were no undisputed amounts payable on account of the above dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable

- b. According to the information and explanation given to us, there is no due on account of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of dispute other than as given below:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where Dispute is pending
Income tax	Income tax	Rs. 191,090	FY 2011-12	CIT (A)



- c. According to the information and explanation given to us, no amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.
8. Clause (viii) of the order is not applicable to the Company
9. In our opinion and as per the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
10. As per the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
11. In our opinion and according to the information and explanation given to us, the Company has applied the term loan for the purpose for which the loan was obtained.
12. Based upon the audit procedures performed and information and explanations given by the management, no fraud on or by the company has been noticed or reported during the year.

For Luthra & Luthra
Chartered Accountants

FRN: 002081N



Akhilesh Gupta

Partner

M.No: 89909



Place: Mumbai
Date: April 27, 2015

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Balance Sheet as at March 31, 2015

Amount in ₹

Particulars	Note	As at		As at	
		March 31, 2015		March 31, 2014	
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share capital	2	1,490,245,000		959,683,270	
(b) Reserves and surplus	3	(1,406,338,639)	83,906,361	(471,393,276)	488,289,994
2 SHARE APPLICATION MONEY PENDING ALLOTMENT	4		-		530,561,730
3 NON-CURRENT LIABILITIES					
(a) Long-term borrowings	5	8,887,696,000		7,230,100,000	
(b) Other long term liabilities	6	111,787,878		-	
(c) Long-term provisions	7	71,872	8,999,555,750	31,743	7,230,131,743
4 CURRENT LIABILITIES					
(a) Current maturities of long-term debt	8	587,104,000		-	
(b) Other current liabilities	9	2,281,037,741		2,646,397,091	
(c) Short-term provisions	10	2,462	2,868,144,203	1,207	2,646,398,298
TOTAL			11,951,606,314		10,895,381,765
II ASSETS					
1 NON CURRENT ASSETS					
(a) Fixed assets	11				
(i) Tangible assets (net)		2,384,413		2,231,547	
(ii) Intangible assets (net)		6,942,040,421		5,154,621,360	
(iii) Intangible assets under development		4,864,080,487	11,808,505,321	5,338,584,548	10,495,437,455
(b) Long-term loans and advances (net)	12	96,870,164		223,371,413	
(c) Other non-current assets	13	155,749	97,025,913	-	223,371,413
2 CURRENT ASSETS					
(a) Trade receivables (net)	14	-		819,509	
(b) Cash and bank balances	15	31,619,563		149,252,559	
(c) Other Current assets	16	74,028		2,134	
(d) Short-term loans and advances	17	14,381,489	46,075,080	26,498,695	176,572,897
TOTAL			11,951,606,314		10,895,381,765

Notes 1 to 32 form part of the financial statements.

In terms of our report attached.
For LUTHRA & LUTHRA
Chartered Accountants
Firm Registration No. 002081N

Akhilesh Gupta
Partner
Membership Number : 89909

Place: Mumbai
Date : April 27, 2015

For and on behalf of the Board

[Signature]
Managing Director

[Signature]
Director

[Signature]
Chief Financial Officer
Place: Mumbai
Date : April 27, 2015

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Statement of Profit and Loss for the year ended March 31, 2015

Amount in ₹

	Particulars	Note	For the year ended March 31, 2015	For the year ended March 31, 2014
I	Revenue from operations	18	491,964,429	250,979,024
II	Other income	19	1,132,474	431,680
III	Total revenue (I + II)		493,096,903	251,410,704
IV	Expenses			
	Operating expenses	20	435,355,455	195,736,711
	Finance costs	21	577,055,101	256,466,397
	Administrative and general expenses	22	17,054,743	5,148,397
	Depreciation and amortization expense	11	398,576,967	247,993,687
	Total expenses		1,428,042,266	705,345,192
V	Profit / (Loss) before taxation (III-IV)		(934,945,363)	(453,934,488)
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Tax relating to earlier period		-	-
	(3) Deferred tax		-	-
	(4) MAT credit entitlement		-	-
	Total tax expenses (VI)		-	-
VII	Loss for the year (V-VI)		(934,945,363)	(453,934,488)
	Earnings per equity share (Face value per share Rupees 10/-):	23		
	(1) Basic		(6.42)	(4.73)
	(2) Diluted		(6.42)	(4.73)

Notes 1 to 32 form part of the financial statements.

In terms of our report attached.

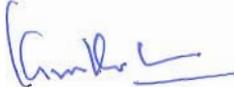
For LUTHRA & LUTHRA
Chartered Accountants
Firm Registration No. 002081N


Akhilesh Gupta
Partner
Membership Number : 89909

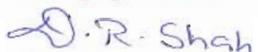
Place: Mumbai
Date : April 27, 2015



For and on behalf of the Board



Managing Director


D.R. Shah

Chief Financial Officer

Place: Mumbai
Date : April 27, 2015


Director

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Cash Flow Statement for the year ended March 31, 2015

	Amount in ₹	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Cash Flow from Operating Activities		
(Loss) Before Taxes	(934,945,363)	(453,934,488)
Adjustments for :-		
Provision for employee benefits (net)	74,334	32,950
Depreciation and amortization expense	398,576,967	247,993,687
Operating profit before Working Capital Changes	(536,294,062)	(205,907,851)
Adjustments changes in working capital:		
Increase in liabilities (current and non current)	-	-
Cash Generated from Operations	(536,294,062)	(205,907,851)
Direct Taxes paid (Net)	(519,967)	4,907
Net Cash generated from Operating Activities (A)	(536,814,029)	(205,902,944)
Cash flow from Investing Activities		
Additions to fixed assets	-	(151,940)
Increase in Receivable under Service Concession Arrangement	(1,240,274,153)	(2,771,913,436)
Increase / (decrease) in current liabilities & provisions related to investment act	(365,392,300)	637,010,448
(Increase) / decrease in loans and advances related to investment activities	139,775,201	150,175,946
Interest received	(44,913)	422,585
Net Cash used in Investing Activities (B)	(1,465,036,165)	(1,984,456,397)
Cash flow from Financing Activities		
Proceeds from Issue of Shares	-	-
(Decrease)/ Increase in Advance towards capital	-	-
Proceeds from borrowings	2,244,700,000	2,353,800,000
Interest and Finance costs paid	(359,582,802)	(433,202,288)
Proceeds from minority interest	-	-
Net Cash generated from Financing Activities (C)	1,885,117,198	1,920,597,712
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(117,632,996)	(269,761,629)
Cash and Cash Equivalent at the beginning of the year	149,242,559	419,004,188
Cash and Cash Equivalent at the end of the year	31,609,563	149,242,559
Net Increase / (Decrease) in Cash and Cash Equivalents	(117,632,996)	(269,761,629)

	Amount in ₹	
Components of Cash and Cash Equivalents		
Cash on hand	3,755,795	2,560,210
Balances with Banks in current accounts	27,853,768	146,682,349
	31,609,563	149,242,559
Bank balances / deposits held as margin money or as security against borrowings	10,000	10,000
Cash and Cash Equivalents as per Balance Sheet	31,619,563	149,252,559

Notes 1 to 32 form part of the financial statements.

In terms of our report attached.

For LUTHRA & LUTHRA

Chartered Accountants

Firm Registration No. 002081IN

Akhilesh Gupta

Partner

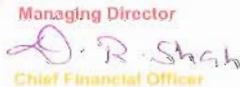
Membership Number: 89909

Place: Mumbai

Date: April 27, 2015

For and on behalf of the Board


Managing Director


Chief Financial Officer

Place: Mumbai

Date: April 27, 2015

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED

Notes forming part of the financial statement for the year ended March 31, 2015

Note – 1: Background and Significant Accounting Policies

Background:

The Company was incorporated under the Companies Act 1956 on October 15, 2010. The Company is a special purpose vehicle (SPV) promoted by IL&FS Transportation Networks Limited (ITNL) and Spanco Limited. The Company has entered into a Concession Agreement (CA) on November 10, 2010 with MP Road Development Corporation Limited (MPRDCL) for construction, operation and maintenance of the Border Checkpost at 24 locations in Madhya Pradesh on build, operate and transfer (“BOT”) basis. The Concession given under the agreement is for the total period of 4,566 days including 730 days for construction.

Significant Accounting Policies:

1) Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) in India, the provisions of the Companies Act, 2013, as adopted consistently by the Company and the applicable accounting standards issued by The Institute of Chartered Accountants of India and notified under the Companies Accounting Standards Rules, 2006. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis except those with significant uncertainties or other wise accounted for on cash basis.

2) Use of estimates

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

3) Revenue Recognition

The CA envisages Revenue in the form of collection of Service fees from the users of the project facilities from the Commercial Operations Date (“COD”). User fee is recognised on collections, which coincides with the usage of the facility.

4) Classification of Current/Non-current Assets and Liabilities :

An asset is classified as current when it satisfies following criteria:

- a) It is expected to be realized in or is intended for sale or consumption in, the company's operating cycle;
- b) It is expected to be realised within 12 months after the reporting date;
- c) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the financial statement for the year ended March 31, 2015

All other assets are classified as Non-current.

A liability is classified as current when it satisfies any of following criteria:

- a) It is expected to be settled in the company's normal operating cycle;
- b) It is due to be settled within 12 months after the reporting date;
- c) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as Non-current.

5) Fixed Assets and Depreciation

All fixed assets are stated at cost less accumulated depreciation. For this purpose cost includes purchase price and all other attributable costs of bringing assets into working condition and location for intended use. Assessment of indication of impairment of an asset is made as at the reporting date and impairment loss, if any is recognised.

Capital Work in Progress

Capital work in Progress includes direct and attributable expenses for construction project. The same shall be capitalised on completion of the construction and it being available for commercial use.

Depreciation

As per notification dated, March 26, 2014 issued by the Ministry of Corporate Affairs, Schedule II "Useful Lives to compute Depreciation" of the Companies Act, 2013 comes into effect from April 1, 2014 which prescribes the useful lives for determining the depreciation charge for the tangible assets. Accordingly, with effect from April 1, 2014, the Company has modified the useful lives of the certain tangible assets in line with Schedule II of the Companies Act, 2013 and additionally the Company has decided to use the Straight Line Depreciation Method (SLM) in place of Written Down value Depreciation Method (WDV) for all the tangible assets. The useful lives of the tangible assets as determined by the Company are as stated below:

- (i) All tangible assets are depreciated on a Straight Line Depreciation Method, over the useful life of assets as prescribed under Schedule II of the Companies Act 2013 other than assets specified in para (ii) below
- (ii) Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on the Management's estimate of useful life based on their usage
 - a) Data Processing Equipment – Server and Networking equipment are depreciated over a period of 4 years
 - b) Mobile Phones and Laptop / Tablets are fully depreciated in the year of purchase
 - c) Specialised office equipment's are depreciated on Straight Line Method over a period of three years
 - d) Vehicles purchased by the company for employees, are depreciated over a period of five years
 - e) Assets provided to employees are depreciated over a period of three years
 - f) Leasehold improvement costs are capitalised and amortised over the period of lease agreement

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the financial statement for the year ended March 31, 2015

- g) All categories of assets costing less than ₹. 5,000/- each are fully depreciated in the year of purchase.
- (iii) The residual value of all the assets is retained at ₹. 1/- each

Amortisation

Intangible Assets (which are recognized in the form of the right to charge users of the infrastructure) are amortised over concession period under Units of Usage method i.e. in proportionate to the number of vehicles using the facility to projected number of users over the concession period.

A review of the estimated users over the balance concession period is undertaken by the management based on the technical evaluation by independent experts at periodical intervals.

6) 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.

7) Employee Costs

Employee Costs include Short term employee benefits such as Salaries, Incentives etc., as defined in AS -15 on Employee Benefits. The same are recognised as an expense in the period in which the service is rendered by the concerned employee to the company. Company does not have any Defined Contribution plans. T

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses in the year in which the employees perform the services that the benefit covers at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on avallment or encashment of such accrued benefit or where the avallment or encashment is otherwise not expected to wholly occur in the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

The Gratuity plan for the company is a defined benefit plan. The cost of providing benefits under gratuity is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in full in the period in which they occur.

8) Borrowing cost

Borrowing costs (net of interest earned on temporary investment) attributable to construction of the project facilities are capitalised up to the date of completion of construction and are treated as a part of the Tangible/Intangible asset. All borrowing costs subsequent to the capitalisation are charged to the Profit and Loss Account in the period in which such costs are incurred.

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the financial statement for the year ended March 31, 2015

9) Preliminary Expenditure

Preliminary Expenses incurred on incorporation of the Company are charged to the Profit & Loss Account in the period during which these expenses are incurred.

10) Accounting for Taxes on Income

Provision for current income tax is made after taking into consideration benefits admissible under the provisions of the Income - tax Act, 1961. Deferred tax resulting from "timing differences" between book and tax profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized and carried forward only if there is a virtual/ reasonable certainty that the assets will be realized in future. The carrying amount of deferred tax asset is reviewed at each balance sheet date.

11) Provisions, Contingent Liabilities and Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Disclosures for a contingent liability is made, without a provision in books, when there is an obligation that may, but probably will not, require outflow of resources. Contingent Assets are neither recognized or disclosed.

12) Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profits / loss before tax are adjusted for the effect of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from regular revenue generating; investing and financing activities are segregated.

Cash and cash equivalents in the cash flow statement comprises of cash at bank and in hand and term deposits with banks placed for a period of less than three months.

13) Earnings per Share

Basic Earnings per share is calculated by dividing the net profit / (loss) after tax for the period attributable to equity shareholders of the Company by the weighted average number of equity shares in issued during the period. The number of shares used in computing Diluted EPS comprises the weighted average number of equity shares considered for deriving Basic EPS, and also the weighted average number of equity shares that could have been issued on the conversion of all Dilutive potential equity shares. Dilutive potential shares are deemed to be converted as at the beginning of the period unless issued at a later date.



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 2: Share capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	₹	Number	₹
Authorised				
Equity Shares of Rupees 10/- each	150,000,000	1,500,000,000	150,000,000	1,500,000,000
Issued				
Equity Shares of Rupees 10/- each	149,024,500	1,490,245,000	95,968,327	959,683,270
Subscribed and Paid up				
Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	149,024,500	1,490,245,000	95,968,327	959,683,270
Total	149,024,500	1,490,245,000	95,968,327	959,683,270

Foot Notes:

i. Of the above 110,278,130 shares are held by IL&FS Transportation Networks Limited (As at March 31, 2014 : 48,943,827)

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

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	95,968,327	959,683,270	95,968,327	959,683,270
Shares issued during the year	53,056,173	530,561,730	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	149,024,500	1,490,245,000	95,968,327	959,683,270

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (the Holding Company)	110,278,130	74%	48,943,847	51%
Spanco Limited (an Enterprise having significant influence over Company)	38,746,370	26%	47,024,480	49%
Total	149,024,500	100%	95,968,327	100%

iv. Terms / Rights attached to Equity Shares

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

Note 3: Reserves and surplus

Particulars	As at March 31, 2015		As at March 31, 2014	
Profit / [Loss) Surplus				
Opening balance	(471,393,276)		(17,458,788)	
(+) Loss for the current year	(934,945,363)	(1,406,338,639)	(453,934,488)	(471,393,276)
Total		(1,406,338,639)		(471,393,276)

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MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 5: Long-term borrowings

Particulars	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
Term Loans		
(i) Secured		
From banks	6,751,696,000	6,085,100,000
(ii) Unsecured		
From Related party	2,136,000,000	1,145,000,000
Total	8,887,696,000	7,230,100,000

Foot Notes:

1. Secured By:

- First charge on all the accounts of the Company, including the Escrow Account, only to the extent permitted under the concession agreement.
- Assignment of all the rights and interest of the Company to or in favour of the Senior Lenders to the extent covered by and in accordance with Substitution Agreement.
- Assignment of all rights of the Company under any guarantees that may be provided by any counter-party under any contract / agreement / document relating to the project, to the extent permissible under concession agreement.

2. Terms of Repayment:

(a) Term Loan was repayable in 30 unequal quarterly installment starting from March 2014. In accordance with guidelines issued by Reserve Bank of India ("RBI") vide their Master Circular dated July 1, 2013, Company has approached its bankers to extend the starting of repayment schedule till June 2015, who in turn, have agreed for the same. Also refer foot Note (a)

(b) Amounts repaid by the Company shall not be re-borrowed.

(c) Any senior lenders may, in suitable circumstances, at the request of the Company 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.

(a). Repayment Schedule:

Total Loans Commitment is Rs. 9,450,000,000/- from Banks and Rs. 2,559,755,000/- from Promoters.

Loans Disbursed till March 31, 2015 is Rs. 7,338,800,000/- from Banks and Rs.2,136,000,000/- from holding company.

Senior Debt : In 30 unequal quarterly installments commencing on quarter ending June 30, 2015 and terminating on September 30, 2022

Sub Debt : In 17 unequal quarterly installments commencing on quarter ending September 30, 2018 and terminating on September 30, 2022

Financial Year	Repayment (% of Senior Debt)	Amount of Debt Repayment	Amount of Sub Debt Repayment
2015-2016	8.00	587,104,000	-
2016-2017	8.25	605,451,000	-
2017-2018	10.80	792,590,400	-
2018-2019	13.20	968,721,600	-
2019-2020	15.60	1,144,852,800	-
2020-2021	18.30	1,343,000,400	-
2021-2022	18.55	1,361,347,400	-
2022-2023	7.30	535,732,400	1,920,000,000
2023-2024	-	-	216,000,000
Total	100	7,338,800,000	2,136,000,000



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 6: Other Long Term Liabilities

Particulars	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
Interest accrued but not due on borrowings From related parties	111,787,878	-
Total	111,787,878	-

Note 7: Long-term provisions

Particulars	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits	71,872	31,743
Total	71,872	31,743

Note 8: Current Maturities of Long-term debt

Particulars	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
Term Loans (Secured) From banks	587,104,000	-
Total	587,104,000	-

Note 9: Other current liabilities

Particulars	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
(a) Payable on account of Capital Expenditure From related parties	2,200,753,718	2,527,725,195
(b) Expenses Payable From related parties	62,958,495	29,353,715
From others	9,774,486	6,322,122
(c) Interest accrued and due on borrowings From related parties	-	63,656,927
(d) statutory dues	7,551,042	19,339,132
Total	2,281,037,741	2,646,397,091

Note 10: Short-term provisions

Particulars	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits.	2,462	1,207
Total	2,462	1,207

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MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 11: Fixed assets.

Particulars	Gross block (at cost)				Depreciation and Amortisation			Net block	
	Balance as at April 1, 2014	Additions	Deletions	Balance as at March 31, 2015	Balance as at April 1, 2014	Adjustments	Charge for the year	Balance as at March 31, 2015	Balance as at March 31, 2014
a) Tangible assets									
Vehicles	2,229,067	-	-	2,229,067	1,341,395	(667,831)	320,652	1,254,851	887,672
Data processing equipments	982,855	-	-	982,855	626,460	-	278,366	78,029	356,395
Office equipments	530,481	-	-	530,481	203,431	(104,787)	202,916	228,901	327,030
Furniture and fixtures	1,590,560	-	-	1,590,560	930,110	(286,058)	135,876	822,632	660,450
Total	5,332,943	-	-	5,332,943	3,101,396	(1,090,676)	937,870	2,948,530	2,231,547
b) Intangible assets									
Software / Licences	142,000	-	-	142,000	108,081	-	33,914	5	33,919
Rights under service concession arrangements (refer foot note no. i)	5,402,581,128	2,186,029,942	-	7,588,611,070	247,993,687	-	386,576,987	6,942,040,416	5,154,587,441
Total	5,402,723,128	2,186,029,942	-	7,588,753,070	248,101,768	-	386,610,881	6,942,040,421	5,154,621,360
c) Capital work in progress									
	5,388,584,548	1,711,525,881	2,186,029,942	4,864,080,487	-	-	-	4,864,080,487	5,338,584,548
d) Intangible assets under Development									
	10,746,640,619	3,687,555,823	2,186,029,942	12,458,166,500	251,203,164	(1,090,676)	399,548,691	11,808,505,321	10,495,437,455
Grand total	7,540,601,067	8,608,620,680	5,402,581,128	16,746,640,619	2,437,589	-	248,765,575	10,495,437,455	-

Foot Note:
Borrowing cost of Rs.471,370,662/- (Rs.576,420,255/-) capitalized during the year



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 12: Long-term loans and advances (Unsecured, considered good)

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Capital Advances				
To related parties	85,381,187		211,670,113	
To others	177,660	85,558,847	-	211,670,113
(b) Security Deposits				
To others	11,311,317	11,311,317	11,701,300	11,701,300
Total		96,870,164		223,371,413

Note 13: Other non - current assets

Particulars	As at March 31, 2015		As at March 31, 2014	
Other non current assets				
- Prepaid Expenses		155,749		-
Total		155,749		-



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 14: Trade receivables (Unsecured Considered good)

Particulars	As at March 31, 2015		As at March 31, 2014	
Trade receivables outstanding for a period less than six months from the date they are due for payment				
- Related party		-		819,509
Total		-		819,509

Note 15: Cash and cash equivalents

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Cash and cash equivalents				
Cash on hand	3,755,795		2,560,210	
Balances with Banks in current accounts	27,853,768	31,609,563	146,682,349	149,242,559
(b) Other bank balances				
Bank balances / deposits held as margin money or as security against borrowings or under lien less than 12 months		10,000		10,000
Total		31,619,563		149,252,559

Footnote

As per the Concession agreement entered into by the Company, the Company is required to maintain an Escrow Account with the Lead Bank and route all the receipts on account of borrowings / capital contribution / earnings / other receipts and project related expenditure through the same.

Note 16: Other current assets

Particulars	As at March 31, 2015		As at March 31, 2014	
Other current assets				
- Statutory Advances (Service Tax)		26,981		-
- Interest accrued		47,047		2,134
Total		74,028		2,134

Note 17: Short-term loans and advances (Unsecured, considered good)

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) Loans and advances to related parties				
- Licence Fee receivable from related parties		1,494,714		-
(b) Other loans and advances				
- Advance payment of taxes (net of provision)	11,819,787		11,299,820	
- Retention Money MPRDCL	321,343		796,850	
- Prepaid expenses	354,948		12,506,639	
- Service Tax Input Credit Awaited	70,466		1,679,769	
- Works Contract Tax Receivable	320,231	12,886,775	215,617	26,498,695
Total		14,381,489		26,498,695

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 18: Revenue from operations

Amount in ₹

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
Income from services				
User Fees	489,008,229		249,932,074	
Licence fee	2,956,200	491,964,429	1,046,950	250,979,024
Total		491,964,429		250,979,024

Note 19: Other income

Amount in ₹

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
(a) Interest Income				
Interest on bank deposits	913		225	
Interest on Security deposit	721,552	722,465	404,846	405,071
(b) Miscellaneous Income		410,009		-
(c) Other non-operating income				
Income Tax Refund		-		26,609
Total		1,132,474		431,680



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 20: Operating expenses

Amount in ₹

Particulars	For the year ended March 31,		For the year ended March 31,	
Operation and maintenance expenses	396,851,194		177,325,076	
Electricity charges	38,504,261	435,355,455	18,411,635	195,736,711
Total		435,355,455		195,736,711

Note 21: Finance cost

Amount in ₹

Particulars	For the year ended March 31,		For the year ended March 31,	
	2015		2014	
Interest expenses				
Interest on loans for fixed period	577,055,101	577,055,101	256,466,397	256,466,397
Total		577,055,101		256,466,397

Note 22: Administrative and general expenses

Amount in ₹

Particulars	For the year ended March 31,		For the year ended March 31,	
	2015		2014	
Legal and consultation fees	1,486,099		824,164	
Travelling and conveyance	329,509		387,039	
Rates and taxes	25,741		8,210	
Bank commission	1,676,359		843,777	
Registration expenses	530,562		-	
Communication expenses	9,327,931		830,424	
Insurance	2,494,733		682,913	
Printing and stationery	-		3,250	
Directors' fees	337,080		359,552	
Auditors remuneration	719,000		744,226	
Miscellaneous expenses	26,551	17,054,743	464,842	5,148,397
Total		17,054,743		5,148,397



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 23: Earnings per equity share

Particulars	Unit	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit available for Equity Shareholders	₹	(934,945,363)	(453,934,488)
Weighted number of Equity Shares	Numbers	145,535,875	95,968,327
Nominal Value of equity shares	₹	10.00	10.00
Basic Earnings per share	₹	(6.42)	(4.73)
Equity shares used to compute diluted	Numbers	145,535,875	95,968,327
Diluted Earnings per share	₹	(6.42)	(4.73)



Note 24: Employee benefit expenses (AS-15)

The Company offers its employees defined-benefit plans in the form of gratuity (a lump sum amount). Amounts payable under defined benefit plans are typically based on years of service rendered and the employee's eligible compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year end. Actuarial valuation is based on "Projected Unit Credit" method. Gains and losses due to changes in actuarial assumptions are recognised in the year

The net value of the defined-benefit commitment is detailed below:

Particulars	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
Present value of commitment	46,904	21,898
Fair value of plans		
Unrecognised past service cost		
Payable / (Prepaid) amount taken to the balance sheet	46,904	21,898

Defined benefit commitments:

Gratuity	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
Opening balance	21,898	27,078
Interest cost	2,039	2,234
Current service cost	7,283	13,517
Benefits paid	-	-
Actuarial (gain) / loss	15,684	(20,931)
Transferred from / to other company	-	-
Closing balance	46,904	21,898

Expenses on defined benefit plan recognised in the Capital Work In Progress:

Gratuity	Amount in ₹	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Current service cost	7,283	13,517
Interest expenses	2,039	2,234
Expected return on investments		
Net actuarial (gain) / loss	15,684	(20,931)
Expenses charged to Consolidated Statement of Profit and Loss	25,006	(5,180)

(i) The actuarial calculations of estimated defined benefit commitments and expenses are based on the following assumptions, which if changed would affect the defined benefit commitment's size, funding requirements and pension expense.

Particular	For the year ended March 31, 2015	For the year ended March 31, 2014
Rate for discounting liabilities	7.96%	9.31%
Expected salary increase rate	6.50%	6.50%
Attrition Rate	2.00%	2.00%
Mortality table used	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

(ii) The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Gratuity (Funded Plan)	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011
Defined benefit commitments	46,904	21,898	27,078	9,453	-
Plan assets	-	-	-	-	-
(Surplus) / Deficit	46,904	21,898	27,078	9,453	-

Gratuity (Funded Plan)	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011
Experience adjustments on plan commitments	7,275	(20,931)	4,359.00	-	-
Experience adjustments on plan assets	-	-	-	-	-

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 25: Related Party Statement

Current Year / period

a Name of related parties and description of relationship

Nature of Relationship	Name of Entity	Acronym used
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries	IL&FS Trust Company Limited	ITCL
	IL&FS Financial Services Limited	IFIN
	Elsamex India Pvt. Ltd.	EIPL
	Elsamex Maintenance Services Ltd.	EMSL
	IL&FS Securities Services Limited	ISSL
Key Management Personnel and Directors	Infrastructure Leasing & Financial Services Ltd	IL&FS
	Mr. Kazim Raza Khan	Managing Director
	Mr. Devang Shah	Chief Financial Officer
	Mr. Krishna Ghag	Director
	Mr. S. C. Mittal	Director
	Mr. Vijay Kini	Director
	Mr. Harish Mathur	Director
	Mr. Vinaykumar Tripathi	Director
Enterprises having Significant Influence over the Company	Mr. Ravi Sreehari	Director
	Mr. Manish Agarwal	Director
	Spanco Limited	SPANCO

b Transactions / Balances with related parties as mentioned (a) above

Account head	Name of Entity	As at March 31, 2015	As at March 31, 2014
Balances:			
Share Capital	ITNL	1,102,781,300	489,438,270
Advance towards share application money	ITNL	-	530,561,730
Mobilisation Advance Recoverable	ITNL	85,381,187	160,170,113
Sundry Creditors	ITNL	2,200,753,718	1,913,472,618
Unsecured Loan - Sub Debt (Taken)	ITNL	2,136,000,000	1,145,000,000
Interest Accrued and due	ITNL	-	63,656,927
Interest Accrued but not due	ITNL	111,787,878	-
Share Capital	SPANCO	387,463,700	470,244,800
Mobilisation Advance Recoverable	SPANCO	-	50,000,000
Trade Payables	SPANCO	-	614,252,577
Trade Payables	IL&FS	11,875	-
Trade Payables	IFIN	-	488
Trade Payables	EMSL	62,946,620	29,353,227
Trade Receivables	EMSL	1,494,714	-
Trade Receivables	EIPL	-	819,509,000
Account head	Name of Entity	For the year ended March 31, 2015	For the year ended March 31, 2014
Transactions:			
Development Cost	ITNL	1,186,674,430	2,622,175,693
Interest On Loan (Capitalised)	ITNL	116,774,693	82,740,426
Interest On Loan charged to Profit & Loss	ITNL	102,467,086	35,115,489
Unsecured Loan - Sub Debt (Taken)	ITNL	991,000,000	660,000,000
Deputation Cost (Capitalised) Reimbursement (Excl. Service Tax)	ITNL	846,000	888,483
Security Trustees Fees	ITCL	280,900	280,900
Operation & Maintenance	EIPL	-	119,220,132
Licence Fee Income	EIPL	-	1,046,950
Insurance charges (Reimbursement)	IL&FS	11,875	-
Legal & Professional Fee	ISSL	17,978	22,972
Operation & Maintenance (Capitalised) (Excl. Service tax)	EMSL	12,638,332	-
Operation & Maintenance charged to Profit & Loss (Excl. Ser Tax)	EMSL	388,121,383	-
Licence Fee Income	EMSL	2,956,200	-
Director Fee	Managing Director	40,000	30,000
Director Fee	Krishna Ghag	60,000	80,000
Director Fee	S. C. Mittal	50,000	30,000
Director Fee	Vijay Kini	80,000	50,000
Director Fee	Harish Mathur	70,000	80,000
Director Fee	Vinaykumar Tripathi	-	10,000
Director Fee	Ravi Sreehari	-	20,000
Director Fee	Manish Agarwal	-	20,000

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 26: Contingent Liabilities and Capital commitments

(1) Contingent Liabilities

Sr No	Name of party	Description	Amount in ₹	
			As at March 31, 2015	As at March 31, 2014
1	Income Tax Demand	Claims against the Company not acknowledged as debts Income tax demands for Assessment Year 2011-12 contested by the Company	191,090	-

(2) Capital commitments

(A) Other commitments pending to be executed :

Sr No	Name of party	Description	Amount in ₹	
			As at March 31, 2015	As at March 31, 2014
1	IL&FS Trust Company Limited	Estimated amount of contracts to be executed on security trusteeship fees (upto the end of repayment of last installment of term loan) and not provided for	1,500,000	1,750,000

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

Sr No	Name of party	Description	Amount in ₹	
			As at March 31, 2015	As at March 31, 2014
1	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed on capital account and not provided for (net of capital advances of Rs.85,381,187/- [previous year ended March 31, 2014 Rs. 160,170,113/-].	589,425,584	1,649,811,088



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED

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

Note 27:

Deferred Tax:

Particulars	As at March 31, 2013	Movement	As at March 31, 2014
Liabilities:			
Timing differences in respect of depreciation	-	(317,787,929)	-
Assets:			
Timing differences in respect of unabsorbed losses #	-	317,787,929	-
Net deferred tax liability	-	-	-

As a matter of prudence, deferred tax asset has been recognised to the extent of deferred tax liability.

Note 28:

In the opinion of the Board of Directors, Current assets, Loans and Advances are realisable at a value, which is at least equal to the amount at which these are stated in the ordinary course of business and provision made for all known and determined liability are adequate and not in excess of the amount stated.

Note 29:

Segment Reporting:

The Company is a special purpose vehicle and is engaged in the business of construction and maintenance of Checkposts and thus operates in a single business and geographical segment. As a result, disclosures required under AS-17 on 'Segment Reporting' have not been given

Note 30:

The Company has not taken any Derivative instrument during the year and there is no derivative instrument outstanding on the Balance sheet date

Further, on the Balance Sheet date, there is no outstanding foreign currency exposure in respect of receivables and payables



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2015

Note 31:

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

Consequent to the adoption of the revised policy on depreciation:

- A sum of Rs. 103,772 being carrying amount of the assets with revised useful life as NIL, has been credited to Capital Work In Progress.
- The difference between accumulated depreciation as of March 31, 2014 recomputed as above and the corresponding accumulated depreciation in the books as per earlier method, amounting to Rs.1,090,676/- has been credited to Capital work in progress for the year ended March 31, 2015.
- Had the Group followed the earlier method of depreciation of tangible assets would have been lower by Rs. 199,186/- & consequently capital work in progress would be lower by Rs.199,186 /-

Note 32: Previous year

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

In terms of our report attached.

For LUTHRA & LUTHRA

Chartered Accountants
Firm Registration No. 002081N


Akhilesh Gupta
Partner
Membership Number : 89909

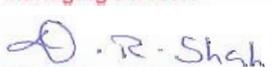


Place: Mumbai
Date : April 27, 2015

For and on behalf of the Board


Managing Director


Director


Chief Financial Officer

Place: Mumbai
Date : April 27, 2015