MORADABAD BAREILLY EXPRESSWAY LIMITED

FINANCIAL STATEMENTS

2016-2017

K. S. AIYAR & CO

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To The Members of Moradabad Bareilly Expressway Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Moradabad Bareilly Expressway Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the state of affairs(financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS 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.

Offices also at
Chennai Kolkata
Bangaluru Coimbatore Hyderabad

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedure selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a qualified audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31stMarch, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) 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 standalone Ind AS financial statements Refer Note No. 24;

   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.

   iv The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 at Note No. 37 and these are in accordance with the books of accounts maintained by the Company.

For K.S. AIYAR & Co.
Chartered Accountants
Firm Registration Number: 100186W

Rajesh S Joshi
Partner
(Membership No. 38526)
Place: Mumbai
Date:28th May, 2017

ANNEXURE A

Re: Moradabad Bareilly Expressway Limited.

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2017, of (**Moradabad Bareilly Expressway Limited)**

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties.

(ii) Considering the nature of business of the Company, clauses 3 (ii) of the Order regarding inventory is not applicable to the company.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub-clause (a), (b) and (c) of clause (iii) are not applicable.

(iv) The Company has not advanced any loans or made any investments or guarantees, hence the provisions of Section 185 and 186 of the Companies Act 2013 are not applicable.

(v) The Company has not accepted any deposits from the public to which the provisions of section 73 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules 2014 apply.

(vi) According to information & explanations given to us, the Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, and the Company has made and maintained the same.

(vii) (a) The directions relating to Provident Fund and Employee's State Insurance are not applicable to the Company. Further, based on our examination of the records maintained during the year, the Company is not liable to make any payments towards customs duty, excise duty, cess, sales tax and value added tax.

The Company has been generally regular in depositing income tax and service tax dues along with cess thereon with the appropriate authority and there are no undisputed amounts payable there of which are outstanding, as at March 31, 2017 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, there are no dues of Income tax, Sales tax, Service tax, duty of customs, duty of excise and which have not been deposited on account of any dispute except as stated below

Nature Of Statute (Nature of Dues)	Year to which the amount Relates	Forum where the dispute is pending	Amount (in Rs)
Income Tax Act, 1961 (Income Tax)	AY : 2011-12 FY : 2010-11	Commissioner of Income Tax (Appeals)	90,45,690
Income Tax Act, 1961 (Income Tax)Income Tax	AY : 2012-13 FY : 2011-12	Commissioner of Income Tax (Appeals)	4,76,610

(viii) 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, or debenture holders.

(ix) The Company did not raise money by way of initial public offer or further public offer (including debt instruments). The monies raised by way of term loans were applied for the purpose for which they were raised.

(x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

(xi) The Company does not pay any managerial remuneration.

(xii) The Company is not a Nidhi Company.

(xiii) All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc.as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For K.S. AIYAR & Co
Chartered Accountants
Firm's Registration No. 100186W

Rajesh S Joshi
Partner
Membership No. 38526
Place of Signature: Mumbai
Date:28th May, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF MORADABAD BAREILLY EXPRESSWAY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MORADABAD BAREILLY EXPRESSWAYLIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion the Company has , in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at March 31, 2017 , based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.S. AIYAR & Co.
Chartered Accountants
Firm's Registration No. 100186W

Rajesh S Joshi
Membership No. 38526
Place of signature: Mumbai
Date:28th May, 2017

MORADABAD BAREILLY EXPRESSWAY LIMITED

CIN No: U45208MH2010PLC198737

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Balance Sheet As at March 31, 2017

Particuairs	Notes	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
ASSETS							
Non-current Assets							
(a) Property, plant and equipment	5		7,118,875		8,778,663		10,559,172
(b) Intangible assets							
(i) under SCA	6	26,795,987,040		26,016,331,336		-	
(ii) others	6	1		1		1	
(iii) Intangible assets under development	6	-	26,795,987,041	-	26,016,331,337	28,190,933,021	28,190,933,022
(e) Financial assets							
(i) Other financial assets	8A		3,897,343,634		3,584,615,680		1,968,386
Total Non-current Assets			30,700,449,550		29,609,725,680		28,203,460,580
Current Assets							
(b) Financial assets							
(i)Trade receivables	7A	98,795,151		2,685,509		18,691,314	
(ii) Cash and cash equivalents	9	106,789,654		86,487,618		66,624,645	
(iv) Bank balances other than (iii) above	9	172,321,767		155,742,668		40,895	
(vi) Other financial assets	8B	-	377,906,572	5,561,047	250,476,842	48,776,180	134,133,034
(c) Current tax assets (Net)	19		21,309,648		21,435,156		15,197,841
(d) Other current assets	10A		19,450,031		20,189,840		9,553,815
Total Current Assets			418,666,250		292,101,838		158,884,690
Total Assets			31,119,115,800		29,901,827,518		28,362,345,269
EQUITY AND LIABILITIES							
Equity							
(a) Equity share capital	11	2,216,600,000		2,216,600,000		2,216,600,000	
(c) Other Equity	12	2,523,681,732		3,379,084,429		4,679,337,545	
Equity attributable to owners of the Company			4,740,281,732		5,595,684,429		6,895,937,545
Total Equity			4,740,281,732		5,595,684,429		6,895,937,545
LIABILITIES							
Non-current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	13	10,302,669,955		15,947,512,500		12,724,972,500	
(ii) Other financial liabilities	14A	1,629,429	10,304,299,384	1,929,134	15,949,441,634	2,632,506	12,727,605,006
(b) Provisions	15A		132,598,686		23,393,956		-
(c) Other non-current liabilities	16A		-		-		-
Total Non-current Liabilities			10,436,898,070		15,972,835,590		12,727,605,006
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	17	8,155,414,795		2,905,300,000		5,532,500,000	
(ii) Trade payables	18A	476,255,930		3,161,098,824		2,643,566,190	
(iii) Other financial liabilities	14B	7,236,448,826	15,868,119,550	2,242,057,216	8,308,456,040	559,557,837	8,735,624,027
(c) Current tax liabilities (Net)	19		-		-		-
(d) Other current liabilities	16B		73,816,448		24,851,459		3,178,691
Total Current Liabilities			15,941,935,998		8,333,307,499		8,738,802,718
Total Liabilities			26,378,834,068		24,306,143,089		21,466,407,724
Total Equity and Liabilities			31,119,115,800		29,901,827,518		28,362,345,269

The Accompaning note forms an integral part of Ind AS Financial statement

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

Rajesh S Joshi
Partner
Membership Number : 38526

Place: Mumbai
Date :May 28, 2017

K.S.AIYAR & CO. MUMBAI 400011 Chartered Accountants

For and on behalf of the Board

Krishna Ghag
Director
DIN: 02491661

Rajiv Dubey
Director
DIN: 05190718

Sachin Gole
Chief Financial Officer

Pooja Singh
Pooja Singh
Company Secretary

Place: Mumbai
Date :May 28, 2017

MORADABAD BAREILLY EXPRESSWAY LIMITED
CIN No: U45208MH2010PLC198737

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Statement of Profit and Loss for the year ended March 31, 2017

Particualrs	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from Operations	20	1,928,977,892	3,474,233,117
Other income	21	1,228,412,179	9,776,554
Total Income		3,157,390,071	3,484,009,671
Expenses			
Construction Cost	22	128,043,649	2,320,387,092
Operating expenses of SCA	23	278,814,450	91,917,426
Employee benefits expense	24	154,653	123,496
Finance costs	25	2,933,118,821	2,185,140,049
Depreciation and amortisation expense	26	360,729,318	162,616,599
Other expenses	27	310,357,055	24,078,126
Total expenses		**4,011,217,946**	**4,784,262,788**
Profit before exceptional items and tax		**(853,827,876)**	**(1,300,253,116)**
Add: Exceptional items			
Profit before tax		**(853,827,876)**	**(1,300,253,116)**
Less: Tax expense			
(1) Current tax/ MAT	28	-	-
(2) Tax for Earlier Year	28	1,574,821	
		1,574,821	-
Profit after tax for the period		**(855,402,697)**	**(1,300,253,116)**
Profit from discontinued operations before tax			
Tax expense of discontinued operations		-	-
Profit from discontinued operations (after tax) (II)		-	-
Profit for the period (III=I+II)		**(855,402,697)**	**(1,300,253,116)**
Total other comprehensive income (IV)		-	-
Total comprehensive income for the period (III+IV)		**(855,402,697)**	**(1,300,253,116)**
Profit for the period attributable to:			
- Owners of the Company		(855,402,697)	(1,300,253,116)
- Non-controlling interests			
		(855,402,697)	(1,300,253,116)
Earnings per equity share (for continuing operation):	29		
(1) Basic (in Rs.)		(3.86)	(5.87)
(2) Diluted (in Rs.)		(3.86)	(5.87)

The Accompaning note forms an integral part of Ind AS Financial statement

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

Rajesh S Joshi
Partner
Membership Number : 38526

Place: Mumbai
Date :May 28, 2017

For and on behalf of the Board

Krishna Ghag
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Place: Mumbai
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K.S.AIYAR & CO
MUMBAI 400011
Chartered Accountants

MORADABAD BAREILLY EXPRESSWAY LIMITED
CIN No: U45208MH2010PLC198737

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Statement of Cash Flows for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Cash flows from operating activities			
Profit before Tax for the year		(853,827,876)	(1,300,253,116)
Adjustments for:			
Finance costs recognised in profit or loss		2,933,118,821	2,185,140,049
Investment income recognised in profit or loss		(12,347,818)	(6,781,029)
Construction Income		(142,385,550)	(2,681,476,162)
Construction Cost		128,043,649	2,320,387,092
Loss on sale of fixed assets (net)		-	100,228
Depreciation and amortisation of non-current assets		360,729,318	162,616,599
Provision for Overlay		109,200,232	23,384,460
		2,522,530,776	**703,118,120**
Movements in working capital:			
(Increase)/decrease in other assets		(408,002,473)	8,114,647
Increase/ (Decrease) in trade and other payables		(2,636,173,112)	538,511,526
Increase/(Decrease) in other liabilities			
		(3,044,175,586)	546,626,173
Cash generated from operations		**(521,644,809)**	**1,249,744,292**
Income taxes paid		1,449,313	6,237,315
Net cash generated by operating activities		**(523,094,122)**	**1,243,506,977**
Cash flows from investing activities			
Payments to acquire financial assets		-	(46,471)
Proceeds on sale of financial assets		-	38,000
(Increase) in Intangible assets		(1,124,383,333)	(634,039,253)
Interest received		17,813,552	1,315,295
Movement in Other Bank Balances		(16,579,099)	(155,701,773)
Net cash (used in)/generated by investing activities		**(1,123,148,880)**	**(788,434,202)**
Cash flows from financing activities			
Capital Grant received from National Highway Authority of India		-	45,936,000
Repayment of Current Borrowings		4,476,555,850	2,056,324,000
Interest paid		(2,810,010,811)	(2,537,469,802)
Net (used in)/ generated in financing activities		**1,666,545,039**	**(435,209,802)**
Net increase/ (decrease) in cash and cash equivalents		**20,302,036**	**19,862,973**
Cash and cash equivalents at the beginning of the period		86,487,618	66,624,645
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		-	-
Cash and cash equivalents at the end of the period		**106,789,654**	**86,487,618**

The Accompaning note forms an integral part of Ind AS Financial statement

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

Rajesh S Joshi
Partner
Membership Number : 38526

Place: Mumbai
Date :May 28 2017

K.S.AIYAR & CO
MUMBAI
400011
Chartered Accountants

For and on behalf of the Board

Krishna Ghag
Director
DIN: 02491661

Rajiv Dubey
Director
DIN: 05190718

Sachin Gole
Chief Financial Officer

Pooja Singh
Company Secretary

Place: Mumbai
Date :May 28 2017

General Information & Significant Accounting Policies

Note No-1

1. General information

Background:

The Company was incorporated under the Companies Act 1956. The Company is a Special Purpose Vehicle promoted by IL&FS Transportation Network Services Limited. The Company has entered into a Concession Agreement (CA) with the National Highways Authority of India on February 19, 2010. Under the terms of CA, the Company has obtained a concession to develop, design, engineer, finance, procure, construct, operate, and maintain the Moradabad Bareilly Bypass Project (the Project Highway) for a period of 25 years. The CA permits the Company to levy, demand, collect and appropriate the Fees from vehicles and persons liable to payment of Fees for using the Project Highway or any part thereof over the period of the CA referred to above.

Note No-2

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 4 for the details of first-time adoption exemptions availed by the Company.

2.2 Basis of preparation and presentation

The financial statements have been prepared on a historical cost basis, except for the following asset and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on this basis. The principal accounting policies are set out below.

K.S.AIYAR & CO * MUMBAI 400011 * Chartered Accountants

2.3 Use of estimates

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

2.4 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

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Note No-3

Accounting for rights under service concession arrangements and revenue recognition

i. Recognition and measurement

The Company builds, operates and maintains infrastructure assets under public-to-private Service Concession Arrangements (SCAs), which is an arrangement between the "grantor" (a public sector entity/authority) and the "operator" (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private-sector funds and expertise. The infrastructures accounted for by the Company as concessions are mainly related to the activities concerning roads, tunnels, check posts, railways and other infrastructure facilities.

Concession contracts are public-private agreements for periods specified in the SCAs including the construction, upgradation, restoration of infrastructure and future services associated with the operation and maintenance of assets in the concession period. Revenue recognition, as well as, the main characteristics of these contracts are detailed in Note 3.1.iii.

With respect to service concession arrangements, revenue and costs are allocated between those relating to construction services and those relating to operation & maintenance services, and are accounted for separately. Consideration received or receivable is allocated by reference to the relative fair value of services delivered when the amounts are separately identifiable. The infrastructure used in a concession is classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the concession agreement.

When the amount of the arrangement consideration for the provision of public services is substantially fixed by a contract, the Company recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration as a financial asset and the same is classified as "Receivables against Service Concession Arrangements". The Company accounts for such financial assets at amortized cost, calculates interest income based on the effective interest method and recognizes it in revenue as Finance Income.

When the demand risk to the extent that the Company has a right to charge the user of infrastructure facility, the Company recognizes revenues from construction services for public facilities (infrastructures) by the percentage-of-completion method, and recognizes the consideration for construction services at its fair value, as an intangible asset. The Company accounts for such intangible asset (along with the present value of committed payments towards concession arrangement to the grantor at the appointed date e.g Negative Grant, premium etc.) in accordance with the provisions of Ind AS 38 and is amortized based on projected traffic count or revenue, as detailed in Note 3.1.vi, taking into account the estimated period of commercial operation of infrastructure which generally coincides with the concession period. Intangible asset is capitalized when the project is complete in all respects and when the Company receives the final completion certification from the grantor as specified in the Concession Agreement and not on completion of component basis as the intended purpose and economics of the project is to have the complete length of the infrastructure available for use However, where there is other than temporary delay due to reasons beyond the control of the Company, the management may treat constructed potion of the infrastructure as a completed project.

When the concession arrangement has a contractual right to receive cash from the grantor specifically towards the concession arrangement and also the right to charge users for the public services, these are considered as two separate assets (components) – financial asset component based on the guaranteed amount and an intangible asset for the remainder.

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ii. **Contractual obligation to restore the infrastructure to a specified level of serviceability**

The Company has contractual obligations to maintain the infrastructure to a specified level of serviceability or restore the infrastructure to a specified condition during the concession period and/or at the time of hand over to the grantor of the SCA. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of concession arrangements under financial asset model, such costs are recognized in the period in which such costs are actually incurred.

iii. **Revenue recognition**

Once the infrastructure is in operation, the treatment of income is as follows:

Finance income for concession arrangements under financial asset model is recognized using the effective interest method. Revenues from operations and maintenance services and overlay services are recognized in each period as and when services are rendered in accordance with Ind AS 18 Revenue.

iv. **Revenue from construction contracts**

The Company recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with Ind AS 11 'Construction Contracts'.

When the outcome of a construction contract can be estimated reliably and it is probable that it will be profitable, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

v. **Borrowing cost related to SCAs**

In case of concession arrangement under financial asset model, borrowing costs attributable to construction of the infrastructure are charged to Statement of Profit and Loss in the period in which such costs are incurred.

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In case of concession arrangement under intangible asset model, borrowing costs attributable to the construction of infrastructure assets are capitalised up to the date of the final completion certificate of the asset / facility received from the authority for its intended use specified in the Concession Agreement. All borrowing costs subsequent to the capitalization of the intangible assets are charged to the Statement of Profit and Loss in the period in which such costs are incurred.

vi. **Amortization of intangible asset under SCA**

The intangible rights relating to infrastructure assets, which are recognised in the form of right to charge users of the infrastructure asset are amortized by taking proportionate of actual traffic count for the period over total projected traffic count from project to cost of intangible assets; i.e. proportionate of actual traffic for the period over total projected traffic count from the intangible assets expected to be earned over the balance concession period as estimated by the management. However, with respect to toll road assets constructed and in operation as at March 31, 2016, the amortization of such intangible rights are based on actual revenue earned compared to total projected revenue from the project over the balance concession period to cost intangible assets, instead of traffic count.

Total projected revenue / traffic count is reviewed at the end of each financial year and is adjusted to reflect any changes in the estimates which lead to the actual collection at the end of the concession period.

vii. **Claims**

Claims raised with the concession granting authority towards reimbursement for costs incurred due to delay in handing over of unencumbered land to the Company for construction or other delays attributable solely to the concession granting authority are recognised when there are is a reasonable certainty that there will be inflow of economic benefits to the Company. The claims when recognised as such are reduced from the carrying amount of the intangible asset / financial asset under the service concession arrangement, as the case may be, to the extent the claims relate to costs earlier included as a part of the carrying amount of these assets. Further, these claims are credited to profit or loss to the extent they relate to costs earlier debited to profit or loss. The claims are presented separately as a financial asset

viii. **Accounting of receivable and payable from / to the grantor (Grants)**

a) Receivable towards the concession arrangement from the grantor
When the arrangement has a contractual right to receive cash or other financial asset from the grantor specifically towards the concession arrangement (in the form of grants) during the construction period or otherwise, such a right, to the extent eligible, is recorded as financial asset in accordance with Ind AS 109"Financial Instruments," at amortized cost. The receivable so recognized will be adjusted against the related intangible asset (toll) / financial asset (annuity).

For Intangible assets where the / the Company has availed the exemption under D7AA of Ind AS 101, the Financial asset has to be recognized only for all such receivables post April 01, 2015

b) Payable towards the concession arrangement to the grantor
When the arrangement has a contractual obligation to pay cash or other financial asset to the grantor specifically towards the concession arrangement during the construction period or otherwise, such unconditional obligation to pay cash is recorded as a financial liability on the date when the obligation arises in accordance with Ind AS 109 "Financial Instruments," at amortised cost, with a corresponding recognition of an intangible asset. Thereafter, the interest expense is recognized based on the effective interest rate method, which also becomes eligible for capitalization on qualifying assets.

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For Intangible assets where the Company has availed the exemption under D7AA of Ind AS 101, the Intangible asset has to be recognized only for all such payables post April 01, 2015

3.1 Borrowing costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction of development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which tare incurred.

3.2 Taxation

3.2.1 Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The provision for tax is taken for each consolidating entity on the basis of the standalone financial statements prepared under Ind AS by that entity and aggregated for the purpose of the consolidated financial statements.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.2.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets (including unused tax credits such as MAT credit and unused tax losses such as carried forward business loss and unabsorbed depreciation) are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax\liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

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Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of to recover or settle the carrying amount of its assets and liabilities.

3.3 Property, plant and equipment

Property, plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any.

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

Where the construction or development of any asset requiring a substantial period of time to set up for its intended use is funded by borrowings, the corresponding borrowing costs are capitalised up to the date when the asset is ready for its intended use.

All assets are depreciated on a Straight Line Method (SLM) of Depreciation, over the useful life of assets as prescribed under Schedule II of the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying of the asset and is recognised in profit or loss.

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3.4 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount rate.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.5 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

3.6 Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL) are recognised

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3.7 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.7.1 Classification of financial assets – debt instruments

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

3.7.2 Amortised cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition
Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

3.7.3 Financial assets at FVTPL

Debt instruments that do not meet the amortized cost or FVOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortized cost or FVOCI criteria but are designated as at FVTPL are measured at FVTPL.

A debt instrument that meets the amortized cost or FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss is included in in the "Other income" line item.

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3.7.4 Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)

c) Loan commitments which are not measured as at FVTPL

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. However, for trade receivables, he Company measures the loss allowance at an amount equal to lifetime expected credit losses. In cases where the amounts are expected to be realized upto one year from the due date, loss for the time value of money is not recognized, since the same is not considered to be material.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

3.8 Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

3.8.1 Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If [the Company] the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of

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ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), [the Company] the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.9 Modification of Cash Flows of financial assets and revision in estimates of Cash flows

The rate considered for recognizing Finance Income (EIR) and fair valuation of the Receivable under SCA will be finalised on achievement of PCOD / COD for the Project. Thereafter this rate will remain constant during the balance concession period.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.
If the Company revises its estimates of payments or receipts (excluding modifications and changes in estimates of expected credit losses), it adjusts the gross carrying amount of the financial asset or amortised cost of a financial liability to reflect actual and revised estimated contractual cash flows. The Company recalculates the gross carrying amount of the financial asset or amortised cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate. The adjustment is recognised in profit or loss as income or expense.

3.10 Financial liabilities and equity instruments-

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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3.10.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.10.2 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method

3.10.3 Financial liabilities subsequently measured at amortised cost

Financial liabilities are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.10.4 Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the 's cash management.

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Note No-4

First-time adoption optional exemptions

4.1.1 Overall principle

The company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the as detailed below.

4.1.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).

4.1.3 Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

4.1.4 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVOCI criteria based on the facts and circumstances that existed as of the transition date.

4.1.5 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

4.1.6 Deemed cost for property, plant and equipment, investment properties, and intangible assets (other than assets under SCAs)

For other than SCA assets, the Company has elected to continue with the carrying value of all of its plant and equipment, investment properties, and intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4.1.7 Deemed cost for intangible assets under SCAs

For intangible assets under SCA, the Company has elected to continue with the carrying value of all of its intangible

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In accordance with the above, it may be noted that when the Company opts for deemed cost exemption under paragraph D7AA of Ind AS 101 then no adjustments to be made to the carrying amount of Intangible assets Thus, having availed the exemption provided in paragraph D7AA, the Company will be carrying forward the previous GAAP* carrying amount for its Intangible assets.

*Previous GAAP refers to the financial statements prepared in accordance with Indian GAAP and principles outlined in the exposure draft on the guidance note on accounting for SCA for public to private SCA, issued by ICAI.

4.1.8 Determining whether an arrangement contains a lease

The has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

4.1.9 Amortization method of Intangible assets under Service Concession Arrangement

For all intangible road assets capitalized upto March 31, 2016, the Company has elected to continue the previous GAAP method of amortizing the intangible asset.

4.2 Critical accounting judgments and key sources of estimation uncertainty

The preparation of Financial Statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities at the date of the Financial Statements and the reported amounts of income and expenses for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of Financial Statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of receivable under SCA, valuation of deferred tax assets, provisions and contingent liabilities.

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MORADABAD BAREILLY EXPRESSWAY LIMITED

Ind AS 101 reconciliations

Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April1, 2015

	As at March 31, 2016 (End of last period presented under previous GAAP)			Control Total	As at April 1, 2015 (Date of transition)			Control Total
	Previous IGAAP	Effect of transition to Ind AS	As per Ind AS balance sheet		Previous IGAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	
Non-current assets								
(a) Property, plant and equipment	8,778,663		8,778,663	-	10,559,172		10,559,172	-
(b) Capital work-in-progress	-		-	-	-		-	-
(c) Investment property	-		-	-	-		-	-
(d) Intangible assets								
(i) Goodwill	-		-	-	-		-	-
(ii) under SCA	25,691,559,066	324,772,270	26,016,331,336	-	-		-	-
(iii) others	1		1	-	1		1	-
(iv) Intangible assets under development	-		-	-	28,236,869,021	(45,936,000)	28,190,933,021	-
(e) Financial assets								
(i) Investments								
a) Investments in associates	-		-	-	-		-	-
b) Investments in joint ventures	-		-	-	-		-	-
c) Other investments	-		-	-	-		-	-
(ii) Trade receivables	-		-	-	-		-	-
(iii) Loans	-		-	-	-		-	-
(iv) Other financial assets	3,584,615,680		3,584,615,680	-	1,968,386		1,968,386	-
(f) Tax assets								
(i) Deferred Tax Asset (net)	-		-	-	-		-	-
(ii) Current Tax Asset (Net)	-		-	-	-		-	-
(g) Other non-current assets	-		-	-	-		-	-
Total non-current assets	**29,284,953,410**	**324,772,270**	**29,609,725,680**	-	**28,249,396,580**	**(45,936,000)**	**28,203,460,580**	-
Current assets								
(a) Inventories	-		-	-	-		-	-
(b) Financial assets								
(i) Investments	-		-	-	-		-	-
(ii) Trade receivables	2,685,509		2,685,509	-	18,691,314		18,691,314	-
(iii) Cash and cash equivalents	86,487,618		86,487,618	-	66,624,645		66,624,645	-
(iv) Bank balances other than (iii) above	155,742,668		155,742,668	-	40,895		40,895	-
(v) Loans	-		-	-	-		-	-
(vi) Other financial assets	1,118,063,753	(1,112,502,706)	5,561,047	-	48,776,180		48,776,180	-
(c) Current tax assets (Net)	21,435,156		21,435,156	-	15,197,841		15,197,841	-
(d) Other current assets	20,189,840		20,189,840	-	9,553,815		9,553,815	-
	1,404,604,544	**(1,112,502,706)**	**292,101,838**		**158,884,690**	-	**158,884,690**	
Total current assets	**1,404,604,544**	**(1,112,502,706)**	**292,101,838**	-	**158,884,690**	-	**158,884,690**	-
Total Assets	**30,689,557,954**	**(787,730,436)**	**29,901,827,518**	-	**28,408,281,269**	**(45,936,000)**	**28,362,345,269**	-
Equity								
(a) Equity share capital	2,216,600,000		2,216,600,000	-	2,216,600,000		2,216,600,000	-
(b) Preference share capital	-		-		-		-	
(b) Other Equity	4,190,199,324	(811,114,895)	3,379,084,429	-	4,724,747,545	(45,410,000)	4,679,337,545	-
Equity attributable to owners of the Company	**6,406,799,324**	**(811,114,895)**	**5,595,684,429**	-	**6,941,347,545**	**(45,410,000)**	**6,895,937,545**	-
Total equity	**6,406,799,324**	**(811,114,895)**	**5,595,684,429**	-	**6,941,347,545**	**(45,410,000)**	**6,895,937,545**	-
Minority interest (previous GAAP)			-	-			-	
Non-current liabilities								
Financial liabilities								
(i) Borrowings	15,947,512,500		15,947,512,500	-	12,724,972,500		12,724,972,500	-
(ii) Trade and other payables	-		-	-	-		-	-
(ii) Other financial liabilities	1,929,134		1,929,134	-	2,632,506		2,632,506	-
Provisions	9,496	23,384,460	23,393,956	-	-		-	-
Deferred tax liabilities (Net)	-		-	-	526,000	(526,000)	-	-
Other non-current liabilities			-	-			-	-
Total non-current liabilities	**15,949,451,130**	**23,384,460**	**15,972,835,590**	-	**12,728,131,006**	**(526,000)**	**12,727,605,006**	-
Current liabilities								
Financial liabilities								
(i) Borrowings	2,905,300,000		2,905,300,000	-	5,532,500,000		5,532,500,000	-
(ii) Trade and other payables	3,161,098,824		3,161,098,824	-	2,643,566,190		2,643,566,190	-
(iii) Other financial liabilities	2,242,057,216		2,242,057,216	-	559,557,837		559,557,837	-
Provisions	-		-	-	-		-	-
Current tax liabilities (Net)			-	-			-	-
Other current liabilities	24,851,459		24,851,459	-	3,178,691		3,178,691	-
	8,333,307,499	-	**8,333,307,499**	-	**8,738,802,718**	-	**8,738,802,718**	
Total current liabilities	**8,333,307,499**	-	**8,333,307,499**	-	**8,738,802,718**	-	**8,738,802,718**	-
Total liabilities	**24,282,758,629**	**23,384,460**	**24,306,143,089**	-	**21,466,933,724**	**(526,000)**	**21,466,407,724**	-

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Reconciliation of total equity as at March 31, 2016

	As at March 31, 2016 (End of last period presented under previous GAAP)	As at April 1, 2015 (Date of transition)
Total equity / shareholders' funds under previous GAAP	**6,406,799,324**	**6,941,347,545**
Adjustments:		
Margin on construction services	(741,794,435)	-
Reversal of DTL	-	526,000
Overlay Adjustment as per Ind AS	(23,384,460)	-
Reclassification of Capital Reserve	(45,936,000)	(45,936,000)
Total adjustment to equity	**(811,114,895)**	**(45,410,000)**

Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31, 2016

	Year ended March 31, 2016 (Latest period presented under previous GAAP)			Control Total
	Previous SCA	Effect of transition to Ind AS	Ind AS	
Revenue from Operations	792,756,955	2,681,476,162	3,474,233,117	-
Other income	9,776,554		9,776,554	-
Total Income	**802,533,509**	**2,681,476,162**	**3,484,009,671**	-
Expenses				
Cost of materials consumed	-			-
Construction costs		2,320,387,092	2,320,387,092	-
Operating expenses of SCA	68,532,966	23,384,460	91,917,426	-
Employee benefits expense	123,496		123,496	-
Finance costs	1,072,306,727	1,112,833,322	2,185,140,049	-
Depreciation and amortisation expense	172,235,799	(9,619,200)	162,616,599	-
Impairment loss on financial assets	-		-	-
Reversal of impairment on financial assets	-		-	-
Other expenses	24,408,742	(330,616)	24,078,126	-
Total expenses	**1,337,607,730**	**3,446,655,058**	**4,784,262,788**	-
Add: Share of profit/(loss) of associates	-		-	-
Add: Share of profit/(loss) of joint ventures	-		-	-
Profit before exceptional items and tax	**(535,074,221)**	**(765,178,895)**	**(1,300,253,116)**	-
Add: Exceptional items	-			
Profit before tax	**(535,074,221)**	**(765,178,895)**	**(1,300,253,116)**	-
Less: Tax expense				
(1) Current tax	-		-	-
(2) Deferred tax	(526,000)	526,000	-	-
	(526,000)	**526,000**	-	-
Profit for the period from continuing operations (I)	**(534,548,221)**	**(765,704,895)**	**(1,300,253,116)**	-
Profit from discontinued operations before tax	-		-	-
Tax expense of discontinued operations	-		-	-
Profit from discontinued operations (after tax) (II)	-	-	-	-
Share of minority interests (III)			-	-
Profit for the period (IV=I+II-III)	**(534,548,221)**	**(765,704,895)**	**(1,300,253,116)**	-
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
Total A (i)	-	-	-	-
A (ii) Income tax relating to items that will not be reclassified to profit or loss			-	-
B (i) Items that may be reclassified to profit or loss				
Total B (i)	-	-	-	-
B (ii) Income tax relating to items that may be reclassified to profit or loss			-	-
Total other comprehensive income [V=A (i-ii)+ B (i-ii)]	-	-	-	-
Total comprehensive income for the period (IV+V)	**(534,548,221)**	**(765,704,895)**	**(1,300,253,116)**	-

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Reconciliation of total comprehensive income for the year ended March 31, 2016

Particulars	Year ended March 31, 2016 (Latest period presented under previous GAAP)
Profit as per previous GAAP	**(534,548,221)**
Adjustments:	
Finance costs	(1,112,502,706)
Depreciation and amortisation expense	9,619,200
Margin on construction services	361,089,071
Overlay Adjustment as per Ind AS	(23,384,460)
DTL Reversal	(526,000)
Total adjustments	**(765,704,895)**
Total comprehensive income under Ind AS	**(1,300,253,116)**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

	Year ended March 31, 2016 (Latest period presented under previous GAAP)			Contro Total
	Previous GAAP	Effect of transition to Ind AS	Ind AS	
Net cash flows from operating activities	1,243,176,361	330,616	1,243,506,977	
Net cash flows from investing activities	(788,434,201)		(788,434,201)	
Net cash flows from financing activities	(434,879,187)	(330,616)	(435,209,802)	
Net increase (decrease) in cash and cash equivalents	**19,862,973**	**0**	**19,862,974**	
Cash and cash equivalents at the beginning of the period	66,624,645		**66,624,645**	
Effects of exchange rate changes on the balance of cash held in foreign currencies			-	
Cash and cash equivalents at the end of the period	**86,487,619**	**0**	**86,487,619**	

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MORADABAD BAREILLY EXPRESSWAY LIMITED
Notes to the financial statements for the year ended March 31, 2017

₹

Statement of changes in equity for the year ended March 31, 2017		
a. Equity share capital	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Balance as at the begining of the period	2,216,600,000	2,216,600,000
Changes in equity share capital during the period	-	-
Balance as at end of the period	2,216,600,000	2,216,600,000

March 2017

₹

Statement of changes in equity for the period ended March 31, 2017								
c. Other equity			Reserves and surplus					
	Share application money pending allotment	Equity component of compound financial instruments	Capital reserve	Retained earnings	Total	Attributable to owners of the parent	Non-controlling interests	Total
Balance as at April 1, 2016			4,387,297,000	(1,008,212,571)	3,379,084,429	3,379,084,429	-	3,379,084,429
Profit for the year				(855,402,697)	(855,402,697)	(855,402,697)	-	(855,402,697)
Total comprehensive income for the period	-	-	-	(855,402,697)	(855,402,697)	(855,402,697)	-	(855,402,697)
Payment of dividends					-	-		-
Income tax relating to transactions with owners					-	-		-
Balance as at March 31, 2017	-	-	4,387,297,000	(1,863,615,268)	2,523,681,732	2,523,681,732	-	2,523,681,732

March 2016

₹

Statement of changes in equity for the period ended March 31, 2016								
b. Other equity			Reserves and					
	Share application money pending allotment	Equity component of compound financial instruments	Capital reserve	Retained earnings	Total	Attributable to owners of the parent	Non-controlling interests	Total
Balance as at April 1, 2015			4,387,297,000	292,040,545	4,679,337,545	4,679,337,545	-	4,679,337,545
Profit for the period				(1,300,253,116)	(1,300,253,116)	(1,300,253,116)	-	(1,300,253,116)
Total comprehensive income for the period	-	-	-	(1,300,253,116)	(1,300,253,116)	(1,300,253,116)	-	(1,300,253,116)
Payment of dividends					-	-		-
Transfer to retained earnings					-	-		-
Income tax relating to transactions with owners					-	-		-
Balance as at March 31, 2016	-	-	4,387,297,000	(1,008,212,571)	3,379,084,429	3,379,084,429	-	3,379,084,429

MORADABAD BAREILLY EXPRESSWAY LIMITED
Notes to the financial statements for the year ended March 31, 2017

Note 5. Tangible Asset

March 2017
Current Year

₹

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2016	Additions	Disposals	Balance at March 31, 2017	Balance as at April 1, 2016	Eliminated on disposals of assets	Depreciation expense	Balance at March 31, 2017	Balance at March 31, 2017	As at April 1, 2016
Property plant and equipment										
Vehicles	8,940,144	-	-	8,940,144	3,761,205	-	1,189,437	4,950,642	3,989,502	5,178,939
Data processing equipments	1,574,461	-	-	1,574,461	1,538,237	-	11,618	1,549,855	24,606	36,224
Office premises	497,736	-	-	497,736	365,631	-	132,101	497,732	4	132,105
Furniture and fixtures	17,309	-	-	17,309	17,304	-	-	17,304	5	5
Plant and machinery	4,632,605	-	-	4,632,605	1,201,215	-	326,632	1,527,847	3,104,758	3,431,390
Subtotal	**15,662,255**	-	-	**15,662,255**	**6,883,592**	-	**1,659,788**	**8,543,380**	**7,118,875**	**8,778,663**
Capital work-in-progress	-			-	-			-	-	-
Total	**15,662,255**	-	-	**15,662,255**	**6,883,592**	-	**1,659,788**	**8,543,380**	**7,118,875**	**8,778,663**

March 2016
Previous Year

₹

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2015	Additions	Disposals	Balance at March 31, 2016	Balance as at April 1, 2015	Eliminated on disposals of assets	Depreciation expense	Balance at March 31, 2016	As at March 31, 2016	As at April 1, 2015
Property plant and equipment										
Vehicles	9,179,139	-	(238,995)	8,940,144	2,666,024	(100,767)	1,195,948	3,761,205	5,178,939	6,513,115
Data processing equipments	1,527,990	46,471	-	1,574,461	1,527,984	-	10,253	1,538,237	36,224	6
Office equipments	497,736	-	-	497,736	209,712	-	155,919	365,631	132,105	288,024
Furniture and fixtures	17,309	-	-	17,309	17,304	-	-	17,304	5	5
Plant and machinery	4,632,605	-	-	4,632,605	874,583	-	326,632	1,201,215	3,431,390	3,758,022
Subtotal	**15,854,779**	**46,471**	**(238,995)**	**15,662,255**	**5,295,607**	**(100,767)**	**1,688,752**	**6,883,592**	**8,778,663**	**10,559,172**
Capital work-in-progress	-			-	-			-	-	-
Total	**15,854,779**	**46,471**	**(238,995)**	**15,662,255**	**5,295,607**	**(100,767)**	**1,688,752**	**6,883,592**	**8,778,663**	**10,559,172**

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MORADABAD BAREILLY EXPRESSWAY LIMITED
Notes to the financial statements for the year ended March 31, 2017

Note 6.: Intangible Asset

March 2017
Current Year

₹

Particulars	Cost or deemed cost					Accumulated depreciation and impairment			Carrying Amount	
	Balance as at March 31,2016	Additions from separate acquisitions	Others Additions	Disposals	Balance as at March 31, 2017	Balance as at March 31,2016	Amortisation expense	Balance as at March 31, 2017	As at March 31, 2017	As at March 31,2016
Software / Licences acquired	5,000				5,000	4,999	-	4,999	1	1
Subtotal (a)	5,000	-	-	-	5,000	4,999	-	4,999	1	1
Rights under service concession arrangements (b)	26,177,259,183	142,385,550	996,339,684		27,315,984,417	160,927,847	359,069,530	519,997,377	26,795,987,040	26,016,331,336
Intangible assets under development (c)	-	142,385,550	(142,385,550)		-	-		-	-	-
Total (a+b+c)	26,177,264,183	284,771,100	853,954,135	-	27,315,989,417	160,932,846	359,069,530	520,002,376	26,795,987,041	26,016,331,337

March 2016
Previous Year

₹

Particulars	Cost or deemed cost					Accumulated depreciation and impairment			Carrying Amount	
	Balance as at April 1, 2015	Additions from separate acquisitions	Others Additions	Disposals	Balance as at March 31, 2016	Balance as at April 1, 2015	Amortisation expense	Balance as at March 31, 2016	As at March 31, 2016	As at April 1, 2015
Software / Licences acquired	5,000				5,000	4,999	-	4,999	1	1
Subtotal (a)	5,000	-	-	-	5,000	4,999	-	4,999	1	1
Rights under service concession arrangements (b)	-	30,872,409,183		(4,695,150,000)	26,177,259,183	-	160,927,847	160,927,847	26,016,331,336	-
Intangible assets under development (c)	28,190,933,021	2,681,476,162		(30,872,409,183)	-	-		-	-	28,190,933,021
Total (a+b+c)	28,190,938,021	33,553,885,345	-	(35,567,559,183)	26,177,264,183	4,999	160,927,847	160,932,846	26,016,331,337	28,190,933,022

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MORADABAD BAREILLY EXPRESSWAY LIMITED
Notes to the financial statements for the year ended March 31, 2017

7. Trade receivables
7A. Trade receivables- Current

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured, considered good	98,795,151	2,685,509	18,691,314
Total	**98,795,151**	**2,685,509**	**18,691,314**

8. Other financial assets
8A. Other financial assets - Non current

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others			
Claim Receivable from Authority	3,894,321,448	3,582,647,294	
Security Deposit	3,022,186	1,968,386	1,968,386
Total	**3,897,343,634**	**3,584,615,680**	**1,968,386**

8B. Other financial assets - Current

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others			
Interest on Fixed Deposit	-	5,465,734	-
Grant Receivable from NHAI	-	-	45,936,000
Toll Receivable			
Capital Advances	-	27,300	2,281,380
Advances to Others	-	68,013	558,800
Total (A+B+C+D)	-	**5,561,047**	**48,776,180**

9. Cash and cash equivalents

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks	100,832,436	80,023,559	61,455,632
Cash on hand	5,957,218	6,464,059	5,169,013
Cash and cash equivalents	**106,789,654**	**86,487,618**	**66,624,645**
Fixed Deposits with Bank	172,321,767	155,742,668	40,895
Other bank balances	**172,321,767**	**155,742,668**	**40,895**

10. Other assets
10A. Other assets - Current

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other Receivables			
WCT Receivable	17,551,673	17,089,731	7,805,890
Cess Receivable	-	3,013,364	692,406
Prepaid	1,898,358	86,745	1,055,519
Total	**19,450,031**	**20,189,840**	**9,553,815**

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MORADABAD BAREILLY EXPRESSWAY LIMITED
Notes to the financial statements for the year ended March 31, 2017

11. Equity Share Capital

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity share capital	2,216,600,000	2,216,600,000	2,216,600,000
Total	2,216,600,000	2,216,600,000	2,216,600,000

Authorised Share capital :			
22,16,60,000 equity shares of Rs.10 each	2,216,600,000	2,216,600,000	2,216,600,000
Issued and subscribed capital comprises:			
Equity shares of Rs. 10/- each fully paid up	2,216,600,000	2,216,600,000	2,216,600,000
	2,216,600,000	**2,216,600,000**	**2,216,600,000**

11.1 Movement of Equity Shares during the period

Particulars	For the Year ended March 31, 2017		For the Year ended March 31, 2016		As at April 1, 2015	
	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)	Number of shares	Share capital (Amount)
Balance at the start of the period	221,660,000	2,216,600,000	221,660,000	2,216,600,000	221,660,000	2,216,600,000
Balance at the end of the period	221,660,000	2,216,600,000	221,660,000	2,216,600,000	221,660,000	2,216,600,000

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

11.2 Details of equity shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
IL&FS Transportation Networks Limited, the holding company	221,660,000	221,660,000	221,660,000
Total	**221,660,000**	**221,660,000**	**221,660,000**

11.3 Details of Equity shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares IL&FS Transportation Networks Limited, the holding company	221,660,000	100	221,660,000	100	221,660,000	100.00
Total	**221,660,000**	**100**	**221,660,000**	**100**	**221,660,000**	**100.00**

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Equity Shares:
The company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

12. Other Equity (excluding non-controlling interests)

₹

Particulars	As at March 31, 2017	Year ended March 31, 2016	As at April 1, 2015
Profit & Loss			
Balance at beginning of the period	(1,008,212,571)	292,040,545	292,040,545
Loss for the period	(855,402,697)	(1,300,253,116)	
Less: Transferred to Debenture Reedemption Reserve	-		
Balance at end of the period	**(1,863,615,268)**	**(1,008,212,571)**	**292,040,545**
Debenture redemption reserve			
Movements	-		
Balance at end of the period	-	-	-
Capital Reserve			
Balance at beginning of the period	4,387,297,000	4,387,297,000	4,387,297,000
Balance at end of the period	4,387,297,000	4,387,297,000	4,387,297,000
Total	**2,523,681,732**	**3,379,084,429**	**4,679,337,545**

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MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes to the financial statements for the year ended March 31, 2017

13. Non-current Borrowings

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured – at amortised cost			
(i) Bonds / debentures	3 549,290,000		
(ii)Term loans			
- from banks & FI	7,127,292,800	15,947,512,500	12,724,972,500
Less: Unamortised Borrowing Cost	(373,912,845)	-	-
Total Non-current borrowings	10,302,669,955	15,947,512,500	12,724,972,500

Foot Notes:

Secured By:

Term loans from banks are secured by hypothecation of:

(a) All movable, tangible and intangible assets, receivables, cash and investments created as part of the projects.

(b) All the monies lying in Escrow Account into which all the investments in the Project and all Project revenues and insurance proceeds are to be deposited.

(c) Assignment of all rights, title, benefits, claims and demands of the Borrowers under Project Agreements i.e. Concession agreement, Substitution agreement, Construction contract and operations contract, etc.

(d) Assignment of all rights under project guarantees obtained pursuant to development contract or operations contract, if any relating to the project.

(e) First ranking assignment of all contract, documents insurance contracts/insurance Proceeds (Security Trustee to be named as loss payee), clearances and interests of the Borrower.

(f) Debt Service Reserve Account and any other accounts required to be created by the Borrower under any Project agreement contract.

Terms of Repayment:

(a) The Borrower shall repay the term loans to each of the senior lenders in 43 unequal quarterly installments commencing in the quarter ending March 31, 2014 and terminating on September 30, 2024, as the repayment schedule, as set out below.

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

(c) Any senior lenders may, in suitable circumstances, at the request of the Borrower and subject to consent of the other senior lenders revise or vary the repayment schedule or postpone the payment of any specific repayment installment(s) or part thereof, upon such terms and conditions shall form a part of this agreement as an amendment to repayment schedule hereto.

(d) If for any reason the amount finally disbursed by the senior lenders is less than the total commitments, the repayment installments shall stand reduced proportionately but shall be paid on the repayment dates as set out in the repayment schedule.

(e) In the event of any default in the payment of the repayment installments of principal, interest and default interest, postponement, if any, allowed by any of the senior lenders shall be at the rate of interest as may be stipulated by the concerned senior lenders at the time of postponement.

Repayment Schedule

Particulars	Amount	Repayment Terms	Interest Rate
Secured			
From Other Banks	13,186,500,000	In 43 equal Quarterly installments commencing in quarter ending march 31, 2014 and terminating on Sep 30, 2024	11.05% & 12.65%
From Axis Bank	5,000,000,000	In 8 equal Quarterly installments commencing in quarter ending Dec 31, 2016 and terminating on Sep 30, 2018	12.50%
form Financial institution	13.579.300.000	In 69 unequal Quarterly installments commencing in quarter ending march 31, 2017 and terminating on March 31, 2034	10.25% & 10.75%
Bonds / debentures	3.550.000.000	In 67 unequal Quarterly installments commencing in quarter ending march 31, 2017 and terminating on Sep 30, 2033	9.20%
Total	35,315,800,000		

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14. Other financial liabilities

14A. Other financial liabilities - Non Current

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Others :-			
-Retention Money Payable	1,629,429	1,929,134	2,632,506
Total	1,629,429	1,929,134	2,632,506

14B. Other financial liabilities - Current

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Current maturities of long-term debt			
Loan			
- from others	6,648,743,600	1,777,460,000	316,476,000
- from related parties			
(c) Interest accrued but not due			
-To Related Parties	582,847,125	463,082,755	240,040,884
-To Others	4,858,100	1,514,461	3,040,953
Total	7,236,448,826	2,242,057,216	559,557,837

15. Provisions

15A. Provisions - Non current

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee benefits	13,994	9,496	
Other Provisions			
Provision for Overlay (see 25A.1)	132,584,692	23,384,460	-
Total	132,598,686	23,393,956	-

15B Other Provision- Non Current

₹

Particulars	Year ended March 31, 2017			Year ended March 31, 2016			As at April 1, 2015		
	Provision for overlay	Other provisions	Total	Provision for overlay	Other provisions	Total	Provision for overlay	Other provisions	Total
Balance at the beginning of the period	23,384,460		23,384,460		-	-			-
Additional provisions recognised	109,200,232		109,200,232	23,384,460		23,384,460			-
Balance at the end of the period	132,584,692	-	132,584,692	23,384,460	-	23,384,460	-	-	-

16. Other liabilities

16A. Other non-current liabilities

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(b)Retention Money Payable - Others		-	
(d) MAT Liability		-	-
Total	-	-	-

16B. Other current liabilities

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(c) Others			
-Statutory Dues	61,853,402	16,002,607	378,910
-Expenses Payable	11,963,046	8,848,852	2,799,781
Total	73,816,448	24,851,459	3,178,691

17. Current Borrowings

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured - at amortised cost			
(b) Loans from related parties (Refer Note 28.1(i))	7,380,414,795	1,490,000,000	5,532,500,000
(b) Loans from related parties	775,000,000	1,415,300,000	-
Total	8,155,414,795	2,905,300,000	5,532,500,000

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18. Trade payables

18A. Trade payables - Current

₹

Particulars	As at December 31, 2016	As at March 31, 2016	As at April 1, 2015
Trade payables			
-To Related Parties	462,506,782	3,142,215,631	2,630,163,408
-To Others	13,749,148	18,883,193	13,402,782
Total	476,255,930	3,161,098,824	2,643,566,190

19. Current tax assets and liabilities

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax assets			
Advance Tax	21,309,648	21,435,156	15,197,841
	21,309,648	21,435,156	15,197,841
Current tax liabilities			
Income tax payable	-		
Others - TDS Payable			
	-	-	-
Current Tax Assets (Non-current portion)		-	-
Current Tax Assets (Current portion)	21,309,648	21,435,156	15,197,841

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Notes to the financial statements for the year ended March 31, 2017

20. Revenue from operations

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Construction income	240,901,599	2,681,476,162
(d) Toll revenue and other user fee income	1,688,076,293	792,756,955
Total	**1,928,977,892**	**3,474,233,117**

21. Other Income

a) Interest Income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Bank deposits (at amortised cost)	12,347,818	6,781,029
Income from Utility Shifting work	6,535,790	1,371,228
Total (a)	**18,883,608**	**8,152,257**

c) Other Non-Operating Income (Net of expenses directly attributable to such income)

Unwinding of ECL on Claim	1,209,497,789	
Misc Income	30,782	1,624,297
Total (c)	1,209,528,571	1,624,297

d) Other gains and losses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Total (d)	-	-
(a+b+c+d)	**1,228,412,179**	**9,776,554**

22. Cost of Material Consumed and Construction Cost

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Cost of Material Consumed		
Construction Cost	128,043,649	2,320,387,092
Total	128,043,649	2,320,387,092

23. Operating Expenses of SCA

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Operating Expenses of SCA		
Operation and maintenance expenses	169,614,218	68,532,966
Provision for overlay expenses	109,200,232	23,384,460
Total	**278,814,450**	**91,917,426**

24. Employee benefits expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	150,155	114,000
Contribution to provident and other funds	4,498	9,496
Total	**154,653**	**123,496**

25. Finance costs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Continuing operations		
Interest on Debentures other than related parties	894,732	-
Other interest expense	2,878,208,420	1,070,022,810
Total	**2,879,103,152**	**1,070,022,810**
(d) Other borrowing costs	54,015,669	1,115,117,239
Total (a+b+c+d)	**2,933,118,821**	**2,185,140,049**

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26. Depreciation and amortisation expense

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property, plant and equipment pertaining to continuing operations (Note 5)	1,659,788	1,688,752
Amortisation of intangible assets (Note 8)	359,069,530	160,927,847
Total depreciation and amortisation pertaining to continuing operations	**360,729,318**	**162,616,599**

27. Other expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Power and fuel		
Deputation Cost	1,253,185	524,970
Advertisement Expense	430,554	
Travelling and conveyance	375,235	56,172
Legal and consultation fees	293,682,789	8,317,110
Rates and taxes	3,286,690	369,905
Repairs and Maintenance	75,813	1,776,447
Communication expenses	206,107	465,158
Insurance	10,932	459,164
Confrence and Semianr Expenses	31,200	
Printing and Stationary	1,680	-
Directors Fees	447,650	432,438
Bank Commission	3,550,630	941,943
Provisions for Doubtfull debt	-	4,211,965
Loss on sale of Property, Plant and Equipment (Net)	-	100,228
Auditors' Remuneration	434,403	804,386
CSR Expenses	-	4,211,272
Expenses for Utility Shifting & Anciliary Work	6,535,790	1,371,228
Miscellaneous expenses	34,397	35,740
Total	310,357,055	24,078,126

28. Income taxes relating to continuing operations

28.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax		
In respect of the current period		
In respect of prior period	1,574,821	
MAT Liability	-	
Total income tax expense recognised in the current period relating to continuing Operations	1,574,821	-

The tax rate used for the 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 33.99% payable by corporate entities in India on taxable profits under the Indian tax law.

1. The company proposes to opt for tax holiday during the 10 years period from 1st April 2025 to 31st March 2035.

2. Deferred tax liability is not recognized since the same is reversed during the tax holiday period from 1st April 2025 to 31st March 2035

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Notes to the financial statements for the year ended March 31, 2017

29. Earnings per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
From Continuing operations	**Rs. per share**	**Rs. per share**
Basic earnings per share	(3.86)	(5.87)
Diluted earnings per share	(3.86)	(5.87)

29.1 Basic Earnings per share
The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit for the period attributable to owners of the Company	(855,402,697)	(1,300,253,116)
(A)	(855,402,697)	(1,300,253,116)
Weighted average number of equity shares for the purposes of basic earnings per share (B)	221,660,000	221,660,000
Basic Earnings per share (A/B)	(3.86)	(5.87)

29.2 Diluted earnings per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Earnings used in the calculation of diluted earnings per share (A)	(855,402,697)	(1,300,253,116)
Weighted average number of equity shares used in the calculation of basic earnings per share	221,660,000	221,660,000
Adjustments:		
Potential Number of equity shares after coversion of preference shares		-
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	221,660,000	221,660,000
Diluted earnings per share (A/B)	(3.86)	(5.87)

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MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes to the financial statements for the year ended March 31, 2017

30. Financial instruments

30.1 Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to shareholders and also complying with the ratios stipulated in the loan agreements through the optimisation of debt and equity balance.

The capital structure of the company consists of debt (borrowings as detailed in notes) and equity of the Company (comprising issued capital, reserves and subordinated debt from the immediate Parent Company).

30.1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Debt (i)	25,694,533,576	21,094,869,716	18,817,030,337
Cash and bank balances	106,789,654	86,487,618	66,624,645
Net Debt (A)	**25,587,743,922**	**21,008,382,099**	**18,750,405,692**
Equity (B)	**4,740,281,732**	**5,595,684,429**	**6,895,937,545**
Net Debt to Equity Ratio in times (A/B)	5.40	3.75	2.72

(i) Debt is defined as long-term, current maturity of long term, short term borrowings and interest accrued thereon

(ii) Total equity is defined as equity share capital, reserves and surplus and quasi equity

31.1 Categories of financial instruments

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets			
Financial Assets measured at amortised cost			
Cash and bank balances	106,789,654	86,487,618	66,624,645
Trade Receivable	98,795,151	2,685,509	18,691,314
Others	172,321,767	155,742,668	40,895
Total			
Financial liabilities			
Financial Liabilities measured at amortised cost			
Borrowings (including Interest Accrued)	25,694,533,576	21,094,869,716	18,817,030,337
Trade Payables	476,255,930	3,161,098,824	2,643,566,190
Others			
Total			

31.2 Financial risk management objectives

The company's financial risks mainly include market risk (interest rate risk), credit risk and liquidity risk.

31.3 Market risk

The company's activities expose it primarily to the financial risks of changes in interest rates.
There has been no significant change to the company's exposure to market risks or the manner in which these risks are managed and measured.

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31.4 Interest rate risk management

The company is exposed to interest rate risk because it borrows funds primarily at floating interest rates. However, the interest rates are dependent on prime lending rates of the Banks which are not expected to change very frequently and the estimate of the management is that these will not have a significant upward trend

The company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note

31.5 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally and represents management's assessment of the reasonably possible change in interest rates

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's loss for the year ended March 31, 2017, March 31, 2016 and April 01, 2015 would increase/decrease by Rs 70,868,377/-, Rs 90,068,911/-, Rs 65,948,442/-)

31.6 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties The Management believes that the credit risk is negligible since its main receivable is from the grantors of the concession which is a government authority

32 Liquidity risk management

32.1 Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate prevailing at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay

Particulars	As at March 31, 2017					As at March 31, 2016				As at April 1, 2015		
	Non-interest bearing	Finance lease liability	Variable interest rate instruments	Fixed interest rate instruments	Financial guarantee contracts	Non-interest bearing	Finance lease liability	Variable interest rate instruments	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments
Weighted average effective interest rate (%)												
Less than 1 year	48,11,14,030		14,90,95,71,770	32,69,10,094		3,16,26,13,285		7,10,40,29,880		2,64,66,07,143	7,94,91,14,062	
1-3 Years			1,51,71,27,638	65,68,06,980				8,55,79,17,744			4,45,51,08,474	
3 to 5 years			1,54,32,33,827	65,88,79,292				5,02,11,42,284			4,77,53,67,352	
5+ years	71,70,75,240		13,17,43,35,236	6,01,37,37,456		48,64,76,711		10,25,14,07,952		24,26,73,390	13,00,91,97,618	
Total	1,19,81,89,270	-	**31,14,43,68,471**	**7,65,63,33,822**	-	3,64,90,89,996	-	30,93,44,97,859	-	**2,88,92,80,533**	30,18,87,87,506	-

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The following table details the company's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.
The inclusion of information on financial assets is necessary in order to understand the company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments	Non-interest bearing	Variable interest rate instruments	Fixed interest rate instruments
Weighted average effective interest rate (%)									
Less than 1 year	106,789,654			86,487,618			66,624,645		
1-3 Years									
3 to 5 years									
5+ years									
Total	106,789,653.80	-	-	86,487,618	-	-	66,624,645	-	-

33 Fair value measurements

33.1. Fair value measurements
This note provides information about how the company determines fair values of various financial assets and financial liabilities.

33.2 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)
Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Financial assets at amortised cost:	-	-	-	-	-	-
Receivables under service concession arrangements						
Financial lease receivables						
Financial liabilities						
Financial liabilities held at amortised cost:	25,694,533,576	25,694,533,576	21,094,869,716	21,094,869,716	18,817,030,337	18,817,030,337
Borrowings (including Interest Accrued)	25,694,533,576	25,694,533,576	21,094,869,716	21,094,869,716	18,817,030,337	18,817,030,337
Financial lease payables						

Fair value hierarchy as at

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Financial assets			
Financial assets at amortised cost::			
Total	-	-	-
Financial liabilities			
Financial liabilities held at amortised cost:			
Borrowings (including Interest Accrued)	25,694,533,576	21,094,869,716	18,817,030,337
Total	25,694,533,576	21,094,869,716	18,817,030,337

All the financial assets and financial liabilities included above are measured at fair vaue using level 3 hierarchy

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Notes to the financial statements for the year ended March 31, 2017

34. Commitments for expenditure

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	235,000,000	800,000,000
(c) Other commitments - Commitments for the acquisition of property, plant and equipment	3751610669	3,906,140,668	4,070,115,950
Total	3,751,610,669	4,141,140,668	4,870,115,950

35. Contingent liabilities and contingent assets

35.1 Contingent liabilities

₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Claims against the Company not acknowledged as debt (Demand by Tax Authority)	10,413,184	9,522,300	9,522,300

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Notes to the financial statements for the year ended March 31, 2017
36. Related Party Disclosures

As at March 31, 2017
(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	Rapid Metrorail Gurgaon South Limited	RMGSL
	IL&FS Financial Services Limited	IFIN
	ISSL CPG BPO Private Limited	ISSL
	Apptex Marketing Services & Solutions Limited	AMSSL
	Unique Waste Processing Company Limited	UWPCL
	Sabarmati Capital One Limited	SCOL
	BHOPAL E-GOVERNANCE LTD	Bhopal
Key Management Personnel ("KMP")	Mr. Ashutosh Chandwar	Managing Director
	Mr. Sachin Gole	Chief Financial Officer
	Mr. Saptarshi Basu (till July 18, 2016)	Company Secretary
	Ms. Pooja Singh (w.e.f. January 9, 2017)	Company Secretary

As at March 31, 2016

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	IL&FS Trust Company Limited	ITCL
	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	IL&FS Securities Services Limited	ISSL
Key Management Personnel ("KMP")	Mr. Ashutosh Chandwar	Managing Director
	Mr. Sachin Gole	Chief Financial Officer
	Mr. Saptarshi Basu (w.e.f September 21, 2015)	Company Secretary

As at April 1, 2015

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Limited	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries (Only with whom there have been transaction during the period/ there was balance outstanding at the year end)	IL&FS Trust Company Limited	ITCL
	IL&FS Financial Services Limited	IFIN
	IL&FS Education & Technology Services Limited	IETS
	Rapid Metrorail Gurgaon South Limited	RMGSL
Key Management Personnel ("KMP")	Mr. Ashutosh Chandwar	Managing Director
	Mr. Sachin Gole	Chief Financial Officer
	Mr. Saptarshi Basu	Company Secretary

K.S. AIYAR & CO
MUMBAI 400011
Chartered Accountants

MORADABAD BAREILLY EXPRESSWAY LIMITED
Notes to the financial statements for the year ended March 31, 2017
Year ended March 31, 2017

(a) transactions/ balances with above mentioned related parties (mentioned in note 36 above)

Particulars	Company Name	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management personnel and relatives	Director Sitting Fees	Total
Balance							
Share Capital	ITNL		2,216,600,000				2,216,600,000
Trade payables	ITNL		282,641,782				282,641,782
Short Term Loan	ITNL		5,040,414,795				5,040,414,795
Short Term Loan	IFIN			775,000,000			775,000,000
Short Term Loan	SCOL			1,350,000,000			1,350,000,000
Short Term Loan	Bhopal			990,000,000			990,000,000
Trade payables	IFIN			179,865,000			179,865,000
Loan Interest Payables	ITNL		583,204,674				583,204,674
Loan Interest Receivable	UWPCL			388,357			388,357

Transactions	Company Name	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management personnel and relatives	Director Sitting Fees	Total
Loan Taken	ITNL		9,560,414,795				9,560,414,795
Loan Repaid	ITNL		5,022,500,000				5,022,500,000
Loan Taken	IFIN			1,400,000,000			1,400,000,000
Loan Repaid	IFIN			2,040,300,000			2,040,300,000
Loan Repaid	RMGSL			987,500,000			987,500,000
Loan Taken	SCOL			1,350,000,000			1,350,000,000
Loan Taken	Bhopal			990,000,000			990,000,000
Loan Taken	AMSSL			210,000,000			210,000,000
Loan Repaid	AMSSL			210,000,000			210,000,000
Loan Taken	UWPCL			1,000,000,000			1,000,000,000
Loan Repaid	UWPCL			1,000,000,000			1,000,000,000
Construction Cost	ITNL		133,101,526				133,101,526
Operation & Maintenance Expenses	ITNL		163,921,856				163,921,856
Claim Management Fee	ITNL		277,149,997				277,149,997
Syndication Fee	IFIN			196,995,000			196,995,000
Upfront Fee	IFIN			8,050,000			8,050,000
Interest on Short Term Loan	ITNL		212,984,907				212,984,907
Interest on Short Term Loan	IFIN			196,556,698			196,556,698
Interest on Short Term Loan	RMGSL			160,029,110			160,029,110
Interest on Short Term Loan	AMSSL			16,293,699			16,293,699
Interest on Short Term Loan	UWPCL			78,534,245			78,534,245
Interest on Short Term Loan	SCOL			110,201,094			110,201,094
Interest on Short Term Loan	Bhopal			40,725,617			40,725,617
Professional Fees	ISSL			18,400			18,400
Rates & Taxes	ISSL			600			600
Salary to Key Management Personnel							
Mr. Saptarshi Basu	Company Secretary				64,800		64,800
Ms. Pooja Singh	Company Secretary				85,355		85,355
Directors' Fees							
Ashutosh Chandwar						20,000	20,000
Goutam Mukherjee						110,000	110,000
Krishna Ghag						40,000	40,000
Paresh Shah						50,000	50,000
Shaivali Parekh						100,000	100,000
T C Pant						20,000	20,000
Rajiv Dubey						20,000	20,000
Sanjay Rane						30,000	30,000

Year ended March 31, 2016

(b) transactions/ balances with above mentioned related parties (mentioned in note 36 above)

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Particulars	Company Name	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management personnel and relatives	Director Sitting Fees	Total
Balance							
Share Capital	ITNL		2,216,600,000				2,216,600,000
Trade payables	ITNL		3,142,215,631				3,142,215,631
Short Term Loan	ITNL		502,500,000				502,500,000
Short Term Loan	RMGSL			987,500,000			987,500,000
Short Term Loan	IFIN			1,415,300,000			1,415,300,000
Deposit Given	ITCL			1,000			1,000
Loan Interest Payables	ITNL		462,291,402				462,291,402
Loan Interest Payables	RMGSL			791,353			791,353

Transactions	Company Name	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Key Management personnel and relatives	Director Sitting Fees	Total
Milestone Payment (O & M Startup Fee)	ITNL		1,632,453,021				1,632,453,021
Loan Taken	ITNL		2,070,000,000				2,070,000,000
Loan Repaid	ITNL		7,100,000,000				7,100,000,000
Loan Repaid	RMGSL			987,500,000			987,500,000
Loan Taken	IFIN			1,800,000,000			1,800,000,000
Loan Repaid	IFIN			384,700,000			384,700,000
Loan Taken	IL&FS	5,300,000,000					5,300,000,000
Loan Repaid	IL&FS	5,300,000,000					5,300,000,000
Operation & Maintenance Expenses	ITNL		163,921,856				163,921,856
Syndication Fee	IFIN			57,000,000			57,000,000
Interest on Short Term Loan	ITNL		246,945,022				246,945,022
Interest on Short Term Loan	IFIN			199,221,881			199,221,881
Interest on Short Term Loan	IL&FS	118,449,315					118,449,315
Interest on Short Term Loan	RMGSL			879,281			879,281
Salary to Key Management Personnel							
Mr. Saptarshi Basu	Company Secretary				114,000		114,000
Directors' Fees							
Shaivali Parekh						70,000	70,000
Paresh Shah						110,000	110,000
Goutam Mukherjee						110,000	110,000
Ashutosh Chandwar						40,000	40,000
T C Pant						30,000	30,000
Krishna Ghag						20,000	20,000

Year ended March 31, 2015

(c) transactions/ balances with above mentioned related parties (mentioned in note 36 above)

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Particulars	Company Name	Ultimate Holding Company	Holding Company	Fellow Subsidiaries		Director Sitting Fees	Total
Balances:							-
Share Capital	ITNL		2,216,600,000				2,216,600,000
Trade payables	ITNL		2,630,148,239				2,630,148,239
Short Term Loan	ITNL		5,532,500,000				5,532,500,000
Deposit Given	ITCL			1,000			1,000
Sundry Creditors	ISSL			15,169			15,169
Loan Interest Payables	ITNL		240,040,884				240,040,884

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MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes to the financial statements for the year ended March 31, 2017

37. Demonitisation Note

Specified Bank Notes (SBN) held and transacted
during the period 08/11/2016 to 30/12/2016 as provided in the Table below

Particulars	SBNs		Other denomination notes		Total	
	Denomination	Amount	Denomination	Amount	Denomination	Amount
Closing Balance as at 8 November 2016	1000	166,000	100	1455200		1621200
	500	3,506,500	50	300250		3806750
			20	172880		172880
			10	366340		366340
			Coins	2260		2260
Total		3,672,500		2,296,930		5,969,430
Transactions between 9th November 2016 and 30th December 2016						
Add: Withdrawal from Bank accounts						
Add: Receipts for permitted transactions	1000	2,612,000	2000	51490000		54102000
Add: Receipts for permitted transactions	500	36,429,500	500	814000		37243500
Add: Receipts for permitted transactions			100	25157400		25157400
Add: Receipts for permitted transactions			50	2734300		2734300
Add: Receipts for permitted transactions			20	418660		418660
Add: Receipts for permitted transactions			10	4206650		4206650
Add: Receipts for permitted transactions			5	5900		5900
Add: Receipts for permitted transactions			2	52		52
Add: Receipts for permitted transactions			1	30		30
Add: Receipts for non-permitted transactions (if any)						
Less: Paid for permitted transactions						
Less: Paid for non-permitted transactions (if any)						
Less: Deposited in bank accounts		42,714,000		81,741,387		124,455,387
Closing balance as at 30 December 2016		-		5,382,535		5,382,535

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MORADABAD BAREILLY EXPRESSWAY LIMITED

Notes to the financial statements for the year ended March 31, 2017

Note 38: Segment Information

The Company is engaged in infrastructure business and is a Special Purpose Entity formed for the specific purpose detailed in Note No.1 and thus operates in a single business segment. Also it operates in a single geographic segment. In the absence of separate reportable business or geographic segments the disclosures required under the Indian Accounting Standard (IND AS) 108 – " Operating Segment" have not been made.

Note 39: CSR Expenses

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	CSR Expenditure	For the year ended March31, 2017	For the year ended March31, 2016
(i)	Gross Amount required to be spent by the Company during the year	-	2,385,876
(ii)	Amount spent during the year	-	4,211,272
(a)	Construction/acquistion of any asset	-	-
(b)	On purpose other than above (ii) (a) - In cash	-	-
(c)	On purposes other than above (ii) (a) - Yet to be paid in cash	-	(1,825,396)

Note 40: Deferred Tax

Deferred Tax on current year tax loss and unabsorbed depreciation is accounted based on the management's estimate of utilisation of the same. It is expected to avail the tax benefit under Income Tax Act effective financial year ending March 2026

Note 41: Previous year

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

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