

INDEPENDENT AUDITOR'S REPORT

To The Members of
MP Border Checkpost Development Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of MP Border Checkpost Development Company Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of matter

We draw attention to note 27 and 28 of the financial statement regarding management estimate for extension of concession period, recoverability of proposed claim from Authority, loss incurred by the Company and excess of total liabilities over total assets. Considering extension of concession period and expected recovery on account of proposed claim, impairment loss does not arise on Intangible Assets. Based on the business plan and financial supports from promoters, the financial statements have been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.



- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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"; and
- 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Luthra & Luthra
Chartered Accountants

FRN: 002081N


Akhilesh Gupta

Partner

M.No: 89909



Place: Mumbai
Date: April 27, 2016

Annexure - A to the Auditors' Report**The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016**

1.
 - a. The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. As per the information and explanations given to us, fixed assets have been physically verified by the Management at reasonable intervals, and no discrepancy was noticed.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable properties.
2. As the Company does not hold any inventory, clause 3(ii) of the order is not applicable to the Company.
3. In our opinion and according to the information and explanation given to us, the Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act 2013.
4. In our opinion and according to the information and explanations given to us, the Company has not given/make any loan, investment, guarantee and security and accordingly provisions of section 185 and 186 of the Act are not applicable.
5. According to the information and explanations given to us the company has not accepted deposits.
6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
7.
 - a. According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities during the year.


There were no undisputed amounts payable on account of the above dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable

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



8. As per the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowing to banks and financial institutions during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Luthra & Luthra
Chartered Accountants
FRN: 002081N


Akhilesh Gupta
Partner
M.No: 89909



Place: Mumbai
Date: April 27, 2016

Annexure - B to the Auditors' Report**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 MP Border Checkpost Development Company Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the 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 ('ICAI'). 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 judgment, 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 over financial reporting were operating effectively as at 31 March 2016, 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.

Place: Mumbai
Date: April 27, 2016

For Luthra & Luthra
Chartered Accountants

FRN: 002081N


Akhilesh Gupta
Partner

M.No: 89909



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Balance Sheet As at March 31, 2016

Amount in ₹

Particulars	Note	As at March 31, 2016		As at March 31, 2015	
I EQUITY AND LIABILITIES					
1 SHAREHOLDERS' FUNDS					
(a) Share capital	2	1,490,245,000		1,490,245,000	
(b) Reserves and surplus	3	(3,450,828,283)	(1,960,583,283)	(1,406,338,639)	83,906,361
2 NON-CURRENT LIABILITIES					
(a) Long-term borrowings	4	8,679,805,000		8,887,696,000	
(b) Other long term liabilities	5	420,932,934		111,787,878	
(c) Long-term provisions	6	108,232	9,100,846,166	71,872	8,999,555,750
3 CURRENT LIABILITIES					
(a) Current maturities of long-term debt	7	618,750,000		587,104,000	
(b) Short-term borrowings	8	1,275,000,000		-	
(c) Other current liabilities	9	2,767,158,764		2,281,037,741	
(d) Short-term provisions	10	6,001	4,660,914,765	2,462	2,868,144,203
TOTAL			11,801,177,648		11,951,606,314
II ASSETS					
1 NON CURRENT ASSETS					
(a) Fixed assets	11				
(i) Tangible assets (net)		1,712,779		2,384,413	
(ii) Intangible assets (net)		10,939,832,330		6,942,040,421	
(iii) Intangible assets under development		763,077,689	11,704,622,798	4,864,080,487	11,808,505,321
(b) Long-term loans and advances (net)	12	41,089,473		96,870,164	
(c) Other non-current assets	13	-	41,089,473	155,749	97,025,913
2 CURRENT ASSETS					
(a) Cash and bank balances	14	35,260,288		31,619,563	
(b) Other Current assets	15	12,196		74,028	
(c) Short-term loans and advances	16	20,192,893	55,465,377	14,381,489	46,075,080
TOTAL			11,801,177,648		11,951,606,314

Notes 1 to 31 form part of the financial statements.

In terms of our report attached.

For LUTHRA & LUTHRA

Chartered Accountants

Firm Registration No. 002081N



Akhilesh Gupta

Partner

Membership Number : 89909

Place: Mumbai

Date : April 27, 2016

For and on behalf of the Board

[Signature]

Managing Director

[Signature]

Director

[Signature]

Chief Financial Officer

[Signature]

Company Secretary

Place: Mumbai

Date : April 27, 2016

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Statement of Profit and Loss for the year ended March 31, 2016

Amount in ₹

Particulars	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
I Revenue from operations	17	664,819,959	491,964,429
II Other income	18	1,142,802	1,132,474
III Total revenue (I + II)		665,962,761	493,096,903
IV Expenses			
Operating expenses	19	516,855,495	435,355,455
Employee Benefit Expenses	20	815,353	-
Finance costs	21	1,173,159,478	577,055,101
Administrative and general expenses	22	22,670,222	17,054,743
Depreciation and amortization expense	11	996,760,768	398,576,967
Total expenses		2,710,261,316	1,428,042,266
V Profit / (Loss) before taxation (III-IV)		(2,044,298,554)	(934,945,363)
VI Tax expense:			
(1) Current tax		-	-
(2) Tax relating to earlier period		191,090	-
Total tax expenses (VI)		191,090	-
VII Profit / (Loss) for the year (V-VI)		(2,044,489,644)	(934,945,363)
Earnings per equity share (Face value per share Rupees 10/-):	23		
(1) Basic		(13.72)	(6.42)
(2) Diluted		(13.72)	(6.42)

Notes 1 to 31 form part of the financial statements.

In terms of our report attached.

For LUTHRA & LUTHRA

Chartered Accountants

Firm Registration No. 002081N

Akhilesh Gupta

Partner

Membership Number 89999



Place: Mumbai

Date : April 27, 2016

For and on behalf of the Board


Managing Director


Director


Chief Financial Officer


Company Secretary

Place: Mumbai

Date : April 27, 2016

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Cash Flow Statement for the year ended March 31, 2016

Amount in ₹

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Cash Flow from Operating Activities		
Loss Before Taxes	(2,044,298,554)	(934,945,363)
Adjustments for :-		
Provision for employee benefits (net)	114,233	74,334
Interest and Finance Cost	1,173,159,478	577,055,101
Depreciation and amortization expense	996,760,768	398,576,967
Operating profit before Working Capital Changes	125,735,925	40,761,039
Adjustments changes in working capital:		
Increase / (Decrease) in liabilities (current and non current)	(12,868,673)	35,175,641
Cash Generated from Operations	112,867,252	75,936,680
Direct Taxes paid (Net)	(155,506)	(519,967)
Net Cash generated from Operating Activities (A)	112,711,746	75,416,713
Cash flow from Investing Activities		
Addition to Fixed Assets	(46,471)	-
Increase in Intangible assets	(813,279,424)	(1,240,274,153)
Increase / (Decrease) in current liabilities & provisions related to investment activities	444,344,986	(400,567,941)
(Increase) / decrease in loans and advances related to investment activities	50,151,284	139,730,288
Net Cash used in Investing Activities (B)	(318,829,625)	(1,501,156,719)
Cash flow from Financing Activities		
Proceeds from Unsecured long term borrowings - Related Party	423,755,000	2,244,700,000
Proceeds from Unsecured short term borrowings - Related Party	1,275,000,000	-
Repayments of borrowings long term borrowings	(600,000,000)	-
Interest and Finance costs paid	(888,996,396)	(936,637,903)
Net Cash generated from Financing Activities (C)	209,758,604	1,308,062,097
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	3,640,725	(117,677,909)
Cash and Cash Equivalent at the beginning of the year	31,609,563	149,242,559
Cash and Cash Equivalent at the end of the year	35,250,288	31,609,563
Net Increase / (Decrease) in Cash and Cash Equivalents	3,640,725	(117,632,996)

Components of Cash and Cash Equivalents		
Cash on hand	5,239,803	3,755,795
Balances with Banks in current accounts	30,010,485	27,853,768
Balances with Banks in deposit accounts	-	-
	35,250,288	31,609,563
Bank balances / deposits held as margin money or as security against borrowings	10,000	10,000
Cash and Cash Equivalents as per Balance Sheet	35,260,288	31,619,563

Notes 1 to 31 form part of the financial statements.

In terms of our report attached.

For LUTHRA & LUTHRA

Chartered Accountants

Firm Registration No. 002084N

New Delhi

Akhilesh Gupta
Partner

Membership Number : 89909

For and on behalf of the Board

[Signature]
Managing Director

[Signature]
Chief Financial Officer

[Signature]
Director

[Signature]
Company Secretary

Place: Mumbai
Date : April 27, 2016

Place: Mumbai
Date : April 27, 2016

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the financial statement for the year ended March 31, 2016

Note – 1: Background and Significant Accounting Policies

Background:

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

Significant Accounting Policies:

1) Basis of Accounting

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

2) Use of estimates

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

3) Revenue Recognition

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

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

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

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



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the financial statement for the year ended March 31, 2016

All other assets are classified as Non-current.

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

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

All other liabilities are classified as Non-current.

5) Fixed Assets and Depreciation/Amortisation

(a) Tangible fixed assets and depreciation

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

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

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

Depreciation on tangible fixed assets is computed as under:

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 other than assets specified in para below

Following assets are depreciated over a useful life which is shorter than the life prescribed under Schedule II of the Companies Act 2013 based on internal technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.:

Asset	Useful Life (years)	Method
Data Processing Equipment (Server & Networking)	4	SLM
Mobile Phones and I pad / Tablets	Fully depreciated in the year of purchase	-
Specialised office equipment's	3	SLM
Vehicles	8	SLM
Assets provided to employees	3	SLM
Leasehold improvement costs	Amortised over Primary period of Lease	SLM
All categories of assets costing less than ₹ 5,000/- each	Fully depreciated in the year of purchase	-

The residual value of all the assets is retained at ₹ 1/- each



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED

Notes forming part of the financial statement for the year ended March 31, 2016

(b) Amortisation

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

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

6) Capital Work in Progress

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

7) Accounting of Claim

Price Escalation and other claims or variation are recognized and reduced from the capital cost only when:-

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

8) Impairment of Assets

The carrying values of assets of the Company's cash-generating units are reviewed for impairment annually or more often if there is an indication of decline in value. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the estimated future cash flows to their present value based on appropriate discount factor.

9) Employee Costs

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

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

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



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED

Notes forming part of the financial statement for the year ended March 31, 2016

10) Borrowing cost

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

11) Preliminary Expenditure

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

12) Accounting for Taxes on Income

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

13) Provisions, Contingent Liabilities and Assets

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

14) Cash Flow Statement:

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

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

15) Earnings per Share

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



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 2: Share capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	₹	Number	₹
Authorised Equity Shares of Rupees 10/- each	150,000,000	1,500,000,000	150,000,000	1,500,000,000
Issued Equity Shares of Rupees 10/- each	149,024,500	1,490,245,000	149,024,500	1,490,245,000
Subscribed and Paid up Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	149,024,500	1,490,245,000	149,024,500	1,490,245,000
Total	149,024,500	1,490,245,000	149,024,500	1,490,245,000

Foot Notes:

i. Of the above 110,278,130 shares are held by IL&FS Transportation Networks Limited (As at March 31, 2015 : 110,278,130)

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the period/year	149,024,500	1,490,245,000	95,968,327	959,683,270
Shares issued during the year	-	-	53,056,173	530,561,730
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	149,024,500	1,490,245,000	149,024,500	1,490,245,000

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (the Holding Company)	110,278,130	74%	110,278,130	74%
Spanco Limited (an Enterprise having significant influence over Company)	38,746,370	26%	38,746,370	26%
Total	149,024,500	100%	149,024,500	100%

iv. Terms / Rights attached to Equity Shares

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

Note 3: Reserves and surplus

Particulars	As at March 31, 2016		As at March 31, 2015	
Profit / (Loss) Surplus				
Opening balance	(1,406,338,639)		(471,393,276)	
(+) (Loss) for the current year	(2,044,489,644)	(3,450,828,283)	(934,945,363)	(1,406,338,639)
Total		(3,450,828,283)		(1,406,338,639)



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2016****Note 4: Long-term borrowings**

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Term Loans				
(i) Secured				
From banks		6,120,050,000		6,751,696,000
(ii) Unsecured				
From Related party		2,559,755,000		2,136,000,000
Total		8,679,805,000		8,887,696,000

Foot Notes:**1. Secured By:**

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

2. Terms of Repayment:

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

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

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

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

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

(a). Repayment Schedule:

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

Sub Debt : In 4 unequal quarterly installments commencing on quarter ending September 30, 2022 and terminating on June 30, 2023

Financial Year	Repayment (% of Senior Debt)	Amount of Debt Repayment	Repayment (% of Sub Debt)	Amount of Sub Debt Repayment
2016-2017	8.25	618,750,000	-	-
2017-2018	10.80	810,000,000	-	-
2018-2019	13.20	990,000,000	-	-
2019-2020	15.60	1,170,000,000	-	-
2020-2021	18.30	1,372,500,000	-	-
2021-2022	18.55	1,391,250,000	-	-
2022-2023	7.30	386,300,000	75.00	1,920,000,000
2023-2024		-	25.00	639,755,000
Total	92.00	6,738,800,000	100.00	2,559,755,000



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2016****Note 5: Other long term liabilities**

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Interest accrued but not due on borrowings From related parties		420,932,934		111,787,878
Total		420,932,934		111,787,878

Note 6: Long-term provisions

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Provision for employee benefits		108,232		71,872
Total		108,232		71,872



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2016****Note 7: Current maturities of long-term debt**

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Term Loans (Secured) From banks		618,750,000		587,104,000
Total		618,750,000		587,104,000

Note 8: Short-term borrowings

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Loans repayable on demand (Unsecured) From Related party		1,275,000,000		-
Total		1,275,000,000		-



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2016****Note 9: Other current liabilities**

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Interest accrued and due on borrowings				
From related parties		54,570,376		-
(b) Payable on account of Capital Expenditure				
From related parties		2,652,304,431		2,200,753,718
(c) Expenses Payable				
From related parties	47,777,005		62,958,495	
From others	10,717,948	58,494,953	9,774,486	72,732,981
(d) Statutory dues		1,789,004		7,551,042
Total		2,767,158,764		2,281,037,741

Note 10: Short-term provisions

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Provision for employee benefits.		6,001		2,462
Total		6,001		2,462



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 11: Fixed assets

Particulars	Gross block (at cost)			Balance as at April 1, 2015	Deletions / Transfer	Balance as at March 31, 2016	Balance as at April 1, 2015	Depreciation and Amortisation		Net block	
	Additions							Adjustments	Charge for the year	Balance as at March 31, 2016	Balance as at March 31, 2015
a) Tangible assets											
Vehicles	-	-	-	2,229,067	-	2,229,067	974,216	-	320,652	934,199	1,254,851
Data processing equipments	46,471	-	-	982,855	-	1,029,326	904,826	-	67,620	56,880	78,029
Office equipments	-	-	-	530,461	-	530,461	301,560	-	195,187	33,714	228,901
Furniture and fixtures	-	-	-	1,590,560	-	1,590,560	767,928	-	134,646	687,986	822,632
Total	46,471	-	-	5,332,943	-	5,379,414	2,948,530	-	718,105	1,712,779	2,384,413
b) Intangible assets											
Software / Licences	-	-	-	142,000	-	142,000	141,995	-	-	5	5
Rights under service concession arrangements (refer foot note)	4,994,012,409	-	-	7,588,611,070	-	12,582,623,479	646,570,654	-	996,220,500	10,939,832,325	6,942,040,416
Total	4,994,012,409	-	-	7,588,753,070	-	12,582,765,479	646,712,649	-	996,220,500	10,939,832,330	6,942,040,421
c) Intangible assets under Development											
	-	-	-	4,864,080,487	4,994,012,409	763,077,689	-	-	-	763,077,689	4,864,080,487
Grand total	5,887,058,491	4,994,012,409	13,351,222,582	12,458,166,500	2,186,029,942	12,458,166,500	649,661,179	-	996,938,605	11,704,622,798	11,808,505,321
Previous year	3,897,555,823	2,186,029,942	12,458,166,500	10,746,640,619	2,186,029,942	12,458,166,500	251,203,164	(1,090,676)	399,548,691	11,808,505,321	10,495,437,455

Foot Note:
Borrowing cost of Rs.79,552,350/- (P. Y. 471,370,680/-) capitalized during the year



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2016****Note 12: Long-term loans and advances**

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Capital Advances				
Unsecured, considered good				
To related parties	29,583,310		85,381,187	
To others	-	29,583,310	177,660	85,558,847
(b) Security Deposits				
Unsecured, considered good		11,506,163		11,311,317
Total		41,089,473		96,870,164

Note 13: Other non-current assets

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Other non-current assets				
- Prepaid Expenses		-		155,749
Total		-		155,749



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2016****Note 14: Cash and cash equivalents**

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Cash and cash equivalents				
Cash on hand	5,239,803		3,755,795	
Balances with Banks in current accounts	30,010,485	35,250,288	27,853,768	31,609,563
(b) Other bank balances				
Bank balances / deposits held as margin money or as security against borrowings or under lien		10,000		10,000
Total		35,260,288		31,619,563

Footnote

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

Note15: Other Current Assets

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
Other current assets				
- Statutory Advances (Service Tax)		8,234		26,981
- Interest accrued		3,962		47,047
Total		12,196		74,028

Note16: Short-term loans and advances

Amount in ₹

Particulars	As at March 31, 2016		As at March 31, 2015	
(a) Loans and advances to related parties				
Unsecured, considered good				
- Licence Fee receivable from related parties		1,010,068		1,494,714
Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	12,166,383		11,819,787	
- Retention Money MPRDCL	321,343		321,343	
- Prepaid expenses	4,971,811		354,948	
- Service Tax Input Credit Aailed	1,403,057		70,466	
- Works Contract Tax Receivable	320,231	19,182,825	320,231	12,886,775
Total		20,192,893		14,381,489



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2016****Note 17: Revenue from operations**

Amount in ₹

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Income from services				
User Fees	662,494,459		489,008,229	
Licence fee	2,325,500	664,819,959	2,956,200	491,964,429
Total		664,819,959		491,964,429

Note 18: Other income

Amount in ₹

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
(a) Interest Income				
Interest on bank deposits	915		913	
Interest on short term deposit	898,618	899,533	721,552	722,465
(b) Miscellaneous Income		243,269		410,009
Total		1,142,802		1,132,474



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 19: Operating expenses

Particulars	Amount in ₹			
	For the year ended March 31, 2016		For the year ended March 31, 2015	
Operation and maintenance expenses	460,586,607		396,851,194	
Electricity charges	56,268,888	516,855,495	38,504,261	435,355,455
Total		516,855,495		435,355,455

Note 20: Employee benefit expenses

Particulars	Amount in ₹			
	For the year ended March 31, 2016		For the year ended March 31, 2015	
Salaries, Wages and allowances		815,353		-
Total		815,353		-

Disclosure to be given as per AS-15

(i) Employee benefit obligations:

Defined-contribution plans

The Company offers its employees defined-benefit plans in the form of gratuity (a lump sum amount). Amounts payable

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

Particulars	Amount in ₹	
	As at March 31, 2016	As at March 31, 2015
Present value of commitment	65,757	46,904
Fair value of plans		
Unrecognised past service cost		
Payable / (Prepaid) amount taken to the balance sheet	65,757	46,904

Defined benefit commitments:

Gratuity	₹	
	As at March 31, 2016	As at March 31, 2015
Opening balance	46,904	21,898
Interest cost	3,734	2,039
Current service cost	11,704	7,283
Benefits paid	-	-
Actuarial (gain) / loss	3,415	15,684
Transferred from / to other company	-	-
Closing balance	65,757	46,904

Expenses on defined benefit plan recognised for the year:

Gratuity	₹	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Current service cost	11,704	7,283
Interest expenses	3,734	2,039
Expected return on investments	-	-
Net actuarial (gain) / loss	3,415	15,684
Expenses charged to Statement of Profit and Loss and Capital Work In Progress (refer footnote)	18,853	25,006

Foot note: Amount Rs.6,252/- (P.Y.25,006/- debited to Capital work in Progress

(i) The actuarial calculations of estimated defined benefit commitments and expenses are based on the following

Particular	For the year ended	
	March 31, 2016	March 31, 2015
Rate for discounting liabilities	8.06%	7.96%
Expected salary increase rate	6.50%	6.50%
Attrition Rate	2.00%	2.00%
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

(ii) The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority,

(iii) The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan,

Gratuity (Funded Plan)	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2013	As at March 31, 2012
Defined benefit commitments	65,757	46,904	21,898	27,078	9,453
Plan assets	-	-	-	-	-
Unfunded liability transferred from group companies	-	-	-	-	-
(Surplus) / Deficit	65,757	46,904	21,898	27,078	9,453

Gratuity (Funded Plan)	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Experience adjustments on plan commitments	4,347	7,275	(20,931)	4,359	-
Experience adjustments on plan assets	-	-	-	-	-



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 21: Finance cost

Amount in ₹

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
(a) Interest expenses				
Interest on loans for fixed period		1,169,196,978		577,055,101
(b) Other borrowing costs				
Finance charges		3,962,500		-
Total		1,173,159,478		577,055,101

Note 22: Administrative and general expenses

Amount in ₹

Particulars	For the year ended March 31, 2016		For the year ended March 31, 2015	
Legal and consultation fees	3,781,573		1,486,099	
Travelling and conveyance	2,964,050		329,509	
Rent	417,267		-	
Rates and taxes	51,407		25,741	
Bank commission	1,871,153		1,676,359	
Registration Expenses	-		530,562	
Communication expenses	9,468,233		9,327,931	
Insurance	2,357,572		2,494,733	
Printing and stationery	91,490		101,178	
Directors' fees	511,596		337,080	
Auditors remuneration	1,149,570		719,000	
Miscellaneous expenses	6,311	22,670,222	26,551	17,054,743
Total		22,670,222		17,054,743

Auditors' Remuneration Includes:

Sr. No.	Name of Party	Description	Amount in ₹	
			For the year ended March 31, 2016	For the year ended March 31, 2015
1	Luthra & Luthra	As a auditor	950,375	500,000
		Other Services	199,195	219,000
		TOTAL	1,149,570	719,000



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED**Notes forming part of the Financial Statements for the year ended March 31, 2016****Note 23 : Earnings per equity share**

Particulars	Unit	For the year ended March 31, 2016	For the year ended March 31, 2015
Loss available for Equity Shareholders	₹	(2,044,489,644)	(934,945,363)
Weighted number of Equity Shares outstanding	Numbers	149,024,500	145,535,875
Nominal Value of equity shares	₹	10.00	10.00
Basic Earnings per share	₹	(13.72)	(6.42)
Equity shares used to compute diluted earnings	Numbers	149,024,500	145,535,875
Diluted Earnings per share	₹	(13.72)	(6.42)



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 24 : Contingent Liabilities and Capital commitments

A) Contingent Liabilities

Amount in ₹

Sr No	Name of party	Description	As at March 31, 2016	As at March 31, 2015
1	Income Tax Demand	Claims against the Company not acknowledged as debts Income tax demands for Assessment Year 2011-12 contested by the Company	-	191,090

B) Capital commitments

(i) Other commitments pending to be executed :

Amount in ₹

Sr No	Name of party	Description	As at March 31, 2016	As at March 31, 2015
1	IL&FS Trust Company Limited	Estimated amount of contracts to be executed on security trusteeship fees (upto the end of repayment of last installment of term loan) and not provided for	1,250,000	1,500,000

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

Amount in ₹

Sr No	Name of party	Description	As at March 31, 2016	As at March 31, 2015
1	IL&FS Transportation Networks Limited	Estimated amount of contracts to be executed on capital account and not provided for (net of capital advances of Rs.29,583,310/- [previous year ended March 31, 2015 Rs. 85,381,187/-).	1,611,852,265	1,944,509,500



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 25: Related Party Statement

Current Year / period

a Name of related parties and description of relationship

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company	Infrastructure Leasing & Financial Services Ltd	IL&FS
Holding Company	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries	IL&FS Trust Company Limited	ITCL
	IL&FS Financial Services Limited	IFIN
	Elsamex Maintenance Services Ltd.	EMSL
	IL&FS Securities Services Limited	ISSL
	ISSL CPG BPO Pvt. Ltd.	ISCBPL
Key Management Personnel and Directors:	Mr. Kazim Raza Khan	Managing Director
	Mr. Devang Shah	Chief Financial Officer
	Mr. Krishna Ghag	Director
	Mr. S. C. Mittal	Director
	Mr. Vijay Kini	Director
	Mr Harish Mathur	Director
	Mrs. Sumathy Iyer	Director
	Mr. Kamalakant Chaubal	Independent Director
	Mr. Rupak Ghosh	Independent Director
	Mrs. Komal Bafna w.e.f. May 01, 2015	Company Secretary
Enterprises having Significant Influence over the Company	Spanco Limited	SPANCO

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

Amount in ₹

Account head	Name of Entity	As at March 31, 2016	As at March 31, 2015
Balances:			
Share Capital	ITNL	1,102,781,300	1,102,781,300
Mobilisation Advance Recoverable	ITNL	29,583,310	85,381,187
Sundry Creditors	ITNL	2,652,304,431	2,200,753,718
Unsecured Loan - Sub Debt (Taken)	ITNL	2,559,755,000	2,136,000,000
Unsecured Loan - Short Term Loan (Taken)	ITNL	1,275,000,000	-
Interest Accrued but not due	ITNL	420,932,934	111,787,878
Interest Accrued and due	ITNL	54,570,376	-
Share Capital	SPANCO	387,463,700	387,463,700
Trade Payables	IL&FS	-	11,875
Trade Payables	EMSL	47,777,005	62,946,620
Trade Receivables	EMSL	1,010,068	1,494,714
Account head	Name of Entity	For the year ended March 31, 2016	For the year ended March 31, 2015
Transactions:			
Development Cost	ITNL	805,443,754	1,186,674,430
Interest On Loan (Capitalised)	ITNL	25,660,220	116,774,693
Interest On Loan charged to Profit & Loss	ITNL	378,468,049	102,467,086
Unsecured Loan - Sub Debt (Taken)	ITNL	423,755,000	991,000,000
Unsecured Loan - Short Term Loan (Taken)	ITNL	1,275,000,000	-
Deputation Cost (Capitalised)	ITNL	156,529	846,000
Deputation Cost charged to Profit & Loss	ITNL	666,996	-
Legal & Professional Fee	ISSL	-	17,978
Legal & Professional Fee	ISCBPL	15,000	-
Insurance charges (Reimbursement)	IL&FS	25,125	11,875
Security Trustees Fees (Capitalised)	ITCL	250,000	250,000
Operation & Maintenance (Capitalised)	EMSL	1,809,028	12,638,332
Operation & Maintenance charged to Profit & Loss	EMSL	453,399,223	388,121,383
Licencee Fee Income	EMSL	2,325,500	2,956,200
Director Fee	Karim Raza Khan	40,000	40,000
Director Fee	Krishna Ghag	40,000	60,000
Director Fee	S. C. Mittal	50,000	50,000
Director Fee	Vijay Kini	90,000	80,000
Director Fee	Harish Mathur	30,000	70,000
Director Fee	Sumathy Iyer	40,000	-
Director Fee	Rupak Ghosh	90,000	-
Director Fee	Kamal Kant Chaubal	70,000	-
Invitee Fee	Harish Mathur	10,000	-
Invitee Fee	S. C. Mittal	20,000	20,000



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED

Notes forming part of the Financial Statements for the year ended March 31, 2016

Note 26: Deferred Tax:

Particulars	As at March 31, 2015	Movement	As at March 31, 2016
Liabilities:			
Timing differences in respect of depreciation	-	(606,133,536)	-
Assets:			
Timing differences in respect of unabsorbed losses #	-	606,133,536	-
Net deferred tax liability	-	-	-

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

Note 27:

Due to delay in land handover, 5 Checkposts (CPs) are yet to be completed. The Company has submitted proposal for phase wise splitting of the project, wherein 24 CPs were bifurcated in two phases (19 CPs in phase I and 5 CPs in Phase II (where encumbrance free land is not handed over by the Authority)). The proposal is under review/consideration by the Madhya Pradesh Road Development Corporation Limited (referred as "the Authority").

The Company has also submitted request for extension of concession period. Extension of 25 months has been recommended in the meeting of Advisory Committee attended by the representatives of the Authority, Independent Engineer and representative of the Company held in March 2015. In addition Independent Engineer has recommended extension of concession period by further 24 months to the Authority. The board of directors are confident that extension of concession period will be granted in due course.

The Company is also in process of filing claim for the losses incurred on account of delay in handing over ROW, compensation for revenue loss against loading/loading, bypassing from Alternate Routes near checkposts etc. The management is confident about recovery of claim from Authority.

In view of the above, proposed expected claim and extended useful life (by 49 months) of the Intangible Asset is considered for measurement of recoverable value of the Intangible Asset.

Note 28: Going Concern

The Company incurred a net loss of Rs. 2,044,489,644/- during the year ended March 31, 2016 and as of that date; the Company's total liabilities exceeded its total assets by Rs. 1,960,583,283/-. Based on the business plan and financial supports from promoters, the management believes that the Company will be able to operate as going concern and meet all its obligations as they fall due for payment.

Note 29: Segment Reporting

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

Note 30:

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

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

Note 31: Previous year figures

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

In terms of our report attached.

For LUTHRA & LUTHRA

Chartered Accountants
Firm Registration No. 002081N

Akhilesh Gupta

Partner

Membership Number : 89909

Place: Mumbai

Date : April 27, 2016

For and on behalf of the Board



Managing Director



Chief Financial Officer

Place: Mumbai

Date : April 27, 2016



Director

Company Secretary