

**MP BORDER CHECKPOST DEVELOPMENT
COMPANY LIMITED**

ANNUAL REPORT

2013-14

DIRECTORS' REPORT

The Shareholders

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED

Your Directors have pleasure in presenting the Fourth Annual Report along with the Audited Statements of Accounts for the year ended March 31, 2014

FINANCIAL RESULTS

The financial results of the Company are as under:

(Amount in ₹)

	For the Year ended March 31, 2014	For the period ended March 31, 2013
Total Income	251,410,704	-
Total Expenses	(705,345,192)	4,107,898
Profit/(Loss) Before Tax	(453,934,488)	(4,107,898)
<u>Less: Provision for Tax</u>	-	(2,290,000)
Profit /(Loss)After Tax	(453,934,488)	(6,397,898)
Balance carried forward	(471,393,276)	(17,458,788)

OPERATIONS:

Your Company continues to work on the project for development and maintenance of 24 Border Check-posts and 2 Central Control Facilities (CCF) in the State of Madhya Pradesh awarded by the Madhya Pradesh Road Development Corporation (the "Authority") on Design Build Finance Operate & Transfer (DBFOT) basis. The Company had achieved physical progress of 68.33% and financial progress of 84.15% during the year under review. Your Company has commissioned 7 Border Check Posts and 2 Central Control Facilities and the construction of the remaining check posts where land has been handed over by the Authority are at an advanced stage

DIVIDEND

Your Directors have not recommended any dividend for the period under review

DIRECTORS:

During the year under review, Mr. Krishna Ghag, Director, retire by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment

AUDITORS:

M/s. Luthra & Luthra, Chartered Accountants, Statutory Auditors, retire at the ensuing Annual General Meeting of the Company

DEPOSITS:

Your Company has not accepted any Fixed Deposits during the year under review

CORPORATE GOVERNANCE:

Four Board Meetings were held during the year under review on April 18, 2013, July 18, 2013, October 18, 2013 and January 20, 2014. The numbers of meetings attended by the Directors are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Krishna Ghag	4	4
2	Mr. Ravi Sreehari (Upto April 18, 2013)	1	1
3	Mr. Harish Mathur	4	4
4	Mr Manish Agarwal (Upto July 18, 2013)	2	2
5	Mr. S C Mittal (Appointed on April 18, 2013)	3	3
6	Mr. Vijay Kini (Appointed on July 18, 2013)	3	3
7	Mr. K R Khan (Appointed on July 18, 2013)	3	3

The Audit Committee has been constituted for good corporate governance and focused attention on the affairs of the Company. The Audit Committee is comprised of Mr. Krishna Ghag, Mr. Harish Mathur and Mr. Vijay Kini. The Audit Committee met four times during the year under review on April 18, 2013, July 17, 2013, October 18, 2013 and January 20, 2014. The numbers of meetings attended by the Members are as under:

Sr. No.	Name of Directors	No. of Board Meetings held during tenure	Meetings attended
1	Mr. Krishna Ghag	4	4
2	Mr. Ravi Sreehari (Upto April 18, 2013)	1	1
3	Mr. Harish Mathur	4	4
4	Mr. Vijay Kini (Appointed on July 18, 2013)	3	2

The Chairman of the Audit Committee was present at the AGM

PARTICULARS OF EMPLOYEES:

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis

FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

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

ACKNOWLEDGMENTS:

The Directors place on record their appreciation for the support and co-operation received from Madhya Pradesh Road Development Corporation Limited, various Government and other Regulatory Authorities, Banks, Financial Institutions and Shareholders of the Company

For and on behalf of the Board

Mumbai, April 22, 2014

Sd/-
Director

Sd/-
Director

AUDITORS' REPORT

To the Members of
MP Border Checkpost Development Company Limited
Mumbai

We have audited the accompanying financial statement of MP Border Checkpost Development Company Limited ("the Company") which comprises the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
and



- ii. In the case of the Statement of Profit and Loss, of the loss for the year ended on that date.
- iii. In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies' Auditors Report Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the said Order, to the extent applicable to the company.
2. As required by section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 such books;
 - (c) the Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, the statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
 - (e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors are disqualified as at 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.



For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

Amit Luthra
Partner
M. No. 85847

Place : Mumbai
Date : 22.04.2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

1.
 - a. The Company has generally maintained 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. The company has not disposed off substantial part of fixed assets during the year.
2. In our opinion and according to the information and explanation given to us, the Company has not taken / granted any secured or unsecured loan from / to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
3. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. We have not observed any failure on the part of the company to correct major weakness in internal control system.
4. As per the information and explanation given to us, there are no transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
5. According to the information and explanations given to us the company has not accepted deposits from the public.
6. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
7. According to the information and explanation given to us, the Central Government has prescribed the maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956. On the basis of certificate from the cost accountants certifying the maintenance of cost records, we are of the opinion that prima-facia, the Company has made and maintained the same to the extent applicable. We have broadly reviewed the books of account and records maintained by the Company. We have, however, not made detailed examination of these records with the view to determine that whether they are accurate and complete.
8.
 - a. According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund; employees state insurance, income tax, sales tax, wealth tax, service tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues outstanding as at 31 March, 2014 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 disputed due on account of provident fund, investor education and protection fund; employees state insurance, sales tax, wealth tax, income tax, service tax and cess.
9. As per the information and explanation given to us and in view of the revised repayment schedule (for details, refer foot note 2(a) of note 5), there is no default in repayment of dues to a financial institution or bank by the Company.
10. As per the information and explanation given to us, the company has not given any guarantee for loans taken by others from -bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.
11. In our opinion and according to the information and explanation given to us, the Company has applied the term loan for the purpose for which the loan was obtained.
12. In our opinion and according to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, fund raised on short- term basis has not been used for long-term investment.
13. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies' Act 1956.
14. The company has not raised money by public issue during the year.
15. Based upon the audit procedures performed and information and explanations given by the management, no fraud on or by the company has been noticed or reported during the year.
16. Other clauses i.e. (ii), (x), (xii), (xiii), (xiv) & (xix) of the order are not applicable to the Company.



For Luthra & Luthra
Chartered Accountants
Reg. No. 002081N

A handwritten signature in blue ink, appearing to read 'Amit Luthra', with a checkmark at the end.

Amit Luthra
Partner
(M. No. 85847)

Place: Mumbai
Date : 22.04.2014

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Balance Sheet As at March 31, 2014

	Particulars	Note	As at		As at	
			March 31, 2014		March 31, 2013	
I	EQUITY AND LIABILITIES					
1	SHAREHOLDERS' FUNDS					
	(a) Share capital	2	95,96,83,270		95,96,83,270	
	(b) Reserves and surplus	3	(47,13,93,276)	48,82,89,994	(1,74,58,788)	94,22,24,482
2	SHARE APPLICATION MONEY PENDING ALLOTMENT	4		53,05,61,730		53,05,61,730
3	NON-CURRENT LIABILITIES					
	(a) Long-term borrowings	5	7,23,01,00,000		4,65,67,35,000	
	(b) Long-term provisions	6	31,743	7,23,01,31,743	46,265	4,65,67,81,265
4	CURRENT LIABILITIES					
	(a) Current maturities of long-term debt	7	-		21,95,65,000	
	(b) Other current liabilities	8	2,64,63,97,091		2,00,93,38,526	
	(c) Short-term provisions	9	1,207	2,64,63,98,298	1,852	2,22,89,05,378
	TOTAL			10,89,53,81,765		8,35,84,72,855
II	ASSETS					
1	NON CURRENT ASSETS					
	(a) Fixed assets	10				
	(i) Tangible assets (net)		22,31,547		28,15,995	
	(ii) Intangible assets (net)		5,15,46,21,360		69,419	
	(iii) Capital work-in-progress		-		-	
	(iv) Intangible assets under development		5,33,85,84,548	10,49,54,37,455	7,53,52,78,064	7,53,81,63,478
	(b) Long-term loans and advances (net)	11	22,33,71,413		37,60,28,780	
	(c) Other non-current assets	12	2,134	22,33,73,547	4,24,719	37,64,53,499
2	CURRENT ASSETS					
	(a) Trade receivables (net)	13	8,19,509		-	
	(b) Cash and bank balances	14	14,92,52,559		41,90,14,188	
	(c) Short-term loans and advances	15	2,64,98,695	17,65,70,763	2,48,41,690	44,38,55,878
	TOTAL			10,89,53,81,765		8,35,84,72,855

Notes 1 to 30 form part of the financial statements.

In terms of our report attached.

For LUTHRA & LUTHRA

Chartered Accountants

Firm Registration No. 002081N

For and on behalf of the Board

Amit Luthra

Partner

Membership Number : 85897

Place: Mumbai

Date : April 22, 2014

[Signature]
 Director

[Signature]
 Director

Place: Mumbai

Date : April 22, 2014

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Statement of Profit and Loss for the Year Ended March 31, 2014

	Particulars	Note	For The Year ended March 31, 2014	For The Year ended March 31, 2013
I	Revenue from operations	17	25,09,79,024	-
II	Other income	18	4,31,680	-
III	Total revenue (I + II)		25,14,10,704	-
IV	Expenses			
	Operating expenses	19	19,57,36,711	-
	Finance costs	20	25,64,66,397	-
	Administrative and general expenses	21	51,48,397	41,07,898
	Depreciation and amortization expense	10	24,79,93,687	-
	Total expenses		70,53,45,192	41,07,898
V	Profit / (Loss) before taxation (III - IV)		(45,39,34,488)	(41,07,898)
VI	Tax expense:			
	(1) Current tax		-	22,90,000
	(2) Tax relating to earlier period		-	-
	(3) Deferred tax		-	-
	Total tax expenses (VI)		-	22,90,000
VII	Profit / (Loss) for the period (V-VI)		(45,39,34,488)	(63,97,898)
	Earnings per equity share (Face value per share Rupees 10/-):	22		
	(1) Basic		(4.73)	(0.08)
	(2) Diluted		(4.73)	(0.08)

Notes 1 to 30 form part of the financial statements.

In terms of our report attached.

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

For and on behalf of the Board



Amit Luthra
Partner

Membership Number : 85847




Director


Director

Place: Mumbai
Date : April 22, 2014

Place: Mumbai
Date : April 22, 2014

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Cash Flow Statement for the year ended March 31, 2014

	For The Year ended March 31, 2014	For The Year ended March 31, 2013
Cash Flow from Operating Activities		
Profit Before Taxes	(45,39,34,488)	(41,07,898)
Adjustments for :-		
Provision for employee benefits (net)	32,950	27,758
Depreciation and amortization expense	24,79,93,687	9,31,002
Operating profit before Working Capital Changes	(20,59,07,851)	(31,49,138)
Adjustments changes in working capital:		
Increase in liabilities (current and non current)	-	62,926
Cash Generated from Operations	(20,59,07,851)	(30,86,212)
Direct Taxes paid (Net)	4,907	(1,55,79,535)
Net Cash generated from Operating Activities (A)	(20,59,02,944)	(1,86,65,747)
Cash flow from Investing Activities		
Additions to fixed assets	(1,51,940)	(30,509)
Additions to Intangible assets	(2,77,19,13,436)	(2,26,36,24,368)
Increase / (decrease) in current liabilities & provisions related to investment activities	63,70,10,448	7,24,01,564
(Increase) / decrease in loans and advances related to investment activities	15,01,75,946	(19,06,97,211)
Interest received	4,22,585	69,70,130
Net Cash used in Investing Activities (B)	(1,98,44,56,397)	(2,37,49,80,394)
Cash flow from Financing Activities		
Proceeds from Issue of Shares	-	79,59,17,960
(Decrease)/ Increase in Advance towards capital	-	(40,59,17,960)
Proceeds from borrowings	2,35,38,00,000	2,86,75,00,000
Interest and Finance costs paid	(43,32,02,288)	(44,62,29,900)
Proceeds from minority interest	-	-
Net Cash generated from Financing Activities (C)	1,92,05,97,712	2,81,12,70,100
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(26,97,61,629)	41,76,23,959
Cash and Cash Equivalent at the beginning of the year	41,90,04,188	13,80,229
Cash and Cash Equivalent at the end of the year	14,92,42,559	41,90,04,188
Net Increase / (Decrease) in Cash and Cash Equivalents	(26,97,61,629)	41,76,23,959
Components of Cash and Cash Equivalents		
Cash on hand	25,60,210	321
Balances with Banks in current accounts	14,66,82,349	26,78,65,707
Balances with Banks in deposit accounts	-	15,11,38,160
Bank balances / deposits held as margin money or as security against borrowings	14,92,42,559	41,90,04,188
	10,000	10,000
Cash and Cash Equivalents as per Balance Sheet	14,92,52,559	41,90,14,188

Notes 1 to 30 form part of the financial statements.

In terms of our report attached.

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

Amit Luthra

Amit Luthra
Partner
Membership Number : 85847



For and on behalf of the Board

[Signature]
Director

[Signature]
Director

Place: Mumbai
Date : April 22, 2014

Place: Mumbai
Date : April 22, 2014

MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the financial statement for the year ended March 31, 2014

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 and comply with the Accounting Standards (‘AS’) specified in the Companies (Accounting Standard) Rules, 2006 notified by the Central Government in terms of Section 211(3C) of the Companies Act, 1956, (‘the Act’) read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent applicable. The Company generally follows the mercantile system of accounting and recognizes income and expenditure on 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, 2014

All other assets are classified as Non-current.

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

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

All other liabilities are classified as Non-current.

5) Fixed Assets and Depreciation

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

Capital Work in Progress

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

Depreciation

- Assets individually costing Rs. 5,000 or less, mobile phones and items of soft furnishing are depreciated fully in the period when such assets are put to use.
- Depreciation is provided pro-rata for the period of use of the Fixed Assets, under the Written Down Value Method in the manner and as per the rates prescribed under Schedule XIV to the Companies, Act, 1956, as amended from time to time except in the case of following assets, Company follows Straight Line Method of depreciation so as to write off 100% of the cost of the assets at rates higher than those prescribed under Schedule XIV to the Companies Act 1956, based on the Management's estimate of useful life of such assets:

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

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.



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED

Notes forming part of the financial statement for the year ended March 31, 2014

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

6) Impairment of Assets

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

7) Employee Costs

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

Compensated absences which accrue to employees and which can be carried to future periods but are expected to be encashed or availed in twelve months immediately following the year end are reported as expenses in the year in which the employees perform the services that the benefit covers at the undiscounted amount of the benefits after deducting amounts already paid. Where there are restrictions on 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.

8) Borrowing cost

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

9) Preliminary Expenditure

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

10) Accounting for Taxes on Income

Provision for current income tax is made after taking into consideration benefits admissible under the provisions of the Income - tax Act, 1961. Deferred tax resulting from "timing differences" between book and tax profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED

Notes forming part of the financial statement for the year ended March 31, 2014

assets are recognized and carried forward only if there is a virtual/ reasonable certainty that the assets will be realized in future. The carrying amount of deferred tax asset is reviewed at each balance sheet date.

11) Provisions, Contingent Liabilities and Assets

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

12) Cash Flow Statement:

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

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

13) Earnings per Share

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



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 2: Share capital

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	₹	Number	₹
Authorised Equity Shares of Rupees 10/- each	15,00,00,000	1,50,00,00,000	15,00,00,000	1,50,00,00,000
Issued Equity Shares of Rupees 10/- each	9,59,68,327	95,96,83,270	9,59,68,327	95,96,83,270
Subscribed and Paid up Equity Shares of Rupees 10/- each fully paid (refer foot note no. i, ii, and iii)	9,59,68,327	95,96,83,270	9,59,68,327	95,96,83,270
Total	9,59,68,327	95,96,83,270	9,59,68,327	95,96,83,270

Foot Notes:

i. Of the above 48,943,827 shares are held by IL&FS Transportation Networks Limited (As at March 31, 2013 : 48,943,827)

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

Particulars	As at March 31, 2014		As at March 31, 2013	
	Equity Shares		Equity Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	9,59,68,327	95,96,83,270	9,59,68,327	95,96,83,270
Shares issued during the year / period				
Shares bought back during the year / period				
Shares outstanding at the end of the year / period	9,59,68,327	95,96,83,270	9,59,68,327	95,96,83,270

iii. Shareholding more than 5% shares

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
IL&FS Transportation Networks Limited (the Holding Company)	4,89,43,827	51%	4,89,43,827	51%
Spanco Limited (an Enterprise having significant influence over Company)	4,70,24,480	49%	4,70,24,480	49%
Total	9,59,68,307	100%	9,59,68,307	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.



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 3: Reserves and surplus

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Profit / (Loss) Surplus				
Opening balance	(1,74,58,788)		(1,10,60,890)	
(+) Profit for the current year / period	(45,39,34,488)	(47,13,93,276)	(63,97,898)	(1,74,58,788)
Total		(47,13,93,276)		(1,74,58,788)

Note 4: Advance towards share Application Money

Particulars	As at March 31,	As at March 31,
	2014	2013
Share Application Money Pending Allotment	53,05,61,730	53,05,61,730
Total	53,05,61,730	53,05,61,730

Note :

i Terms and conditions : Issuance of Equity shares at Par, (face value of Rs. 10 per Equity share).

ii Number of shares proposed to be issued : 53,056,173 Equity shares of Rs. 10 each, at par.

iii Period before which shares shall be allotted : Shares to be allotted on or before March 31, 2015.

iv Company have sufficient authorised share capital to cover the share capital amount resulting from allotment of shares from such share application money.

v Share application money is pending for allotment since Two and the Half year



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 5: Long-term borrowings

Particulars	As at March 31, 2014		As at March 31, 2013	
Term Loans				
(i) Secured				
From banks	6,08,51,00,000	6,08,51,00,000	4,17,17,35,000	4,17,17,35,000
(ii) Unsecured				
From Related party	1,14,50,00,000	1,14,50,00,000	48,50,00,000	48,50,00,000
Total		7,23,01,00,000		4,65,67,35,000

Foot Notes:

1. Secured By:

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

2. Terms of Repayment:

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

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

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

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

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

(a). Repayment Schedule:

Total Loans Commitment is Rs. 9,450,000,000/- from Banks and Rs. 2,025,000,000/- from Promoters.

Loans Disbursed till March 31, 2014 is Rs. 6,085,100,000/- from Banks and Rs. 1,145,000,000/- from holding company.

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

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

Financial Year	Repayment (% of Senior Debt)	Amount of Debt Repayment	Repayment (% of Sub Debt)	Amount of Sub Debt Repayment
2015-2016	8.00	48,68,08,000	-	
2016-2017	8.25	50,20,20,750	-	
2017-2018	10.80	65,71,90,800	-	
2018-2019	13.20	80,32,33,200	11	12,02,25,000
2019-2020	15.60	94,92,75,600	14	16,03,00,000
2020-2021	18.30	1,11,35,73,300	13	14,31,25,000
2021-2022	18.55	1,12,87,86,050	12	13,74,00,000
2022-2023	7.30	44,42,12,300	51	58,39,50,000
Total	100	6,08,51,00,000	100	1,14,50,00,000



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 6: Long-term provisions

Particulars	As at March 31, 2014		As at March 31, 2013	
Provision for employee benefits	31,743	31,743	46,265	46,265
Total		31,743		46,265

Note 7: Current maturities of long-term debt

Particulars	As at March 31, 2014		As at March 31, 2013	
Term Loans Secured From banks	-	-	21,95,65,000	21,95,65,000
Total		-		21,95,65,000

Note 8: Other current liabilities

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Payable on account of Capital Expenditure From related parties From others	2,52,77,25,195 -	2,52,77,25,195	1,96,83,28,824 2,43,00,000	1,99,26,28,824
(b) Expenses Payable From related parties From others	2,93,53,715 63,22,122	3,56,75,837	- 35,15,350	35,15,350
(c) Interest accrued and due on borrowings From related parties	6,36,56,927	6,36,56,927	-	-
(d) Statutory dues	1,93,39,132	1,93,39,132	-	1,31,94,352
Total		2,64,63,97,091		2,00,93,38,526

Note 9: Short-term provisions

Particulars	As at March 31, 2014		As at March 31, 2013	
Provision for employee benefits.	1,207	1,207	1,852	1,852
Total		1,207		1,852



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 10: Fixed assets

Particulars	Gross block (at cost)			Depreciation and Amortisation			Net block	
	Balance as at April 1, 2013	Additions	Deletions	Balance as at March 31, 2014	Charge for the period / year	Balance as at March 31, 2014	Balance as at March 31, 2013	Balance as at March 31, 2013
a) Tangible assets								
Vehicles	22,29,067	-		22,29,067	3,10,106	13,41,395	8,87,672	11,97,778
Data processing equipments	8,30,915	1,51,940		9,82,855	2,27,492	6,26,460	3,56,395	4,31,947
Office equipments	5,30,461	-		5,30,461	52,834	2,03,431	3,27,030	3,79,864
Furniture and fixtures	15,90,560	-		15,90,560	1,45,956	9,30,110	6,60,450	8,06,406
Total	51,81,003	1,51,940	-	53,32,943	7,36,388	31,01,396	22,31,547	28,15,995
b) Intangible assets								
Software / Licences	1,42,000	-		1,42,000	35,500	1,08,081	39,919	69,419
Commercial rights acquired								
Rights under service concession arrangements		5,40,25,81,128		5,40,25,81,128	24,79,93,687	24,79,93,687	5,15,45,87,441	-
Total	1,42,000	5,40,25,81,128	-	5,40,27,23,128	24,80,29,187	24,81,01,768	5,15,46,21,360	69,419
c) Capital work-in-progress								
Intangible assets under Development	7,53,52,78,064	3,20,56,87,612	5,40,25,81,128	5,33,85,84,548			5,33,85,84,548	7,53,52,78,064
Grand total	7,54,06,01,067	8,60,86,20,660	5,40,25,81,128	10,74,66,40,619	24,87,65,575	25,12,03,164	10,49,54,37,455	7,53,81,63,478
Previous period	4,83,81,10,739	2,70,24,90,328	-	7,54,06,01,067	9,31,002	24,37,589	7,53,81,63,478	4,83,66,04,152

Foot Note:
Borrowing cost of Rs.526,387,085/- (P. Y. Rs.446,229,900/-) capitalized during the year



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 11: Long-term loans and advances

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Capital Advances				
Unsecured, considered good				
To related parties	21,16,70,113	21,16,70,113	36,90,89,880	36,90,89,880
(b) Security Deposits				
Unsecured, considered good	1,17,01,300	1,17,01,300	69,38,900	69,38,900
Total		22,33,71,413		37,60,28,780

Note 12: Short-term loans and advances

Particulars	As at March 31, 2014		As at March 31, 2013	
Other loans and advances				
Unsecured, considered good				
- Advance payment of taxes (net of provision)	1,12,99,820		1,13,04,727	
- Retention Money MPRDCL	7,96,850		7,96,850	
- Prepaid expenses	1,25,06,639		1,25,24,496	
- Service Tax Input Credit Availed	16,79,769		-	
- Works Contract Tax Receivable	2,15,617	2,64,98,695	2,15,617	2,48,41,690
Total		2,64,98,695		2,48,41,690

Note 13: Other non-current assets

Particulars	As at March 31, 2014		As at March 31, 2013	
Other non-current assets				
- Interest accrued	2,134	2,134	4,24,719	4,24,719
Total		2,134		4,24,719



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 14: Trade receivables

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
Trade receivables outstanding for a period less than six months from the date they are due for payment				
Unsecured, considered good				
- Related party	8,19,509	8,19,509	-	-
Total		8,19,509		-

Note 15: Cash and cash equivalents

₹

Particulars	As at March 31, 2014		As at March 31, 2013	
(a) Cash and cash equivalents				
Cash on hand	25,60,210		321	
Balances with Banks in current accounts	14,66,82,349		26,78,65,707	
Balances with Banks in deposit accounts		14,92,42,559	15,11,38,160	41,90,04,188
(b) Other bank balances				
Bank balances / deposits held as margin money or as security against borrowings or under lien less than 12 months	10,000	10,000	10,000	10,000
Total		14,92,52,559		41,90,14,188

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.



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 16: Capital commitments

Other commitments pending to be executed :

₹				
Sr No	Name of party	Description	As at March 31, 2014	As at March 31, 2013
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	17,50,000	20,00,000

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

₹				
Sr No	Name of party	Description	As at March 31, 2014	As at March 31, 2013
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.160,170,113/- [previous year ended March 31, 2013 Rs. 319,089,880/-).	1,18,59,06,889	4,16,45,67,014



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 17: Revenue from operations

Particulars	For The Year ended March 31, 2014		For The Year ended March 31, 2013	
Income from services				
User Fees	24,99,32,074			
Licence fee	10,46,950	25,09,79,024		-
Total		25,09,79,024		-

Note 18: Other income

Particulars	For The Year ended March 31, 2014		For The Year ended March 31, 2013	
(a) Interest Income				
Interest on bank deposits	225			
Interest on short term deposit	4,04,846	4,05,071		
(b) Other non-operating income				
Income Tax Refund	26,609	26,609		
Total		4,31,680		-

Note 19: Operating expenses

Particulars	For The Year ended March 31, 2014		For The Year ended March 31, 2013	
Operation and maintenance expenses	17,73,25,076			
Electricity charges	1,84,11,635	19,57,36,711		
Total		19,57,36,711		-



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 20: Finance costs

Particulars	For The Year ended March 31, 2014		For The Year ended March 31, 2013	
Interest expenses				
Interest on loans for fixed period	25,64,66,397	25,64,66,397	-	-
Total		25,64,66,397		-

Note 21: Administrative and general expenses

Particulars	For The Year ended March 31, 2014		For The Year ended March 31, 2013	
Legal and consultation fees	8,24,164		3,37,491	
Travelling and conveyance	3,87,039		1,02,699	
Rates and taxes	8,210		3,020	
Bank commission	8,43,777		13,995	
Registration expenses			25,45,923	
Communication expenses	8,30,424			
Insurance	6,82,913		5,913	
Printing and stationery	3,250		1,044	
Directors' fees	3,59,552		2,40,000	
Auditors remuneration	7,44,226		7,37,091	
Miscellaneous expenses	4,64,842	51,48,397	1,20,722	41,07,898
Total		51,48,397		41,07,898

Auditors' Remuneration Includes:

Particulars			For The Year ended March 31, 2014	For The Year ended March 31, 2013
Sr. No.	Name of Party	Description		
1	Luthra & Luthra	Audit Fees	5,61,800	5,64,375
		Other Services	1,78,651	1,70,785
		Out of Pocket Expenses	3,775	1,931
		TOTAL	7,44,226	7,37,091



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 22: Earnings per equity share

Particulars	Unit	For The Year ended March 31, 2014	For The Year ended March 31, 2013
Profit available for Equity Shareholders	₹	(45,39,34,488)	(63,97,898)
Weighted number of Equity Shares outstanding	Numbers	9,59,68,327	7,63,26,179
Nominal Value of equity shares	₹	10.00	10.00
Basic Earnings per share	₹	(4.73)	(0.08)
Equity shares used to compute diluted earnings per share	Numbers	9,59,68,327	7,63,26,179
Diluted Earnings per share	₹	(4.73)	(0.08)

*Share Application money is anti diluted hence ignored

Note 23: Employee Benefit (AS-15)

(i) Employee benefit obligations:

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

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

Particulars	As at March 31, 2014	As at March 31, 2013
Present value of commitment		
Fair value of plans	21,898	27,078
Unrecognised past service cost	-	-
Payable / (Prepaid) amount taken to the balance sheet	21,898	27,078

Defined benefit commitments:

Gratuity	As at March 31, 2014	As at March 31, 2013
Opening balance	27,078	10,906
Interest cost		927
	2,234	
Current service cost	13,517	10,886
Benefits paid		-
Actuarial (gain) / loss	(20,931)	4,359
Transferred from / to other company		-
Closing balance	21,898	27,078

Expenses on defined benefit plan recognised in the Profit and Loss:

Gratuity	As at March 31, 2014	As at March 31, 2013
Current service cost	13,517	10,886
Interest expenses	2,234	927
Expected return on investments		
Net actuarial (gain) / loss	(20,931)	4,359
Expenses charged to Consolidated Statement of Profit	(5,180)	16,172

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

Particular	As at March 31, 2014	As at March 31, 2013
Rate for discounting liabilities	8.25%	8.25%
Expected salary increase rate	6.50%	7.00%
Attrition Rate	2.00%	2.00%
Mortality table used	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 24: 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	IL&FS Transportation Networks Limited	ITNL
Fellow Subsidiaries	IL&FS Trust Company Limited	ITCL
	IL&FS Financial Services Limited	IFIN
	Elsamex India Pvt. Ltd.	EIPL
	Elsamex Maintenance Services Ltd.	EMSL
	IL&FS Securities Services Limited	ISSL
Mr. Kazim Raza Khan	Key Management Personnel	Managing Director
Enterprises having Significant Influence over the Company	Spanco Limited	SPANCO

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

Account head	Name of Entity	As at March 31, 2014	As at March 31, 2013
Balances:			
Share Capital	ITNL	48,94,38,270	48,94,38,270
Advance towards share application money	ITNL	53,05,61,730	53,05,61,730
Mobilisation Advance Recoverable	ITNL	16,01,70,113	31,90,89,880
Sundry Creditors	ITNL	1,91,34,72,618	1,35,05,99,265
Unsecured Loan - Sub Debt (Taken)	ITNL	1,14,50,00,000	48,50,00,000
Interest Accrued but and due	ITNL	6,36,56,927	1,59,53,177
Share Capital	SPANCO	47,02,44,800	47,02,44,800
Mobilisation Advance Recoverable	SPANCO	5,15,00,000	5,00,00,000
Sundry Creditors	SPANCO	61,42,52,577	61,42,52,577
Sundry Creditors	IFIN	488	-
Sundry Creditors	EMSL	2,93,53,227	34,76,982
Sundry Debtors	EIPL	8,19,509	-
Account head	Name of Entity	For The Year ended March 31, 2014	For The Year ended March 31, 2013
Transactions:			
Development Cost	ITNL	2,62,21,75,693	2,11,33,07,595
Interest On Loan	ITNL	11,78,55,915	7,02,38,630
Unsecured Loan - Sub Debt (Taken)	ITNL	66,00,00,000	-
Security Trustees	ITCL	2,80,900	2,80,900
Operation & Maintenance	EIPL	11,92,20,132	35,47,941
Operation & Maintenance	EMSL	5,76,02,394	-
Licencee Fee Income	EIPL	10,46,950	-
Legal & Professional Fee	ISSL	22,972	-
Director's Fees	Harish Mathur	80,000	80,000
Director's Fees	Krishna Ghag	80,000	80,000
Director's Fees	Ravi Sreehari	20,000	50,000
Director's Fees	Manish Agarwal	20,000	30,000
Director's Fees	S. C. Mittal	30,000	-
Director's Fees	Vinaykumar Tripathi	10,000	-
Director's Fees	Vijay Kini	50,000	-
Director's Fees	Managing Director	30,000	-



MP BORDER CHECKPOST DEVELOPMENT COMPANY LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2014

Note 25:
Deferred Tax:

Particulars	As at March 31, 2013	Movement	As at March 31, 2014
Liabilities:			
Timing differences in respect of depreciation	-	(15,42,92,332)	-
Assets:			
Timing differences in respect of unabsorbed losses #	-	15,42,92,332	-
Net deferred tax liability	-	-	-

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

Note 26:

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

Note 27:

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 28:

Additional information pursuant to Part II of Revised Schedule VI of the Companies Act, 1956 have been given to the extent applicable

Note 29:

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 30: Previous year

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

In terms of our report attached.

For LUTHRA & LUTHRA

Chartered Accountants

Firm Registration No. 002081N



Amit Luthra
Partner

Membership Number : 85847

For and on behalf of the Board

Director

Director

Place: Mumbai

Date : April 22, 2014