



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
MEP HYDERABAD BANGALORE TOLL ROAD  
PRIVATE LIMITED

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **MEP HYDERABAD BANGALORE TOLL ROAD PRIVATE LIMITED** ('the Company'), which comprise the Balance sheet as at 31<sup>st</sup> March 2018, the statement of Profit and loss, the Cash flow statement and the statement showing changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Relevant rules issued thereunder. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.





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

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 Standalone Ind AS Financial Statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31<sup>st</sup> March 2018, and its Loss (Financial Performance), its cash flows and the changes in equity for the year ended on that date.

### **Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143 (11) of the Companies Act 2013, we give in the Annexure A, statement on the matters specified in paragraph 3 & 4 of the order.

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

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





- b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c) The balance sheet, statement of profit and loss, and cash flow statement and statement of changes in equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters 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 :
- The company has pending litigations which would have impact on financial position in its Standalone Ind AS Financial Statements – Refer Note 33 to the Standalone Ind AS Financial Statements.
  - The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - There were no amounts which required to be transferred to the Investor Education and Protection Fund by the company.

**For Gokhale & Sathe**  
**Chartered Accountants**  
**Firm Reg. No.: 103264W**



**CA Atul A Kale**  
**Partner**  
**Membership No.109947**  
**Place: Mumbai**  
**Date: 11<sup>th</sup> May 2018**





MEP HYDERABAD BANGALORE TOLL ROAD PRIVATE LIMITED  
FINANCIAL YEAR ENDED MARCH 31, 2018  
ANNEXURE A

In the Annexure, as required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of Section 143 (11) of the Companies Act 2013, on the basis of checks, as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order,

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets for the year.
- b) The Company has regular program of physical verification of fixed assets by which all fixed assets are verified over a period of two years. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and nature of the assets . Pursuant to the programme, certain fixed assets were physically verified during this year.
- c) The company does not hold any immovable property and hence reporting in regards to title deeds is not applicable.
- ii) The Company is engaged in toll collection. Thus, it does not hold any physical inventories Therefore, provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to Company.
- iii) During the year the Company has not granted any unsecured loan to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, provision of clause of Companies (Auditor's Report) Order, 2016 is not applicable to Company.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act, are applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act and rules framed. Accordingly paragraph 3(v) of the Order is not applicable to the Company.





- vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the act, and are of the opinion that, prima-facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of records.
- vii) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including the Provident Fund, Employees state insurance, Income Tax, sales tax, wealth tax, service tax, duty of excise, Value added Tax, Goods and Service Tax, cess and any other statutory dues applicable to it.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Goods and Service Tax, cess which have not been deposited on account of any dispute.
- viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues for loan taken from a bank, financial institution or debenture holders.
- ix) The Company has not raised any money by way of Initial Public Offer or further public offer (including debt instruments). The terms loans are applied for the purpose for which they are obtained.
- x) According to the information and explanation given to us, no fraud by the Company or on the Company by its officers and employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration and hence provision of clause 3(xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company
- xii) 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.
- xiii) According to the information and explanation 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





- xiv) In the Standalone Ind AS Financial statements as required by the applicable Indian Accounting Standards.
- xv) According to the information and explanation given 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. Accordingly paragraph 3(xiv) of the Order is not applicable to the Company.
- xvi) According to the information and explanation given to us, 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.
- xvii) According to the information and explanation given to us, the Company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934. Accordingly paragraph 3(xvi) of the Order is not applicable to the Company.

**For Gokhale & Sathe**  
**Chartered Accountants**  
**Firm Reg. No.: 103264W**

**CA Atul A Kale**  
**Partner**  
**Membership No.109947**  
**Place: Mumbai**  
**Date: 11<sup>th</sup> May 2018**





**ANNEXURE B**

**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 MEP HYDERABAD BANGALORE TOLL ROAD PRIVATE LIMITED (“the Company”) as of March 31<sup>st</sup>, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS 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 March 31<sup>st</sup>, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Gokhale & Sathe**  
**Chartered Accountants**  
**Firm Reg. No.: 103264W**

  
**CA Atul A Kale**

**Partner**

**Membership No.109947**

**Place: Mumbai**

**Date: 11<sup>th</sup> May 2018**





# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

Balance Sheet as at 31st March, 2018

	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, Plant and Equipment	3	1,596.41	1,149.53
Capital work-in-progress		-	467.07
Other Intangible assets	4	43,015.68	50,454.09
<b>Financial Assets</b>			
i. Loans	5	1.41	5.91
Deferred tax assets (net)	6(i)	6,954.73	6,720.10
Income tax assets		852.09	796.25
Other non current assets	8	2,044.85	4,740.59
<b>Total non current assets</b>		<b>54,465.17</b>	<b>64,333.54</b>
<b>Current assets</b>			
<b>Financial Assets</b>			
i. Cash and cash equivalents	9	689.74	229.45
ii. Bank balances other than (i) above	10	273.25	550.81
iii Loans	11	0.46	0.60
iv Other financial assets	12	3,953.85	3,593.96
Other current assets	13	318.85	1,886.52
<b>Total current assets</b>		<b>5,236.15</b>	<b>6,261.34</b>
<b>Total Assets</b>		<b>59,701.32</b>	<b>70,594.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	3,507.50	3,507.50
Other Equity	15	(16,918.44)	(16,134.38)
<b>Total Equity</b>		<b>(13,410.94)</b>	<b>(12,626.88)</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
i Borrowings	16	15.68	55.73
ii Trade payables	17	42,649.43	50,293.93
Provisions	18	29.41	33.34
<b>Total non current liabilities</b>		<b>42,694.52</b>	<b>50,383.00</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i Borrowings	19	587.39	2,327.49
ii Trade payables	20	23,604.83	22,554.04
iii Other financial liabilities	21	127.79	1,299.66
Provisions	18	6,088.05	6,639.63
Other current liabilities	22	9.68	17.94
<b>Total current liabilities</b>		<b>30,417.74</b>	<b>32,838.76</b>
<b>Total liabilities</b>		<b>73,112.26</b>	<b>83,221.75</b>
<b>Total Equity and Liabilities</b>		<b>59,701.32</b>	<b>70,594.88</b>

Significant Accounting Policies

The accompanying Notes are an integral part of financial statements

As per our report of even date attached.

For Gokhale & Sathe  
Chartered Accountants  
Firm's Registration No: 103264W



CA. Atul Kale  
Partner  
Membership No: 109947



Place: Mumbai  
Date: 11 May 2018

For and on behalf of the Board of Directors of  
MEP Hyderabad Bangalore Toll Road Private Limited  
CIN : U45203MH2012PTC238390

   
Raja Mukherjee      Amit Mokashi  
Director                      Director  
DIN: 0007008101      DIN: 0007489082

Place: Mumbai  
Date: 11 May 2018

# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Profit and Loss for the year ended 31st March, 2018

	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Income</b>			
I Revenue from operations	23	17,376.24	16,058.17
II Other income	24	1,548.83	800.94
<b>III Total Income ( I + II)</b>		<b>18,925.07</b>	<b>16,859.11</b>
<b>IV Expenses</b>			
Operating and maintenance expenses	25	1,986.39	3,001.66
Employee Benefits Expenses	26	623.33	610.87
Depreciation and amortisation expense	3 & 4	7,683.27	6,647.14
Finance costs	28	9,481.07	10,823.92
Other expenses	27	174.86	169.53
<b>Total Expenses (IV)</b>		<b>19,948.92</b>	<b>21,253.12</b>
<b>V Profit before tax (III-IV)</b>		<b>(1,023.85)</b>	<b>(4,394.01)</b>
<b>VI Income Tax expense</b>			
Current tax		-	0.13
Deferred tax		(236.23)	(1,375.33)
<b>Total tax expense</b>		<b>(236.23)</b>	<b>(1,375.20)</b>
<b>VII Profit from continuing operations (V-VI)</b>		<b>(787.62)</b>	<b>(3,018.81)</b>
<b>VIII Other Comprehensive Income/(loss) from continued operations</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligations		5.16	(6.73)
(ii) Income tax relating to above items that will not be reclassified to profit or loss		(1.60)	2.08
<b>Other Comprehensive Income/(loss) from continued operations (Net of tax)</b>		<b>3.56</b>	<b>(4.65)</b>
<b>Total Comprehensive Income/(loss) from continued operations</b>		<b>(784.06)</b>	<b>(3,023.46)</b>
<b>IX (VII+VIII) (Comprising Profit and Other Comprehensive Income for the year)</b>		<b>(784.06)</b>	<b>(3,023.46)</b>
<b>Basic and diluted earnings per share (Rs.)</b>	31	<b>(5.22)</b>	<b>(20.03)</b>

Significant Accounting Policies

1-2

The accompanying Notes are an integral part of financial statements

3-36

As per our report of even date attached.

For Gokhale & Sathe  
Chartered Accountants  
Firm's Registration No: 103264W

For and on behalf of the Board of Directors of  
MEP Hyderabad Bangalore Toll Road Private Limited  
CIN : U45203MH2012PTC238390



CA. Atul Kale  
Partner  
Membership No: 109947





Raja Mukherjee  
Director  
DIN: 0007008101



Amit Mokashi  
Director  
DIN: 0007489082

Place: Mumbai  
Date: 11 May 2018

Place: Mumbai  
Date: 11 May 2018

# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Cash Flow Statement for the year ended 31st March, 2018

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
(Loss)/Profit before tax	(1,023.85)	(4,394.01)
<b>Adjustments for:</b>		
Depreciation and amortisation	7,683.27	6,647.14
Finance costs	9,481.07	10,823.92
Interest income	(424.30)	(800.94)
Remeasurement of net defined benefit obligations	5.16	(6.73)
Liabilities no longer required write back	(1,124.53)	-
<b>Operating profit before working capital changes</b>	<b>14,596.82</b>	<b>12,269.38</b>
<b>Adjustments for changes in working capital:</b>		
(Increase)/Decrease/in non current financial assets - loans	4.50	-
(Increase)/Decrease in other non-current assets	2,695.74	7.49
(Increase)/Decrease in current financial assets - loans	0.14	0.38
(Increase)/Decrease in current financial assets - others	(9.02)	(997.79)
(Increase)/Decrease in other current assets	1,567.67	139.82
Increase/(Decrease) in trade payables	(6,593.68)	70.57
Increase/(Decrease) in other current liabilities	(9,224.15)	(9,925.84)
Increase/(Decrease) in provisions	450.97	1,726.72
Increase/(Decrease) in other current financial liabilities	(135.93)	(124.51)
<b>Cash generated from operations</b>	<b>3,353.06</b>	<b>3,166.22</b>
Income tax paid	(55.84)	(357.14)
<b>Net cash from operating activities</b>	<b>3,297.22</b>	<b>2,809.08</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets including capital advances	(224.72)	(143.25)
Investment of fixed deposits	(15.75)	(326.03)
Redemption of fixed deposits	293.33	273.25
Interest Received	73.42	84.33
<b>Net cash (used in) investing activities</b>	<b>126.28</b>	<b>(111.70)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Finance cost paid	(362.21)	(1,105.71)
Proceeds from borrowings	755.20	2,327.49
Repayment of borrowings	(3,356.21)	(3,774.34)
<b>Net cash generated from/(used in) financing activities</b>	<b>(2,963.21)</b>	<b>(2,552.56)</b>
Net Increase/(Decrease) in cash and cash equivalents	460.29	144.82
Cash and cash equivalents as at the beginning of the year	229.45	84.63
<b>Cash and cash equivalents as at the end of the year</b>	<b>689.74</b>	<b>229.45</b>
<b>Cash and cash equivalents includes:</b>		
Cash on hand	373.68	133.68
Bank balances		
In current accounts	316.06	95.77
	<b>689.74</b>	<b>229.45</b>

### Change in liability arising from financing activities

Particulars	01 April 2017	Cashflows	Fairvalue changes/other	31 March 2018
Borrowing - Non Current (Refer Note - 13, 15 & 17)	3,241.74	(2,601.01)	2.64	643.38
	<b>3,241.74</b>	<b>(2,601.01)</b>	<b>2.64</b>	<b>643.38</b>

1. The above cash flow statement has been prepared under the indirect method as set out in Indian Accounting standard 7 Cash Flow Statement notified under section 133 of the Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

2. Figures in bracket indicate cash outflow

The notes referred to above form an integral part of these financial statements

As per our report of even date attached.

For Gokhale & Sathe

Chartered Accountants

Firm's Registration No: 103264W



CA. Atul Kale

Partner

Membership No: 109947

Place: Mumbai

Date: 11 May 2018



For and on behalf of the Board of Directors of  
MEP Hyderabad Bangalore Toll Road Private Limited  
CIN : U45203MH2012PTC238390



Raja Mukherjee  
Director

DIN: 0007008101

Place: Mumbai

Date: 11 May 2018



Amit Mokashi  
Director

DIN: 0007489082

# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Statement of Changes in Equity

### A. Equity Share Capital

Particulars	Balance as at March 31, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
Equity Share Capital	3,507.50	-	3,507.50

### B. Other Equity

Particulars	Reserves and Surplus	
	Retained earnings	Total
Balance at March 31, 2017	(16,134.39)	(16,134.39)
Add:		
Profit for the year	(787.62)	(787.62)
Other comprehensive income	3.56	3.56
<b>Balance at March 31, 2018</b>	<b>(16,918.45)</b>	<b>(16,918.44)</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For Gokhale & Sathe  
Chartered Accountants  
Firm's Registration No: 103264W



*Atul Kale*

CA. Atul Kale  
Partner  
Membership No: 109947

Place: Mumbai  
Date: 11 May 2018

For and on behalf of the Board of Directors of  
MEP Hyderabad Bangalore Toll Road Private Limited  
CIN : U45203MH2012PTC238390

*Raja Mukherjee*

Raja Mukherjee  
Director  
DIN: 0007008101

Place: Mumbai  
Date: 11 May 2018

*Amit Mokashi*

Amit Mokashi  
Director  
DIN: 0007489082

# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### 1 Corporate information

MEP Hyderabad Bangalore Toll Road Private Limited ('MEPHBTRPL') ('the Company') was incorporated on 30 November 2012 under the Companies Act, 1956 ('the Act') with Corporate Identity Number (CIN) U45203MH2012PTC238390. The Company has been awarded the toll collection rights along with operation and maintenance at Hyderabad Bangalore Section from km. 211,000 to km. 462,164 of National Highway - 7 in the state of Andhra Pradesh for a period of 9 years on operate, maintain and transfer basis w.e.f 16th May 2013 by 'NHAI'. The Company is a subsidiary of MEP Infrastructure Developers Limited ('the Holding Company'),

### 2 Statement of Significant Accounting Policies

#### 2.1 Basis of preparation

These financial statements of the Company for the year ended March 31, 2018 along with comparative financial information for the year March 31, 2017 have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the

#### Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value;
- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value

#### Current non-current classification

All assets and liabilities have been classified as current or noncurrent as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

#### 2.2 Functional and presentation currency

These financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless

#### 2.3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (standalone) balance sheet and (standalone) statement of profit and loss. The actual amounts realised may differ from these estimates.

##### a) Property, plant and equipment :

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on 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, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses,

##### b) Recognition and measurement of defined benefit obligations :

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligation.

##### c) Recognition of deferred tax assets :

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management is reasonably certain that taxable profits will be available to absorb carried forward losses while

##### d) Recognition and measurement of other provisions :

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

##### e) Discounting of long-term financial instruments :

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to subsequently measured at amortised cost, interest is accrued using the effective interest method.

#### 2.4 Measurement of fair values

The company's accounting policies and disclosures require the measurement of fair values for financial instruments. When measuring the fair value of a financial asset or a financial liability, fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The company recognises transfers due to change between levels of the fair value hierarchy at the end of the reporting period.



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Statement of Significant Accounting Policies (Continued)

#### 2.5 Significant accounting policies

##### i) Property, Plant and Equipment

###### a) **Recognition and measurement**

Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

###### b) **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

###### c) **Depreciation / amortization**

Depreciation is provided on a pro-rata basis on the written down value method over the estimated useful life of the assets. Depreciation on addition/deletion of fixed assets during the year is provided on pro-rata basis from / to the date of addition/deletion. Fixed assets costing up to ₹ 5,000 individually are fully depreciated in the year of purchase.

###### d) **Impairment of fixed assets**

The carrying values of assets at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the asset's fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent that the carrying amount after such reversal does not exceed the carrying amount that would have been determined had there been no impairment. In case of revalued assets such reversal is not recognized.

##### ii) Intangible assets

Toll Collection Rights

###### **Recognition and Measurement**

Toll collection rights are stated at cost, less accumulated amortisation and impairment losses. Cost includes: Contractual Upfront / monthly /fortnightly payments

###### **Amortisation**

Intangible assets i.e. toll collection rights are amortised over the tenure of the respective toll collection contract.

##### iii) **Borrowing Cost**

Borrowing costs are interest and other costs related to borrowing that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary borrowing costs are amortised over

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as a part of cost of such assets till the time the asset is ready for its intended use. A qualifying assets is the one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recorded as an expense in the year in which they are incurred. Ancillary borrowing costs are amortised over the tenure of the loan.

##### iv) **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **A Financial Assets**

##### **Classification**

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Statement of Significant Accounting Policies (Continued)

#### Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity or equity instrument of another entity. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in statement of profit and loss.

#### Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

#### Debt instruments at FVOCI

A 'debt instrument' is measured at the Fair value through other comprehensive income(FVOCI) if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For assets classified as subsequently measured at FVOCI, interest revenue, expected credit losses, and foreign exchange gains or losses are recognised in profit or loss. Other gains and losses on remeasurement to fair value are recognised in Other Comprehensive Income. On derecognition, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to profit or loss.

#### Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

#### Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Further, the Company has elected the policy to account to continue the carrying value for its investments in subsidiaries and associates as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP as at the date of transition (April 1, 2015) as per the exemption available under Ind AS 101. Also, in accordance with Ind AS 27 Company has elected the policy to account investments in subsidiaries and associates at cost.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive CASH flows from The asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Statement of Significant Accounting Policies (Continued)

#### Impairment of financial assets

Financial assets of the company comprise of trade receivable and other receivables consisting of debt instruments e.g., loans, debt securities, deposits, and bank balance. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment loss for trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in profit or loss for the period.

#### B Financial liabilities

Financial instruments with a contractual obligation to deliver cash or another financial assets is recognised as financial liability by the company.

#### Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

#### Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. The Effective Interest Rate amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### v) Trade Receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

#### vi) Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

#### vii) Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements. Contingent assets are not recognized in the financial statements

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

#### viii) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and no significant uncertainty as to the measurability and collectability exists.

#### Toll collection

Revenue from toll collection is recognised on actual collections of toll and in case of contractual terms with certain customers the same is recognised on an accrual

#### Other income

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective rate of interest.

#### Retirement and other employee benefits

##### a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can

##### b) Post Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund and Employees State Insurance





# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Statement of Significant Accounting Policies (Continued)

#### Defined contribution plans

The company's contribution to defined contributions plans such as Prvident Fund, Employee State Insurance and Maharashtra Labour Welfare Fund are recognised in the consolidated Statement of Profit and Loss in the year when the contributions to the respective funds are due. There are no other obligations other than the

#### Defined benefit plans

Gratuity liability is defined benefit obligation. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary, using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit parately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method

Actuarial gains/losses are recognized in the other comprehensive income.

#### ix) Income taxes

Tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used

Deferred tax assets and liabilities are offset only if:

- the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity

Deferred tax asset / liabilities in respect of on temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised. The tax effect is calculated on the accumulated timing differences at the year-end based on the tax rates and laws enacted or substantially enacted on the balance sheet date.

Minimum alternate tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

#### x) Earnings Per Share

##### a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

##### b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Statement of Significant Accounting Policies (Continued)

#### xi) Recent Accounting Pronouncements

##### Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS-115 – Revenue from Contract with Customers and certain amendment to existing Ind As. These amendments shall be applicable to the company from April 01, 2018.

##### a) Issue of Ind AS 115- Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance

##### b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards :

- i) IND AS 21- The Effects of Changes in Foreign Exchange Rates
- ii) IND AS 40 – Investment Property
- iii) IND AS 12 – Income Taxes
- iv) Ind AS 28 – Investments in Associates and Joint ventures and
- v) Ind AS 112 – Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 3 - Property, Plant and Equipment

As at March 31, 2018

	Gross Block ( At Cost)			Accumulated Depreciation			Net Block		
	As at April 1, 2017	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2017
<b>Tangible Assets:</b>									
Office equipment	7.79	0.47	-	8.26	5.09	1.24	-	1.92	2.70
Toll equipments	466.72	190.94	-	657.66	131.17	90.89	-	435.60	335.55
Vehicles	61.26	6.66	-	67.91	37.58	9.51	-	20.82	23.68
Computer system	26.61	4.38	-	30.99	21.83	4.85	-	4.31	4.78
Furniture and fixtures	2.86	-	-	2.86	1.93	0.27	-	0.66	0.93
Admin Building	74.61	489.34	-	563.95	3.93	9.38	-	550.64	70.68
Toll Plaza	868.79	-	-	868.79	157.60	128.72	-	582.46	711.19
<b>Total</b>	<b>1,508.66</b>	<b>691.79</b>	<b>-</b>	<b>2,200.45</b>	<b>359.13</b>	<b>244.86</b>	<b>-</b>	<b>1,596.41</b>	<b>1,149.53</b>
<b>Capital work-in-progress</b>	<b>467.07</b>	<b>190.33</b>	<b>657.39</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>467.07</b>

As at March 31, 2017

	Gross Block ( At Cost)			Accumulated Depreciation			Net Block		
	As at April 1, 2016	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2017	As at April 1, 2016	Charge for the year	Deductions/ Adjustments	As at March 31, 2017	As at March 31, 2016
<b>Tangible Assets:</b>									
Office equipment	7.79	-	-	7.79	2.74	2.35	-	2.70	5.05
Toll equipments	458.20	8.52	-	466.72	55.14	76.03	-	335.55	403.06
Vehicles	58.07	3.19	-	61.26	23.52	14.06	-	23.68	34.55
Computer system	24.76	1.85	-	26.61	15.35	6.48	-	4.78	9.41
Furniture and fixtures	2.86	-	-	2.86	0.56	1.37	-	0.93	2.30
Admin Building	74.61	-	-	74.61	0.31	3.62	-	70.68	74.30
Toll Plaza	868.79	-	-	868.79	0.43	157.17	-	711.19	868.36
<b>Total</b>	<b>1,495.10</b>	<b>13.56</b>	<b>-</b>	<b>1,508.66</b>	<b>98.05</b>	<b>261.08</b>	<b>-</b>	<b>1,149.53</b>	<b>1,397.06</b>
<b>Capital work-in-progress</b>	<b>337.38</b>	<b>129.69</b>	<b>-</b>	<b>467.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>467.07</b>	<b>337.38</b>



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 4

#### Intangible assets - As at March 31, 2018

	Gross Block ( At Cost)				Accumulated Amortization		Net Block	
	As at April 1, 2017	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2018	Charge for the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2017
<b>Intangible Assets:</b>								
Toll Collection Rights	62,886.57	-	-	62,886.57	7,438.41		19,870.89	50,454.09
<b>Total</b>	<b>62,886.57</b>	<b>-</b>	<b>-</b>	<b>62,886.57</b>	<b>7,438.41</b>	<b>-</b>	<b>19,870.89</b>	<b>50,454.09</b>

#### Intangible assets - As at March 31, 2017

	Gross Block ( At Cost)				Accumulated Amortization		Net Block	
	As at April 1, 2016	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2017	Charge for the year	Deductions/ Adjustments	As at March 31, 2017	As at March 31, 2016
<b>Intangible Assets:</b>								
Toll Collection Rights	62,886.57	-	-	62,886.57	6,386.06		12,432.47	56,840.15
<b>Total</b>	<b>62,886.57</b>	<b>-</b>	<b>-</b>	<b>62,886.57</b>	<b>6,386.06</b>	<b>-</b>	<b>12,432.47</b>	<b>56,840.15</b>



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 5

#### Non Current Financial Assets-Loans

(Unsecured, considered good unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Loans and advances to subsidiary companies	-	4.50
Security deposits		
To others	1.41	1.41
<b>Total</b>	<b>1.41</b>	<b>5.91</b>



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 6

#### Taxation

##### i. Amounts recognised in profit or loss

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Current tax</b>		
Current year	-	0.13
<b>Total current tax</b>	-	0.13
<b>Deferred tax</b>		
Deferred tax on origination and reversal of temporary differences	(236.23)	(1,375.33)
<b>Total deferred tax</b>	(236.23)	(1,375.33)
<b>Total Income tax (income) / expense</b>	(236.23)	(1,375.20)

##### ii. Income Tax in Other Comprehensive income

Remeasurement of defined benefit obligations	5.16	(6.73)
Tax expenses	(1.60)	2.08
<b>Net of tax</b>	<b>3.57</b>	<b>(4.65)</b>

##### iii. Reconciliation of effective tax

The table below explains the differences between the expected tax expense, at the Indian statutory tax rate of 30.90% (2017: 30.90%) payable by corporate entities in India on taxable profits under tax laws in India, and the Company's total tax expense for the year.

<b>Loss before tax as per Statement of Profit and loss</b>	<b>(1,023.85)</b>	<b>(4,394.01)</b>
<b>Tax using the domestic tax rate of company</b>	-	-
<b>Tax effects of:</b>		
Incremental DTA/DTL on financial assets and other items	172.06	638.25
Incremental DTA/DTL on PPE and Intangible assets	(408.29)	736.95
Others	-	-
<b>Income tax expense</b>	<b>(236.23)</b>	<b>1,375.20</b>
<b>Effective Tax Rate</b>	<b>23.07%</b>	<b>-31.30%</b>



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 7

#### Movement in deferred tax balances

	As at March 31, 2017	Recognised in profit or loss	Recognised in OCI	As at March 31, 2018
<b>Deferred tax assets</b>				
Carry forward business loss and unabsorbed depreciation	-	-	-	-
Provision for employee benefits	6.67	(10.24)	3.57	0.00
Intangible asset	4,807.56	408.29	-	5,215.85
Provision for resurfacing	2,093.84	(174.47)	-	1,919.37
Borrowing EIR	(7.48)	7.48	-	(0.00)
Change in deferred tax rate	(180.49)	-	-	(180.49)
<b>Total deferred tax assets</b>	<b>6,720.10</b>	<b>236.23</b>	<b>3.57</b>	<b>6,954.73</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered. Any changes in future taxable income would impact the recoverability of deferred tax assets.



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 8

#### Other non current assets

	As at March 31, 2018	As at March 31, 2017
Capital advances	7.50	11.09
Mobilisation advance (refer note 35)	2,037.13	4,729.29
Balance with statutory authorities	0.22	0.21
<b>Total</b>	<b>2,044.85</b>	<b>4,740.59</b>

### Note 9

#### Current Financial Assets - Bank Balances

Bank balances		
In current accounts	316.06	95.77
Cash on hand	373.68	133.68
	<b>689.74</b>	<b>229.45</b>

### Note 10

#### Current Financial Assets-Cash and cash equivalents

Bank deposits with maturity from 3-12 months	273.25	550.82
	<b>273.25</b>	<b>550.81</b>

### Note 11

#### Current Financial Assets-Loans

(Unsecured, considered good unless otherwise stated)

Loan to employees	0.46	0.60
<b>Total</b>	<b>0.46</b>	<b>0.60</b>

### Note 12

#### Current Financial Assets-Others

(Unsecured, considered good unless otherwise stated)

Receivables from :-

Related parties (refer note 35)	6.18	1.24
Interest accrued on Fixed deposits with banks	0.25	21.99
Interest accrued on loan to related party - (refer note 35)	2,082.91	1,710.30
Claim receivable [refer note 12 (a) & (b)]	1,858.76	1,858.76
Other receivables from other than related parties	5.75	1.66
<b>Total</b>	<b>3,953.85</b>	<b>3,593.96</b>

**Note 12 (a)** - The company has recognised claim of Rs 795.50 lakh (March 31, 2017 : Rs.795.50 Lakh) receivable from National Highway Authority of India (herein after referred as "NHAI") towards "force Majeure" clause of Article 26 of the concession agreement between the Company and NHAI mainly on account of Seemandhra/Telangana agitation.

**Note 12 (b)** - The company has recognised claim of Rs.1,063.26 lakh (March 31, 2017 : Rs. 1,063.26 lakh) receivable from National Highway Authority of India (herein after referred as "NHAI") towards suspension of Toll collection on all tolls for the period 09.11.2016 (17.30 hrs) to 02.12.2016 (24.00 hrs).

### Note 13

#### Other current assets

Advance to suppliers	6.42	5.86
Prepaid expenses	22.18	9.01
Mobilisation advance (refer note 35)	290.25	1,871.65
<b>Total</b>	<b>318.85</b>	<b>1,886.52</b>





# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 14

#### Equity Share Capital

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>[a] Authorised share capital</b>		
1,70,00,000 (March 31, 2016 : 1,70,00,000 : April 1, 2015 : 1,20,00,000) equity shares of Rs. 10 each	1,700.00	1,700.00
2,30,00,000 (March 31, 2016 : 2,30,00,000 : April 1, 2015 : 2,30,00,000) 12% Non-Cumulative , Non- Participating, Redeemable preference shares of Rs. 10 each	2,300.00	2,300.00
	<u>4,000.00</u>	<u>4,000.00</u>
<b>[b] Issued</b>		
1,50,07,500 (March 31, 2016 : 1,50,07,500 : April 1, 2015 : 1,00,000) Equity shares of Rs. 10 each fully paid	1,507.50	1,507.50
2,00,00,000 (March 31, 2016 : 2,00,00,000 : April 1, 2015 : 2,00,00,000) 12% Non-Cumulative , Non- Participating, Redeemable preference shares of Rs. 10 each	2,000.00	2,000.00
	<u>3,507.50</u>	<u>3,507.50</u>
<b>[c] Subscribed and paid up</b>		
1,50,07,500 (March 31, 2016 : 1,50,07,500 : April 1, 2015 : 1,00,000) Equity shares of Rs. 10 each fully paid	1,507.50	1,507.50
2,00,00,000 (March 31, 2016 : 2,00,00,000 : April 1, 2015 : 2,00,00,000) 12% Non-Cumulative , Non- Participating, Redeemable preference shares of Rs. 10 each	2,000.00	2,000.00
	<u>3,507.50</u>	<u>3,507.50</u>

#### [d] Reconciliation of Equity shares outstanding at the beginning and at the end of the year :

	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity :</b>				
Shares outstanding at the beginning of the year	15,075,000	1,507.50	15,075,000	1,507.50
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>15,075,000</u>	<u>1,507.50</u>	<u>15,075,000</u>	<u>1,507.50</u>

#### [e] Reconciliation of Preference shares outstanding at the beginning and at the end of the year :

	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
<b>Equity :</b>				
Shares outstanding at the beginning of the year	20,000,000	2,000.00	20,000,000	2,000.00
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>20,000,000</u>	<u>2,000.00</u>	<u>20,000,000</u>	<u>2,000.00</u>

#### [f] Rights, preferences and restrictions attached to equity shares :

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

#### [g] Shares held by its holding company / ultimate holding company:

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Amount	Number of Shares	Amount
MEP Infrastructure Developers Limited (Holding Company)	15,074,890	1,507.48	15,074,890	1,507.48
	<u>15,074,890</u>	<u>1,507.48</u>	<u>15,074,890</u>	<u>1,507.48</u>

#### [h] Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of Shares	Percentage	Number of Shares	Percentage
<b>Equity shares of Rs 10 each fully paid held by:</b>				
MEP Infrastructure Developers Limited (Holding Company)	15,074,890	98.90%	15,074,890	98.90%



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 15

#### Retained earnings

	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	(16,134.38)	(13,110.92)
Add : Loss for the year	(787.62)	(3,018.81)
Other comprehensive income	3.56	(4.65)
<b>Balance as at the end of the year</b>	<b>(16,918.44)</b>	<b>(16,134.38)</b>



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 16

#### Non-Current Financial Liability-Borrowings

	As at March 31, 2018	As at March 31, 2017
<b>Secured</b>		
Commercial equipment loan from banks	15.68	55.73
<b>Total</b>	<u>15.68</u>	<u>55.73</u>

\*Refer note 21 for current maturities for Non-current Borrowings.

\*Refer note 30 for Liquidity Risk.

#### Commercial equipment loan

The loan amount of Rs.56.05 Lakhs (March 31,2017 : Rs 128.26 lakhs) are from bank is secured ;

- i) First charge in favour of the Bank by way of Hypothecation of respective commercial equipments of the Company.
- ii) Personal Guarantee given by Mr. Jayant Mhaiskar, director of the Company.
- iii) The loan carries an interest rate of 11.50% p.a.
- iv) The loans are repayable in 59 monthly instalments along with interest, from the date of disbursement.
- v) The loan is also co-borrowed by the holding company.

### Note 17

#### Non-Current Financial Liability-Trade payables (Refer note 20)

	As at March 31, 2018	As at March 31, 2017
Trade payables		
- dues to micro enterprises and small enterprises	-	-
- Others	42,649.43	50,293.93
<b>Total</b>	<u>42,649.43</u>	<u>50,293.93</u>

### Note 18

#### Provisions

	As at March 31, 2018	As at March 31, 2017
<b>Non-Current Liability - Provisions</b>		
Employee benefits		
Gratuity (Refer note 36)	29.41	33.34
Provision for re-surfacing	-	-
<b>(A)</b>	<u>29.41</u>	<u>33.34</u>
<b>Current Liability - Provisions</b>		
Employee benefits		
Gratuity (Refer note 36)	19.64	6.58
Provision for re-surfacing	6,068.41	6,633.04
<b>(B)</b>	<u>6,088.05</u>	<u>6,639.63</u>
<b>Total (A)+(B)</b>	<u>6,117.46</u>	<u>6,672.96</u>



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 19

#### Current Financial Liability-Borrowings (Refer 24)

	As at March 31, 2018	As at March 31, 2017
<b>Unsecured Loans</b>		
- from associate company's	587.39	2,327.49
<b>Total</b>	<u>587.39</u>	<u>2,327.49</u>

#### Unsecured Loans :

Unsecured loan also included of Rs. 587.39 lakhs (March 31,2017 : Rs. 2,327.49 lakh) from Raima Toll and Infrastructure Pvt Ltd (Fellow Subsidiary) is repayable on demand.

### Note 20

#### Current Financial Liability-Trade payables

	As at March 31, 2018	As at March 31, 2017
Trade payables*		
- dues to micro enterprises and small enterprises**	-	-
- Others	23,604.83	22,554.04
<b>Total</b>	<u>23,604.83</u>	<u>22,554.04</u>

\* The carrying amount of trade payables as at reporting date fair value. Refer note 30 for liquidity risk.

#### \*\* Disclosure for Micro, Small and Medium Enterprises

On the basis of the information and records available with the management there are no dues payable to Micro, Small and Medium Enterprises as on 31st March, 2016 and 31st March, 2017. Further, disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are not applicable for both the above years.

### Note 21

#### Current Financial Liability-Others

	As at March 31, 2018	As at March 31, 2017
Employee benefit payable	59.12	48.24
Current maturities of long-term debt	40.31	858.52
Interest accrued but not due on borrowings	0.00	-
Interest accrued and due on borrowings (refer note 35)	2.23	219.97
Other liabilities - current	0.16	0.15
Other liabilities to related party (refer note 35)	11.43	165.64
Audit fees payable	0.86	0.20
Provision for expenses	13.68	6.95
<b>Total</b>	<u>127.79</u>	<u>1,299.66</u>

### Note 22

#### Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Statutory dues	9.68	17.94
<b>Total</b>	<u>9.68</u>	<u>17.94</u>



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 23

#### Revenue from operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Toll Collection	17,376.24	14,994.91
<b>Other operating revenue</b>		
- Claim from authority [refer note 12 (a) & (b)]	-	1,063.26
<b>Total</b>	<b>17,376.24</b>	<b>16,058.17</b>

### Note 24

#### Other Income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income		
- from fixed deposits	13.38	38.81
- from loans to related parties	372.62	761.53
Miscellaneous income	1,162.83	0.60
<b>Total</b>	<b>1,548.83</b>	<b>800.94</b>

### Note 25

#### Operating and maintenance expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Concession fees to authority	555.99	512.01
Road repairing and maintenance expenses	1,224.76	2,284.76
Toll attendant expenses	4.45	4.43
Other site operational expenses	142.39	138.40
Supervision and independent engineer fees to authority	58.80	62.06
<b>Total</b>	<b>1,986.39</b>	<b>3,001.66</b>

### Note 26

#### Employee benefits expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	530.60	537.03
Contribution to provident fund and other funds (refer note 36)	36.51	25.97
Gratuity expenses (refer note 36)	10.17	5.79
Compensated absences	0.66	-
Staff welfare expenses	45.39	42.08
<b>Total</b>	<b>623.33</b>	<b>610.87</b>



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 27

#### Other expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent	8.64	7.99
Rates and taxes	1.42	0.96
Insurance	5.06	7.42
Legal consultancy and professional fees	70.83	36.34
Travelling & conveyance expenses	29.67	49.24
Business promotion and advertisement expenses	-	2.13
Repairs & Maintenance		
- Computers	2.39	1.49
- Others	20.10	17.37
Auditors remuneration (refer note 32)	0.89	0.20
Miscellaneous Expenses	35.86	46.39
<b>Total</b>	<b>174.86</b>	<b>169.53</b>

### Note 28

#### Finance costs

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Interest expenses</b>		
- from banks	41.46	211.37
- from related parties	7.30	256.34
- on unwinding of trade payable and resurfacing.	9,333.95	10,270.43
<b>Other borrowing costs</b>		
- Bank guarantee and commission	95.46	83.15
- other finance cost	2.90	2.63
<b>Total</b>	<b>9,481.07</b>	<b>10,823.92</b>



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 29

#### 1. Financial instruments – Fair values and risk management

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

#### A. Accounting classification and fair values

31-Mar-18	Carrying amount		Fair value			Total
	Amortised Cost	Total	Level 1	Level 2	Level 3	
<b>Financial assets</b>						
Cash and cash equivalents	689.74	689.74	-	-	-	-
Other Non-current financial asset	1.41	1.41	-	-	-	-
Current Financial Assets-Loans	0.46	0.46	-	-	-	-
Other Current financial asset	3,953.85	3,953.85	-	-	-	-
	<b>4,645.47</b>	<b>4,645.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Long term borrowings	15.68	15.68	-	-	-	-
Short term borrowings	587.39	587.39	-	-	-	-
Trade and other payables	23,604.83	23,604.83	-	-	-	-
Other Current financial liabilities	127.79	127.79	-	-	-	-
	<b>24,335.68</b>	<b>24,335.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31-Mar-17</b>						
	Carrying amount		Fair value			
	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>						
Cash and cash equivalents	229.45	229.45	-	-	-	-
Other Non-current financial asset	5.91	5.91	-	-	-	-
Current Financial Assets-Loans	0.60	0.60	-	-	-	-
Other Current financial asset	3,593.96	3,593.96	-	-	-	-
	<b>3,829.92</b>	<b>3,829.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Long term borrowings	55.73	55.73	-	-	-	-
Short term borrowings	2,327.49	2,327.49	-	-	-	-
Trade and other payables	22,554.04	22,554.04	-	-	-	-
Other Current financial liabilities	1,299.66	1,299.66	-	-	-	-
	<b>26,236.92</b>	<b>26,236.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*The fair value in respect of the unquoted equity investments cannot be reliably estimated. The Company has currently measured them at cost.

### Note 30

#### Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

#### i. Risk management framework

The Company's board of directors is primarily responsible to develop and monitor Company's Risk Management framework. The Company has a risk management policy in place.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.



## MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

### Notes to Financial Statements

#### Note 30

#### Financial risk management (Continued)

##### ii. Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on its receivables is recognised on the statement of financial position at the carrying amount of those receivable assets, net of any provisions for doubtful debts. Receivable balances and deposit balances are monitored on a monthly basis with the result that the company exposure to bad debts is not considered to be material.

The company has no significant concentrations of credit risk. The Company does not have any credit risk outside india.

##### Cash equivalents, othe Bank Balance and Deposits

The Company held cash and cash equivalents and other bank balances and deposit of Rs 373.68 lakhs at March 31, 2018 (March 31, 2017: Rs 133.68 lakhs) The cash equivalents and othe bank balance and deposits are held with bank counterparties with good credit ratings.

##### iii. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

##### Maturity pattern of other Financial- Liabilities

###### March 31, 2018

	Carrying amount	Total	Contractual cash flows			
			0-1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings and interest thereon	55.99	65.26	44.18	21.08	-	-
Trade payables	66,254.26	87,917.97	22,958.68	18,481.81	46,477.49	-
Other payables	674.87	674.87	674.87	-	-	-
	<b>66,985.11</b>	<b>88,658.10</b>	<b>23,677.73</b>	<b>18,502.89</b>	<b>46,477.49</b>	<b>-</b>

###### March 31, 2017

	Carrying amount	Total	Contractual cash flows			
			0-1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings and interest thereon	987.92	954.61	893.96	44.18	16.46	-
Trade payables	22,554.04	104,314.33	22,553.38	16,801.65	61,174.79	3,784.51
Other payables	2,768.64	2,766.74	2,766.74	-	-	-
	<b>26,310.60</b>	<b>108,035.68</b>	<b>26,214.09</b>	<b>16,845.83</b>	<b>61,191.25</b>	<b>3,784.51</b>





# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 30

#### Financial risk management (Continued)

##### iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters,

##### v. Currency risk

The risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Since company does not have any foreign exchange transactions, it is not exposed to this risk.

##### vi. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

#### Exposure to interest rate risk

Company's interest rate risk arises from borrowings. Borrowings taken and issued at fixed and floating rates exposes company to fair value and cashflow interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as

	As at March 31, 2018	As at March 31, 2017
<b>Fixed-rate instruments</b>		
Financial assets	273.25	550.82
Financial liabilities	61,507.07	65,694.86
	<u>61,780.31</u>	<u>66,245.68</u>
<b>Variable-rate instruments</b>		
Financial assets	-	787.56
Financial liabilities	-	787.56
	<u>-</u>	<u>787.56</u>
<b>Total</b>	<u>61,780.31</u>	<u>67,033.24</u>

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase	100 bp decrease
<b>March 31, 2018</b>		
Variable-rate instruments	-	-
<b>Cash flow sensitivity (net)</b>	<u>-</u>	<u>-</u>
<b>March 31, 2017</b>		
Variable-rate instruments	(7.88)	7.88
<b>Cash flow sensitivity (net)</b>	<u>(7.88)</u>	<u>7.88</u>

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 30

#### Financial risk management (Continued)

##### vii. Capital Management

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances

Particulars	As at March 31, 2018	As at March 31, 2017
Non-Current Borrowings	15.68	55.73
Current Borrowings	627.70	3,186.01
<b>Gross Debt</b>	<b>643.38</b>	<b>3,241.74</b>
Less - Cash and Cash Equivalents	(689.74)	(229.45)
Less - Other Bank Deposits	(273.25)	(550.81)
<b>Adjusted net debt</b>	<b>(319.61)</b>	<b>2,461.48</b>
Total equity	(13,410.94)	(12,626.88)
<b>Adjusted net debt to adjusted equity ratio</b>	<b>-</b>	<b>(5.13)</b>

Note:- In current year adjusted ne debt to equity ratio is not calculated as the adjusted net equity value is negative.



# MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

## Notes to Financial Statements

### Note 31

#### Earnings Per Share

Basic and diluted earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average of equity shares outstanding during the year.

	March 31, 2018	March 31, 2017
Profit / (loss) after tax for basic earnings per share	(787.62)	(3,018.81)
Number of equity shares at the beginning of the year	15,075,000	15,075,000
Number of equity shares at the end of the year	15,075,000	15,075,000
Weighted average number of equity shares outstanding during the year	15,075,000	15,075,000
Basic earnings per equity share (Rs)	(5.22)	(20.03)
Face value per equity share (Rs)	10.00	10.00

### Note 32

#### Auditor's remuneration (including tax)

Particulars	March 31, 2018	March 31, 2017
Audit Fees	0.89	0.20
<b>Total</b>	<b>0.89</b>	<b>0.20</b>

### Note 33

#### Capital Commitments

Particulars	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account (net of advances)	2.49	-
<b>Total</b>	<b>2.49</b>	<b>-</b>

### Note 34

#### Contingent Liabilities

Particulars	March 31, 2018	March 31, 2017
Claims made against the Company not acknowledged as debts	6,442.37	2,565.33
Bank guarantees	4,586.75	4,860.00
<b>Total</b>	<b>11,029.12</b>	<b>7,425.33</b>



## MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

### Notes to Financial Statements

#### Note 35

#### Related party disclosures

#### A. Name of related parties and the nature of relationship

Name of related parties and the nature of relationship	Nature of relationship
<b>i) Name of related parties where control exists :</b>	
MEP Infrastructure Developers Limited	Holding Company
Ideal Toll & Infrastructure Private Limited	Ultimate Holding Company
<b>ii) Name of related parties with whom transactions have taken during the year :</b>	
MEP Infrastructure Private Limited	Fellow Subsidiary
MEP Chennai Bypass Toll Road Private Limited	Fellow Subsidiary
Raima Ventures Private Limited	Fellow Subsidiary
Raima Toll Road Private Limited	Fellow Subsidiary
Rideema Toll Bridge Private Limited	Fellow Subsidiary
Raima Toll & Infrastructure Private Limited	Fellow Subsidiary
MEP Tormato Private Limited	Fellow Subsidiary
MEP Infraprojects Private Limited	Fellow Subsidiary
MEP Roads & Bridges Private Limited	Fellow Subsidiary
Baramati Tollways Private Limited	Fellow Subsidiary
MEP Highway Solutions Private Limited	Fellow Subsidiary
MEP RGSL Toll Bridge Private Limited	Fellow Subsidiary
Raja Mukherjee (Director)	Key Management Person
Amit Mokashi (Director)	Key Management Person
Khinji Shamji Pandav (Director)	Key Management Person
Deepak Yashwant Chitnis (Director)	Key Management Person

#### B. Disclosures of material transactions with related parties and balances

Name of related party and relationship	Nature of transactions	31 March 2018	31 March 2017
<b>i) Transactions during the year</b>			
<b>Holding Company</b>			
MEP Infrastructure Developers Limited	Share application money received	-	-
	Repayment of loan taken	-	2,648.59
	Interest expenses	7.30	256.34
	Expenses incurred on our behalf	30.63	64.75
	Acquisition of liability (Gratuity)	8.96	-
	Transfer of liability (Gratuity)	3.83	-
<b>Fellow Subsidiary</b>			
MEP Highway Solutions Pvt. Ltd	Mobilisation advance given	359.59	937.43
	Adjustment of mobilisation advance	216.89	118.78
	Repayment of Mobilisation advance given	4,416.25	978.63
	Adjustment of Capital advance given	-	-
	Capital work in progress	102.17	47.08
	Road repairs & maintenance	782.39	572.77
	Interest income	372.62	761.53
	Repayment of loan taken	-	-
Raima Toll & Infrastructure Pvt Ltd	Loan taken	131.20	2,327.49
	Repayment of loan taken	1,871.30	-
	Acquisition of liability (Gratuity)	-	0.12
MEP Roads & Bridges Private Limited	Acquisition of liability (Gratuity)	-	0.01
MEP Chennai Bypass Toll Road Private Limited	Acquisition of liability (Gratuity)	-	0.45
Raima Ventures Pvt. Ltd	Acquisition of liability (Gratuity)	-	0.66
Raima Toll Road Pvt Ltd	Expenses incurred on our behalf	8.92	8.92
	Transfer of liability (Gratuity)	5.06	5.06
Baramati Tollways Private Limited	Acquisition of liability (Gratuity)	0.26	-
	Transfer of liability (Gratuity)	0.26	-
MEP Infrastructure Private Limited	Acquisition of liability (Gratuity)	3.11	-
	Transfer of liability (Gratuity)	3.03	-
MEP Infra Project Private Limited	Transfer of liability (Gratuity)	0.59	-
MEP RGSL Toll Bridge Private Limited	Acquisition of liability (Gratuity)	0.34	-
	Transfer of liability (Gratuity)	0.41	-
Rideema Toll Bridge Private Limited	Acquisition of liability (Gratuity)	1.04	-
	Transfer of liability (Gratuity)	0.32	-
MEP Tormato Private Limited	Transfer of liability (Gratuity)	0.34	-



## MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

### Notes to Financial Statements

#### Note 35

#### Related party disclosures

II) Balances at the end of the year		
<b>Holding Company</b>		
MEP Infrastructure Developers Limited	Loan taken	-
	Payable	0.92
	Other payables	-
	Interest payable on loans taken	2.23
	Share application money received	-
	Receivable	5.13
<b>Fellow Subsidiary</b>		
MEP Highway Solutions Pvt. Ltd	Capital advance given	-
	Mobilization advance given	2,327.39
	Loan given	-
	Interest Receivable	2,082.91
Raima Toll & Infrastructure Pvt Ltd	Loan taken	587.39
	Receivable	0.12
MEP Roads & Bridges Private Limited	Receivable	-
Mep Chennai Bypass Toll Road Private Limited	Receivable	0.45
Raima Ventures Pvt. Ltd	Receivable	0.66
Raima Toll Road Pvt Ltd	Payable	10.51
Baramati Tollways Private Limited	Payable	0.00
MEP Infrastructure Private Limited	Receivable	0.08
MEP Infra Project Private Limited	Payable	0.59
MEP RGSL Toll Bridge Private Limited	Payable	0.07
Rideema Toll Bridge Private Limited	Receivable	0.73
MEP Tormato Private Limited	Payable	0.34



## MEP Hyderabad Bangalore Toll Road Private Limited

(Currency : ₹ in lakhs)

### Notes to Financial Statements

#### Note 36

##### Employee Benefits

- i) Contribution to Provident Fund  
 ii) Contribution to Employees State Insurance Corporation  
 iii) Contribution to Maharashtra Labour Welfare Fund  
 Contribution to defined contribution plan, recognised are charged off for the year us under

	As at March 31, 2018	As at March 31, 2017
Employer's contribution to Provident Fund	22.06	19.27
Employer's contribution to Employee state Insurance Corporation	14.32	6.57
Employer's Contribution to Maharashtra Labour Welfare Fund	0.13	0.13
<b>Total</b>	<b>36.51</b>	<b>25.97</b>

##### Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The Company during the year provided Rs 12.53 lakhs (Previous year : Rs. 6.58 lakhs) towards gratuity in the Statement of Profit and Loss.

An analysis of net (deficit)/assets is provided below for the Company's principal defined benefit gratuity scheme.

	As at March 31, 2018	As at March 31, 2017
Present value of unfunded obligations	49.05	39.92
<b>Net deficit/ (assets) are analysed as:</b>		
Liabilities	49.05	39.92
<b>Of the above net deficit:</b>	<b>49.05</b>	<b>39.92</b>
Current	19.64	10.25
Non-current	29.41	29.67
	<b>49.05</b>	<b>39.92</b>

##### Fair value of the plan assets and present value of the defined benefit liabilities

The amount included in the Balance sheet arising from the Company's obligations and plan assets in respect of its defined benefit schemes is as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Movement in defined benefit obligations:</b>		
At the beginning of the year	39.92	24.05
Current service cost	7.75	4.20
Interest cost	2.42	1.59
Remeasurements :		
(Gain)/loss from change in financial assumptions	-	3.08
(Gain)/loss from change in demographic assumptions	2.28	-
Experience (gains)/losses	(7.44)	3.65
Benefits paid	(0.81)	(0.46)
Liabilities assumed / (settled)	4.94	3.80
<b>At the end of the year</b>	<b>49.05</b>	<b>39.92</b>

##### The components of defined benefit plan cost are as follows:

	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Recognised in Income Statement</b>		
Current service cost	7.75	4.20
Interest cost / (income) (net)	2.42	1.59
Net actuarial loss recognised in the current year	-	-
<b>Total</b>	<b>10.17</b>	<b>5.79</b>
<b>Recognised in Other Comprehensive Income</b>		
Liabilities assumed on acquisition / (settled on divestiture)	(5.16)	6.73
<b>Expense recognised in Consolidated Total Comprehensive Income</b>	<b>5.00</b>	<b>12.53</b>

##### The principal actuarial assumptions used for estimating the Company's benefit obligations are set out below (on a weighted average basis):

	As at March 31, 2018	As at March 31, 2017
Rate of increase in salaries	6.00%	6.00%
Discount rate	6.95%	6.95%
Expected average remaining service life of the employees	1.84	9.02

##### Notes:

##### 1. Discount rate

The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.

##### 2. Salary escalation rate

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

##### 3. Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.



Note 36

Employee Benefits (Continued)

Sensitivity of the defined benefit obligation :

Particulars	Change in Assumption	Effect of Gratuity Obligation	
		As at	As at
		March 31, 2018	March 31, 2017
Discount rate	Minus 50 basis points	0.68	1.94
	Plus 50 basis points	(0.66)	(1.77)
Salary Escalation Rate	Minus 50 basis points	(0.67)	(1.80)
	Plus 50 basis points	0.69	1.95

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

The weighted average duration of the defined benefit obligation is 2.74 years in 2018 and 9.30 years in 2017.

The Company makes payment of liabilities from its cash and cash equivalent balances whenever liability arises.

Defined benefit liability and employer contribution

Expected contribution to post employment benefit plans for the year ended March 31, 2018 is 0.00 lakhs ( March 31, 2017: Rs. 18.77 lakhs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>March 31, 2018</b>					
Defined benefit obligations (Gratuity)	19.64	10.99	17.56	12.75	60.93
<b>Total</b>	<b>19.64</b>	<b>10.99</b>	<b>17.56</b>	<b>12.75</b>	<b>60.93</b>
<b>March 31, 2017</b>					
Defined benefit obligations (Gratuity)	10.25	3.31	6.95	75.90	96.42
<b>Total</b>	<b>10.25</b>	<b>3.31</b>	<b>6.95</b>	<b>75.90</b>	<b>96.42</b>

Statement of cash flows:

The transition from Indian GAAP to Ind AS do not have a material impact on the statement of cash flows.

As per our report of even date attached.

For Gokhale & Sathe  
Chartered Accountants  
Firm's Registration No: 103264W



CA. Atul Kale  
Partner  
Membership No: 109947



For and on behalf of the Board of Directors of  
MEP Hyderabad Bangalore Toll Road Private Limited  
CIN : U45203MH2012PTC238390



Raja Mukherjee  
Director  
DIN: 0007008101



Amit Mokashi  
Director  
DIN: 0007489082

Place: Mumbai  
Date: 11 May 2018

Place: Mumbai  
Date: 11 May 2018