RMA & ASSOCIATES LLP
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF PNC BAREILLY NAINITAL HIGHWAYS PRIVATE LIMITED

Report on the standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **PNC BAREILLY NAINITAL HIGHWAYS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act")with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit o loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016and the Companies (Indian Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances [but not for the

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purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls]. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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 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 March 31, 2018, **its loss including** other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

(e) On the basis of written representations received from the directors as on March 31, 2018 , and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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"** to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:

   i. There is no Pending litigation against the company.

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ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For RMA & Associates LLP
Chartered Accountants
FRN-000978N/N500062

Rahul Vashishtha

CA Rahul Vashishtha
Partner
M.No. 098711

Place: New Delhi
Date: 21.05.2018

RMA & ASSOCIATES LLP
New Delhi
Chartered Accountants

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended 31st March, 2018:

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

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) No immovable property is held in the name of the company; hence this clause is not applicable.

2) There is no Inventory in the company, hence clause 2(a) and 2(b) is not applicable.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues on the last day of the financial year concerned (31.03.2018) for a period of more than six months from the date they became payable.

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(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

9) Based on the audit procedures performed and information and explanations given to us by the management, the company has not raised moneys raised by way of initial public offer or further public offer (including debt instruments) an term loans .Hence the provisions of clause 3(ix) of the Order are not applicable to the company.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12) The Company is not a Nidhi Company. Hence this clause is not applicable on it.

13) In our opinion, all transactions with the related parties are in compliance with section177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

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New Delhi
Chartered Accountants

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For RMA & Associates LLP
Chartered Accountants
FRN-000978N/N500062

Rahul Vashishtha

CA Rahul Vashishtha
Partner
M.No. 098711

RMA & ASSOCIATES LLP
New Delhi
Chartered Accountants

Place: New Delhi
Date: 21.05.2018

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of PNC BAREILLY NAINITAL HIGHWAYS PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of **PNC BAREILLY NAINITAL HIGHWAYS PRIVATE LIMITED** as of 31st March, 2018 in conjunction with our audit of the standalone 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. 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31th March, 2018, based on our audit procedures.

For RMA & Associates LLP
Chartered Accountants
FRN-000978N/N500062

Rahul Vashishtha

CA Rahul Vashishtha
Partner
M.No. 098711

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

Place of Signature: New Delhi
Date: 21.05.2018

PNC Bareilly Nainital Highways Private Limited
CIN:U45400DL2011PTC222043
Balance Sheet As At March 31, 2018

(Amount in Lakhs.)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	3	12.80	14.83
(b) Intangible Asset	4	55,651.20	56,430.57
(c) Financial assets			
(i) Trade receivables		-	-
(d) Deffered Tax Asset	5	-	-
(e) Other Non - current assets	6	19.72	19.72
Sub Total (Non current assets)		**55,683.72**	**56,465.12**
(2) Current assets			
(a) Financial assets			-
(i) Trade Recievables	7	-	-
(iii) Cash and cash equivalents	8	150.99	100.08
(v) Other Financial Assets	9	4.28	4.56
Sub Total (Current assets)		**155.26**	**104.64**
Total Assets		**55,838.98**	**56,569.76**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	10	7,460.00	7,460.00
(b) Other equity	11	-3,965.18	-1,309.93
Sub Total (Equity)		**3,494.82**	**6,150.07**
LIABILITIES			
(1) Non - current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	43,507.80	44,951.34
(ii) Other financial Liabilities	13	-	-
(b) Provisions	14	1,538.62	720.50
(c) Deffered Tax Liability	5	978.22	771.68
(d) Other non - current Liabilities	15	-	-
Sub Total (Non Current Liability)		**46,024.65**	**46,443.53**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	2,750.00	1,350.00
(i) Trade payables	17	1,559.84	1,555.95
(iii) Other financial Liabilities	18	1,990.48	1,061.12
(b) Other current Liabilities	19	17.97	8.83
(c) Provisions	20	1.22	0.25
(d) Liabilities for currrent tax (Net)		-	-
Sub Total (Current Liability)		**6,319.52**	**3,976.16**
Total Equity & Liabilities		**55,838.98**	**56,569.76**

The accompyning notes form integral part of financial statements

In terms of our report of even date

For RMA & Associates LLP
Chartered Accountants
FRN-000978N/N500062

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

Rahul Vashishtha

CA Rahul Vashishtha
Partner
M.No. - 097881

Place- New Delhi
Date-21.05.2018

On Behalf onf the Borad

Ashish Jain
Director
DIN-03499171

Devendra Kumar Maheshwari
Managing Director
DIN-03499179

Neha Jain

Neha Jain
Company Secretary

Neha Jain

Neha Jain
CFO

PNC Bareilly Nainital Highways Private Limited
CIN:U45400DL2011PTC222043
Statement of Profit and Loss for the year ended on March 31, 2018 (Amount in Lakhs.)

	Particulars	Notes	Year Ended March 31, 2018	Year Ended March 31, 2017
I	Revenue from Operations	21	4,153.22	4,147.38
II	Other income	22	16.61	24.15
III	**Total Income (I+II)**		**4,169.83**	**4,171.53**
IV	**Expenses :**			
	Employee benefit expense	23	242.17	198.05
	Finance Cost	24	4,601.07	4,789.50
	Depreciation and amortization expenses	25	782.13	720.64
	Other Expenses	26	995.51	1,201.32
	Total Expenses (IV)		**6,620.88**	**6,909.51**
V	**Profit/(Loss) before exceptional items & Tax (III-IV)**		**-2,451.05**	**-2,737.99**
VI	Exceptional Items			-
V	**Profit/(Loss) before tax (III-IV)**		**-2,451.05**	**-2,737.99**
VI	Tax expense :			
	Current tax		-	-
	Deferred tax		205.82	-234.06
	MAT Credit Adjustment			
VII	**Profit & (Loss) for the period (V-VI)**		**-2,656.86**	**-2,503.92**
VIII	Other Comprehensive Income			
A	(i) Items that will not be reclassified to profit or loss			
	- Acturial Gain and losses on defined benefit plans		2.33	-0.88
	(ii) Income tax relating to items that will not be reclassified to profit or Loss		-0.72	0.27
	Total Comprehensive Income for the period (VII + VIII)		**-2,655.25**	**-2,504.53**
	Earning per equity share			
	(1) Basic & Diluted (in Rs)	28	-3.56	-3.36

The accompyning notes form integral part of financial statements

In terms of our report of even date

For RMA & Associates LLP
Chartered Accountants
FRN-000978N/N500062

Rahul Vashishtha

RMA & Associates LLP New Delhi Chartered Accountants

CA Rahul Vashishtha
Partner
M.No. - 097881

Place- New Delhi
Date-21.05.2018

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Neha Jain

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Company Secretary

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CFO

PNC Bareilly Nainital Highways Private Limited
CIN:U45400DL2011PTC222043
Cash Flow Statement For The Period ended on March 31, 2018

(Amount in Lakhs.)

	Particulars	As at March 31, 2018	As at March 31, 2017
A.	**Cash Flow from Operating Activities**		
	Net Profit /(Loss) before Tax & after exceptional items	(2,448.71)	(2,737.99)
	Adjustment for:		
	Interest on term loan	4,593.52	4,775.68
	Intrest on retention Money	-	(3.76)
	Depreciation	782.13	720.64
	Provision for gratuity	-	4.12
	Operating Profit / (Loss) before working capital changes	**2,926.93**	**2,758.69**
	Adjustment fo Changes in Working Capital		
	Increase/Decrease in trade payable	3.89	(2.16)
	Increase/Decrease in other current Liabilities	938.50	1,962.83
	Increase/Decrease in Provisions	819.08	715.17
	Increse/Decrease in Non current assets	-	21.64
	Increase/Decrease in Current assets	0.28	(1.90)
	Cash Generated from/(used) from operating activities	**4,688.69**	**5,454.26**
	Direct Taxes Paid	-	-
	Cash (used in)/ from operating activities befre extraordinary items	**4,688.69**	**5,454.26**
	Preliminary Exp.		
	Cash Generated from/(used) from operating activities (A)	**4,688.69**	**5,454.26**
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Asset	(0.73)	(7.57)
	Purchase/Sale of Investment	-	3.76
	Net Cash (used in) / from Investing Activities (B)	**(0.73)**	**(3.81)**
C.	**Cash Flow from Financing Activities**		
	Repayment of Term Loans	(43.54)	(763.70)
	Interest	(4,593.52)	(4,775.68)
	Net Cash (used in) / from Financing Activities (C)	**(4,637.06)**	**(5,539.38)**
	Net Cash Increase in cash & Cash equivalents (A+B+C)	**50.90**	**(88.93)**
	Cash & Cash equivalents in beginning	100.08	189.02
	Cash & Cash equivalents as at the end	**150.99**	**100.09**

The accompyning notes form integral part of financial statements

In terms of our report of even date

For RMA & Associates LLP
Chartered Accountants
FRN-000978N/N500062

Rahul Vashishtha

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

CA Rahul Vashishtha
Partner
M.No. - 097881

Place- New Delhi
Date- 21.05.2018

Ashish Jain
Director
DIN-03499171

Devendra Kumar Maheshwari
Managing Director
DIN-03499179

Neha Jain
Neha Jain
Company Secretary

Neha Jain
Neha Jain
CFO

Bareily Nainital Highways Pvt Ltd
Notes to financial statement as at and for the year ended March 31, 2018

A. Equity Share Capital

(Amount in Lakhs.)
Rs in Lakhs

As at March 31, 2016	Changes during the year	As at March 31, 2017	Changes during the year	As at March 31, 2018
7,460	-	7,460	-	7,460

B. Other Equity

(Amount in Rs.)

Particulars	Reserves & Surplus	Total
	Retained earnings	
Balance as at April 1, 2017	**-1,309.93**	**-1,309.93**
Profit for the year	-2,656.86	-2,656.86
Other Comprehensive Income	1.61	1.61
Total comprehensive income for the year	-2,655.25	-2,655.25
Balance as at March 31, 2018	**-3,965.18**	**-3,965.18**

The accompanying notes form an integral part of the financial statements

In term of our report of even date

For RMA & Associates LLP
Chartered Accountants

FRN-000978N/N500062

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

Rahul Vashishtha

CA Rahul Vashishtha
Partner
M.No. - 097881

Place- New Delhi
Date-21.05.2018

On Behalf on the Board

Ashish Jain
Director
DIN-03499171

Devendra Kumar Maheswari
Managing Director
DIN-03499179

Neha Jain

Neha Jain
Company Secretary

Neha Jain

Neha Jain
CFO

PNC BAREILLY NAINITAL HIGHWAYS PRIVATE LIMITED

Notes to financial statement as at and for the year ended March 31, 2018

1. Significant Accounting Policies

Company Overview:

The company has been awarded the work of " Four Lanning (with paved shoulders) of Bareilly Almora sectioon of SH-37 in the state of Uttar Pradesh of Design, Build, Finance. Operate and Transfer (DBFOT) basis" and the collected toll fees to be retained and appropriate receivables as per the concession agreement dated 11.08.2011 with Uttate Pradesh State Highways Authority (UPSHA).

1.Basis of Prepration

The financial statements comply in all material aspects with Indian accounting standards notified under sec 133 of the companies act 2013.(the Act)[Companies(Indian accounting standard)Rules, 2015] and other relevant provision of the act.

The financial statement upto year ended 31 st march 2#16 were prepared in accordance with the accounting standards notified under companies(accounting standard) Rules 2006(as amended) and other relevant provision of the Act.

These financial statements are the first financial statements of the company under Ind AS.

1(a)Historical Cost convention

These Financial statements have been prepared on a historical cost basis except for the following:

Certain financial assets &Liablities measured at fair value.

2.Significant Accounting policies adopted by company in prepration of financial statements

Property Plant & Equipment:

Under the previous Indian GAAF, property plant and equipment other than investment property, were carried in the balance sheet on the basis of historical cost. The company has regarded the same as deemed cost & presented same values in Ind- AS complaint financials after applying Para D5 of Appedix D of Ind AS 101(First time adoption of Ind AS).

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Plant and equipment: - 15 Years (WDV Basis)

Furniture & Fixtures-10 years

Office Eqquipments- 5 Years

Electric Equipment- 10 Years

Computers- 3 Years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

Financials Asset

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

(i) Financial Asset at amortised cost

(ii)Financial Asset At Fair Value through OCI

(iii)Financial Asset at Fair value through P&L

Financial Asset at amortised cost

A 'Financial Asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,

and

b) 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

Financial Asset at Fair value through OCI

A 'Financial Asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.Financial Asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI)

Financial Assot at fair Value through P&L

FVTPL is a residual category for Financial Assets. Any financial aset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the group may elect to designate a Financial asset, which otherwise meets amortized cost or FVTOCI 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').

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Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

Derognisition of Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

► The rights to receive cash flows from the asset have expired, or

► The group 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

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

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

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

b) Financial assets that are debt instruments and are measured as at FVTOCI

c) Lease receivables under Ind AS 17

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

e) Loan commitments which are not measured as at FVTPL

f) Financial guarantee contracts which are not measured as at FVTPL

For recognition of impairment loss financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

Financial Liablities

Initial recognition and measurement

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

Subsequent Measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilitiesdesignated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held fortrading if they are incurred for the purpose of repurchasing in the near term.Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial Liablities at Amortised Cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. 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 as finance costs in the statement of profit and loss.

Financial guarantee

Derecognisition

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 statement of profit or loss.

Provisions, Contingent liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is disclosed in case of;

a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

a present obligation arising from past events, when no reliable estimate is possible ;

a possible obligation arising from past events, unless the probability of outflow of resources is remote

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date

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Service Concession Agreements

The Company Operates and maintains infrastructure (operation services) used to provide a public service for a specified period of time .

These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix A to Ind AS 11 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the company receives a right (i.e a franchisee) to charge users of the public services.

Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of the contract revenue, which is deemed to be fair value of the consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the company, starting from the date when the right to operate starts to be used. Based on these principles, intangible asset is amortised on the basis of revenue earned.

Any asset carried under concession agreements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal.

Revenue related to SCA :

Revenue related to construction under a service concession arrangement is recognised based on the stage of completion of the work performed.

Determination of fair values

The fair value of Intangible assets as consideration for providing construction services in a service concession arrangement is estimated by reference to fair value of the consideration transferred to acquire the asset i.e. by ascertaining the present value of the cash outflows using an appropriate rate of return to be provided to the Grantor.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

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

Deffered Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Employee benefits

Provident Fund: The contribution to provident fund is in the nature of defined contribution plan. The Company makes contribution to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952.The contribution paid or payable is recognized as an expense in the period in which services are rendered.

Gratuity (Funded): Gratuity is in the nature of defined benefit plan. The cost is determined using the projected unit credit method with actuarial valuation being carried at cash at each Balance Sheet date by an independent actuary. The retirement benefits obligation recognized in the Balance Sheet represent the present value of defined benefit obligation as adjusted for recognized past service cost

Actuarial gains and losses are recognized in full in the other comprehensive income for the period in which they occur

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are
recognised during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

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PNC Bareilly Nainital Highways Private Limited
Notes to financial statement for the year ended on March 31, 2018

3 .Property, Plant & Equipments

(Amount in Lakhs.)

Particulars	Office equipment	Furniture & fixtures	Computers	Plant & Machinery	Total
Gross carrying value					
At March 31, 2017	6.52	6.84	0.70	3.03	17.10
Addition during the year	0.35	-	0.38	-	0.73
Disposal / Adjustments	-	-	-	-	-
AS At March 31, 2018	6.87	6.84	1.08	3.03	17.83
Accumulated Depreciation					
At March 31, 2017	1.45	0.75	0.05	0.02	2.27
Addition during the year	1.28	0.65	0.28	0.55	2.76
Disposal / Adjustments					
AS At March 31, 2018	2.73	1.40	0.33	0.56	5.03
Net carrying value as at March 31,2018	4.14	5.44	0.75	2.47	12.80

4. Intangible assets

(Amount in Lakhs.)

AS At March 31, 2018	Concessionaire Rights	Total
Particulars		
Gross carrying value (At Cost or Revalued Amount)	57,441.43	57,441.43
At March 31, 2017	-	-
Addition during the year	-	-
Disposal / Adjustments	-	-
AS At March 31, 2018	57,441.43	57,441.43
		-
Amortisation	1,010.86	1,010.86
At March 31, 2017	779.37	779.37
Addition during the year	-	-
Disposal / Adjustments	1,790.23	1,790.23
AS At March 31, 2018		-
Net carrying value as at March 31,2018	55,651.20	55,651.20

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PNC Bareilly Nainital Highways Private Limited
Notes to financial statement as at and for the year ended March 31, 2018

Note : 5 Deferred Tax

(Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Deferred Tax Assets/(Liabilities)		
Fixed Assets (Intangibles)	-1,442.40	-985.46
Retention Hold- 80% at PV	-	-2.33
Borrowings	-16.75	-15.87
Fixed Assets (Tangibles)	0.33	-0.17
Deffered Revenue on Retention	-	2.08
Pre-Operative Expenses	4.78	7.17
Gratuity	-	0.19
Major Maintenance	472.91	220.99
Employee Benefits	2.90	1.73
	-	-
Net deferred tax Assets/(Liabilities)	-978.22	-771.68

5.2 Movement in Deferred tax (Liabilities)/Assets

(Amount in Lakhs.)

Particulars	Fixed Assets (Intangibles)	Fixed Assets (Tangibles)	Retention Hold- 80% at PV	Borrowings	Deffered Revenue on Retention	Pre-Operative Expenses	Gratuity	Employee Benefit	Major Maintenance	Total
At March 31, 2017	-985.46	-0.17	-2.33	-15.87	2.08	7.17	0.19	1.73	220.99	-771.68
(Charged)/credited:-										
-to profit & loss	-456.94	0.50	2.33	-0.88	-2.08	-2.39	-0.19	1.17	251.92	-206.54
- to other comprehensive income	-	-	-	-	-	-	-	-	-	-
At March 31, 2018	(1,442)	0.33	-	-16.75	-	4.78	-	2.90	472.91	-978.22

Note 6: Other Non current Assets

(Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance Tax and TDS Refundable	7.20	7.20
WCT Receivable	12.52	12.52
Total	**19.72**	**19.72**

Note 7: Current Trade receivables

(Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured considered Good unless otherwise stated		
Trade Receivable	-	-
Total	-	-

Note 8: Cash and Bank Balances

(i) Cash & Cash Equivalents

(Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with bank		
In current Account	133.30	84.69
Cash on hand	17.69	15.40
Total cash and cash equivalents	**150.99**	**100.08**

Note 9: Other current Financial Assets

(Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Short term loans and advances	3.08	3.36
Retention and security deposit with others	1.20	1.20
Total	**4.28**	**4.56**

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PNC Bareilly Nainital Highways Private Limited
Notes to financial statement for the year ended on March 31, 2018

Note 10: Share Capital (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised		
Equity Shares of ` 10/- each	7,500.00	7,500.00
7,50,00,000 (Previous year 7,50,00,000) equity Shares of Rs10/- each		
Issued ,Subscribed & Fully Paid up		
Equity Shares of ` 10/- each	7,460.00	7,460.00
7,46,00,000 (Previous year 7,46,00,000) equity Shares of Rs10/- each		
Total	**7,460.00**	**7,460.00**

Note 10.1:
(a) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	Nos	Nos
Opening	74,600,000.00	74,600,000.00
Add: Issued during the period	-	-
Less:Deductions	-	-
Closing	74,600,000.00	74,600,000.00

(b)Shares of Company Held by holding/Ultimate holding Co.

Particulars	As at March 31, 2018	As at March 31, 2017
PNC Infraholdings Ltd	69,600,000	69,600,000

Details of Shareholders holding more Than 5% in the company

Particulars	March 31,2018	March 31,2018
	Nos	%
PNC Infraholdings Limited	69,600,000	93%
PNC Infratech Limited	5,000,000	7%

© Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of ` 10 per share. Each shareholder is eligible for one vote per share held. In case any dividend is proposed by the Board of Directors the same is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend. There are restrictions attached to Equity Shares in relation to the term loan taken by the company pursuant to loan agreement with lenders.

There are no bonus shares/share issued for consideration other thean cash and share bouht back during the period of 5 years immediately preeceding Five years.

Note 11 : Other Equity (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Reserve and Surplus		
- Retained Earnings		
Balance outstanding at the beginning of the year	(1,309.93)	1,194.59
Profit for the year	(2,656.86)	(2,503.92)
Remeasurement of post employment benefit obligation (See Note 15.1)	1.61	-0.61
Balance outstanding at the close of the year	(3,965.18)	(1,309.93)

Note 11.1 : This is an item of Other Comprehensive Income, recognised directly in retained earnings.

PNC Bareilly Nainital Highways Private Limited
Notes to financial statement for the year ended on March 31, 2018

Note 12: Non current borrowings (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
Term Loans		
From Bank	44,979.80	45,687.34
Total Non Current Borrowings	**44,979.80**	**45,687.34**
Less : Current Maturities of Long term debt	1,472.00	736.00
Non Current Borrowings	**43,507.80**	**44,951.34**

Borrowings are repayable in 115 unequal monthly installments which commenced from september 2013.

Assets pledged as Security

(i) A first mortgage and charge on all the borrowers immovable properties both present and future save and except the project assets

(ii) A first charge by way of hypothecation of the borrower movable, including current and non current assets save and except the project assets.

(iii) A first charge on borrowers recceivables save and except the project assets.

(iv) A first charge over all the bank accounts of the borrower, the escrow account, sub accounts, major maintainence account debt service reserve account.

(v) A first charge on all the intangible assets excluding the project assets

(vi) A first charge by way of assignment or otherwise creation of securitry interest in all the rights, title, interests,benefits,claims and demands.

(vii) Pledge of equity shares held by the sponsor aggregating to 51%

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PNC Bareilly Nainital Highways Private Limited
Notes to financial statement for the year ended on March 31, 2018

Note 13: Other Non Current Financial Liablities (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Retentions held of PNC Infratech Limited	-	-
Total	-	-

Note 14: Non Current Provision (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for major maintainence*	1,530.45	715.17
Provision for gratuity	4.92	5.34
Provision for Leave Encashment	3.24	-
Total	1,538.62	720.50

*The company has a constructive obligation to maintain and manage the revenue generating infrastructure due to which it is probable that economic resources will be required to settle the obligation. The management estimated the carrying amount of provisions of major maintainence that are subject to change to actual maintainence to be held in prospective years.

Note 14.1 : Movement in provision of Major Maintenance (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance at the beginning of the year	715.17	-
Addition during the year	815.29	715.17
Utilised during the year	-	-
Revrerse during the year	-	-
Closing balance at the end of the year	1,530.45	715.17

Note 15: Other Non Current Liablities (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Retentions on Securities	-	-
Total	-	-

Note 16 : Borrowings (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Short Term Borrowings		
Unsecured Loan	2,750.00	1,350.00
Total	2,750.00	1,350.00

Note 17 : Current trade Payables (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Dues of MSME parties		-
Dues of other than MSME parties	-	-
Related Party	1,550.00	1,550.00
Others	9.84	5.95
Total	1,559.84	1,555.95

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*Suppliers/Service providers covered under Micro, Small Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed u/s 22 of the said Act is not provided.

Note 18: Current Financial Liablities (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Current Maturities of Long Term Debt	1,472.00	736.00
Security Deposit		
Related Party	146.78	139.31
Others Payables		
Salary Payables and Other dues of Employees	20.03	20.54
Expenses Payable	2.00	32.67
Interest Expenses payable	349.67	132.60
Total	**1,990.48**	**1,061.12**

Note 19 : Other Current Liablities (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory dues payable	10.42	2.11
Deferred Retentions on Securities	7.55	6.73
Total	**17.97**	**8.83**

Note 20 . Short Term Provisions (Amount in Lakhs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Gratuity	0.44	0.25
Leave Encashment	0.79	-
Total	**1.22**	**0.25**

Note 21: Revenue from operations (Amount in Lakhs.)

Particulars	Period ending March 31, 2018	Period ending Marchr 31, 2017
Toll Collection	4,153.22	3,837.24
Contract Receipts	-	310.14
Total	**4,153.22**	**4,147.38**

Note 22: Other Income (Amount in Lakhs.)

Particulars	Period ending March 31, 2018	Period ending Marchr 31, 2017
Interest Income:		
From Bank	-	3.76
Mutual funds		
Profit on sale of Mutual funds	9.81	-
Other Non operating income (Net of Expenses)	6.80	18.61
	-	-
Total	**16.61**	**22.37**

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PNC Bareilly Nainital Highways Private Limited
Notes to financial statement for the year ended on March 31, 2018

Note 23: Employee Benefit Expenses (Amount in Lakhs.)

Particulars	Period ending March 31, 2018	Period ending Marchr 31, 2017
Salaries and Wages	225.58	189.07
Contribution to EPF & Other Fund	12.98	5.42
Staff welfare expenses	3.61	3.57
Total Employee benefit expenses	**242.17**	**198.05**

Note 24: Finance Cost (Amount in Lakhs.)

Particulars	Period ending March 31, 2018	Period ending Marchr 31, 2017
Interest on		
Term Loan	4,352.33	4,628.35
Retention Liability	7.55	13.82
Unsecured Loan	241.19	147.33
Bank Charges	-	-
Total Finance cost	**4,601.07**	**4,789.50**

Note 25: Depreciation and amortisation (Amount in Lakhs.)

Particulars	Period ending March 31, 2018	Period ending Marchr 31, 2017
Depreciation on Tangible Assets	2.76	1.89
Amortisation on Intangible Assets	779.37	718.75
Total Depreceiation and amortisation	**782.13**	**720.64**

Note 26: Other Expenses (Amount in Lakhs.)

Particulars	Period ending March 31, 2018	Period ending Marchr 31, 2017
Major Maintenance Cost	815.29	715.17
Contract paid #	-	310.22
Other Operational Expenses*	180.23	175.94
Total	**995.51**	**1,201.32**

inclueds Rs NIL Lakh from Related Party (Previous Year 310.14 Lakh)

***Audit fee includes** (Amount in Lakhs.)

Statutory Audit Fee	0.75	0.75
Others	-	-
Total	**0.75**	**0.75**

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PNC Bareilly Nainital Highways Private Limited
CIN:U45400DL2011PTC222043
Statement of Profit and Loss for the year ended on March 31, 2018

Note 23.1 Details of Employee Benefit Expenses

The disclosure required by IND AS -19 " Employee Benefits" are as under-

(a) **Defined Benefit Plan**

The Liability for Employee gratuity is determined on acturial valuation using projected unit credit method .

The obligations are as under:-

(Amount in Lakhs)

S. No.	Particulars	2017-18	2016-17
A.	**Change in defined benefit obligation**		
1.	Defined benefit obligation at beginning of period	5.59	0.04
2.	Service cost		
	a. Current service cost	1.93	4.67
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
3.	Interest expenses	0.39	0.00
4.	Cash flows		
	a. Benefit payments from plan	-	-
	b. Benefit payments from employer	-	-
	c. Settlement payments from plan	-	-
	d.Settlement payments from employer	-	-
5.	Remeasurements		
	a. Effect of changes in demographic assumptions	0.16	-
	b. Effect of changes in financial assumptions	-0.06	0.06
	c. Effect of experience adjustments	-2.65	0.82
6.	Transfer In /Out		
	a. Transfer In	-	-
	b. Transfer out	-	-
7.	Defined benefit obligation at end of period	5.36	5.59
B.	**Change in fair value of plan assets**		
1.	Fair value of plan assets at beginning of period	-	-
2.	Interest income	-	-
3.	Cash flows		
	a. Total employer contributions		
	(i) Employer contributions	-	-
	(ii) Employer direct benefit payments	-	-
	(iii) Employer direct settlement payments	-	-
	b. Participant contributions	-	-
	c. Benefit payments from plan assets	-	-
	d. Benefit payments from employer	-	-
	e. Settlement payments from plan assets	-	-
	f. Settlement payments from employer	-	-
4.	Remeasurements		
	a. Return on plan assets (excluding interest income)	-	-
5.	Transfer In /Out		
	a. Transfer In	-	-
	b. Transfer out	-	-
6.	Fair value of plan assets at end of period	-	-
C.	**Amounts recognized in the Balance Sheet**		
1.	Defined benefit obligation	5.36	5.59
2.	Fair value of plan assets	-	-
3.	Funded status	5.36	5.59
4.	Effect of asset ceiling	-	-
5.	Net defined benefit liability (asset)	5.36	5.59

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D.	**Components of defined benefit cost**		
1.	Service cost		
	a. Current service cost	1.93	4.67
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
	d. Total service cost	1.93	4.67
2.	Net interest cost		
	a. Interest expense on DBO	0.39	0.00
	b. Interest (income) on plan assets	-	-
	c. Interest expense on effect of (asset ceiling)	-	-
	d. Total net interest cost	0.39	0.00
3.	Remeasurements (recognized in OCI)		
	a. Effect of changes in demographic assumptions	0.16	-
	b. Effect of changes in financial assumptions	-0.06	0.06
	c. Effect of experience adjustments	-2.65	0.82
	d. (Return) on plan assets (excluding interest income) *	-	-
	e. Changes in asset ceiling (excluding interest income)	-	-
	f. Total remeasurements included in OCI	-2.55	0.88
4.	Total defined benefit cost recognized in P&L and OCI	-0.23	5.55
E.	**Re-measurement**		
	a. Actuarial Loss/(Gain) on DBO	-2.55	0.88
	b. Returns above Interest Income	-	-
	c. Change in Asset ceiling	-	-
	Total Re-measurements (OCI)	-2.55	0.88
F.	**Employer Expense (P&L)**		
	a. Current Service Cost	1.93	4.67
	b. Interest Cost on net DBO	0.39	0.00
	c. Past Service Cost	-	-
	d. Total P& L Expenses	2.32	4.68
G.	**Net defined benefit liability (asset) reconciliation**		
1.	Net defined benefit liability (asset)	5.59	0.04
2.	Defined benefit cost included in P&L	2.32	4.68
3.	Total remeasurements included in OCI	-2.55	0.88
4.	a. Employer contributions	-	-
	b. Employer direct benefit payments	-	-
	c. Employer direct settlement payments	-	-
5.	Net transfer	-	-
6.	Net defined benefit liability (asset) as of end of period	5.36	5.59
H.	**Reconciliation of OCI (Re-measurment)**		
1.	Recognised in OCI at the beginning of period	0.88	-
2.	Recognised in OCI during the period	-2.55	0.88
3.	Recognised in OCI at the end of the period	-1.68	0.88
I.	**Sensitivity analysis - DBO end of Period**		
1.	Discount rate +100 basis points	5.07	5.33
2.	Discount rate -100 basis points	5.67	5.88
3.	Salary Increase Rate +1%	5.64	5.85
4.	Salary Increase Rate -1%	5.10	5.36
5.	Attrition Rate +1%	5.24	5.44
6.	Attrition Rate -1%	5.48	5.75
J.	**Significant actuarial assumptions**		
1.	Discount rate Current Year	8.00%	7.00%
2.	Discount rate Previous Year	7.00%	8.00%
3.	Salary Increase rate	9.0%	Uniform 9.0%
4.	Attrition Rate	20.0%	Uniform 25.0%
5.	Retirement Age	60	60
6.	Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
7.	Disability	Nil	Nil

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Statement of Profit and Loss for the year ended on March 31, 2018

Note 23.1 Details of Employee Benefit Expenses

The disclosure required by IND AS -19 " Employee Benefits" are as under-

(a) **Defined Benefit Plan**

The Liability for Employee Leave Encashment is determined on acturial valuation using projected unit credit method .

The obligations are as under:-

(Amount in Lakhs)

S.No.	Particulars	2017-18
A.	**Change in defined benefit obligation**	
1.	Defined benefit obligation at beginning of period	2.64
2.	Service cost	
	a. Current service cost	0.98
	b. Past service cost	-
	c. (Gain) / loss on settlements	-
3.	Interest expenses	0.18
4.	Cash flows	
	a. Benefit payments from plan	-
	b. Benefit payments from employer	-
	c. Settlement payments from plan	-
	d.Settlement payments from employer	-
5.	Remeasurements	
	a. Effect of changes in demographic assumptions	0.02
	b. Effect of changes in financial assumptions	-0.10
	c. Effect of experience adjustments	0.30
6.	Transfer In /Out	
	a. Transfer In	-
	b. Transfer out	-
7.	Defined benefit obligation at end of period	4.03
B.	**Change in fair value of plan assets**	
1.	Fair value of plan assets at beginning of period	-
2.	Interest income	-
3.	Cash flows	
	a. Total employer contributions	
	(i) Employer contributions	-
	(ii) Employer direct benefit payments	-
	(iii) Employer direct settlement payments	-
	b. Participant contributions	-
	c. Benefit payments from plan assets	-
	d. Benefit payments from employer	-
	e. Settlement payments from plan assets	-
	f. Settlement payments from employer	-
4.	Remeasurements	
	a. Return on plan assets (excluding interest income)	-
5.	Transfer In /Out	
	a. Transfer In	-
	b. Transfer out	-
6.	Fair value of plan assets at end of period	-

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C.	**Amounts recognized in the Balance Sheet**	
1.	Defined benefit obligation	4.03
2.	Fair value of plan assets	-
3.	Funded status	4.03
4.	Effect of asset ceiling	-
5.	Net defined benefit liability (asset)	4.03
D.	**Components of defined benefit cost**	
1.	Service cost	
	a. Current service cost	0.98
	b. Past service cost	-
	c. (Gain) / loss on settlements	-
	d. Total service cost	0.98
2.	Net interest cost	
	a. Interest expense on DBO	0.18
	b. Interest (income) on plan assets	-
	c. Interest expense on effect of (asset ceiling)	-
	d. Total net interest cost	0.18
3.	Remeasurements (recognized in OCI)	
	a. Effect of changes in demographic assumptions	0.02
	b. Effect of changes in financial assumptions	-0.10
	c. Effect of experience adjustments	0.30
	d. (Return) on plan assets (excluding interest income)	-
	e. Changes in asset ceiling (excluding interest income)	-
	f. Total remeasurements included in OCI	0.22
4.	Total defined benefit cost recognized in P&L and OCI	1.39
E.	**Re-measurement**	
	a. Actuarial Loss/(Gain) on DBO	0.22
	b. Returns above Interest Income	-
	c. Change in Asset ceiling	-
	Total Re-measurements (OCI)	0.22
F.	**Employer Expense (P&L)**	
	a. Current Service Cost	0.98
	b. Interest Cost on net DBO	0.18
	c. Past Service Cost	-
	d. Total P&L Expenses	1.17
G.	**Net defined benefit liability (asset) reconciliation**	
1.	Net defined benefit liability (asset)	2.64
2.	Defined benefit cost included in P&L	1.17
3.	Total remeasurements included in OCI	0.22
4.	a. Employer contributions	-
	b. Employer direct benefit payments	-
	c. Employer direct settlement payments	-
5.	Net transfer	-
6.	Net defined benefit liability (asset) as of end of period	4.03

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H.	**Reconciliation of OCI (Re-measurment)**		
1.	Recognised in OCI at the beginning of period		-
2.	Recognised in OCI during the period		0.22
3.	Recognised in OCI at the end of the period		0.22
I.	**Sensitivity analysis - DBO end of Period**		
1.	Discount rate +100 basis points		3.88
2.	Discount rate -100 basis points		4.20
3.	Salary Increase Rate +1%		4.18
4.	Salary Increase Rate -1%		3.89
5.	Attrition Rate +1%		4.02
6.	Attrition Rate -1%		4.04
J.	**Significant actuarial assumptions**		
1.	Discount rate Current Year	8.00%	
2.	Discount rate Previous Year	7.00%	
3.	Salary increase rate	9.0%	
4.	Attrition Rate	20.0%	
5.	Retirement Age	60	
6.	Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	
7.	Disability	Nil	

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Note 27 : Tax Expense

A. Income Tax Expenses

(Amount in Lakhs)

Particulars	Period ending March 31, 2018	Period ending Marchr 31, 2017
(a) Current tax		
Current tax on profit for the period	-	-
Total Current tax expense	-	-
(b) Deferred tax		
Decrease (increase) in deferred tax assets	248.44	(215.90)
(Decrease) increase in deferred tax Liabilities	(454.98)	(18.17)
Total Deffered Tax Expenses	(206.54)	(234.06)
Total Income tax Expense	**(206.54)**	**(234.06)**

(B) Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

(Amount in Lakhs)

Particulars	Period ending March 31, 2018	Period ending Marchr 31, 2017
Profit before tax	(2,451.05)	(2,737.99)
Tax at Indian tax rate of 30.9% (F.Y. 2016-17-30.9%)	**-757.37**	**-846.04**
Income Exempt under tax holiday	550.83	611.97
Total tax expenses as per profit and loss	**-206.54**	**-234.06**

*Considering the present financial position and requirement of the Indian Accounting Standard-12 on Accounting for Taxes on Income, regarding certainty/virtual certainty, Deferred tax assets has not been recognised.

Note 28 : Earning Per share

(Amount in Lakhs)

Particulars	Period ending March 31, 2018	Period ending Marchr 31, 2017
(a) Profit/(Loss) available to Equity Shareholders (Rs. in lakhs)	-2,656.86	-2,503.92
(b) Weighted Average number of Equity Shares	746.00	746.00
(c) Nominal value of Equity Shares (in Rs.)	10.00	10.00
(d) Basic and Diluted Earnings Per Share [(a)/(b)	**-3.56**	**-3.36**

Note 29 : Operating Segment Information

The Company operates in only one segment, namely "Toll Roads" hence there are no reportable segments under Ind AS-108 'Segment Reporting'. Hence, separate business segment information is not applicable.

The board of directors of the company has been identified as The Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

No Customer individually accounted for more than 10% of the revenue in the year ended March 31,2018 and March 31, 2017.

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PNC Bareilly Nainital Highways Private Limited
Notes to financial statement for the year ended on March 31, 2018

Note 30 : Related party transactions

(A) List of related parties

(a) Parent Entity

Name	Type	Ownership Interest	
		As at March 31, 2018	As at March 31, 2017
PNC Infraholdings Pvt. Ltd	Immediate Holding company	93%	93%
PNC Infatech Ltd.	Ultimate Holding	7%	7%

(B) Transactions between related parties **(Amount in Lakhs)**

Particulars	As at March 31, 2018	As at March 31, 2017
Payment made against EPC & Sub Contract-		
PNC Infratech Limited (towards EPC)	-	-
PNC Infratech Limited (towards Sub Contract)	-	310.14

(C) Balance Outstanding during the year

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Amount Payable		
PNC Infratech Ltd. (towards EPC & Sub-Contract)	1,550.00	1,550.00
PNC Infratech Ltd.(towards Retention)	146.78	139.31
PNC Infratech Ltd.(towards Unsecured Loan)	2,750.00	1,350.00
PNC Infratech Ltd.(Interest Payable)	349.67	132.60

(d) Terms and Conditions

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances will be settlement in cash.

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PNC Bareilly Nainital Highways Private Limited
Notes to financial statement as at and for the year ended March 31, 2018

Note 31 : Fair Value Measurement

Financial instruments by category (Amount in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Asset						
Trade receivables	-	-	-	-	-	-
Security Deposits	1.20	-	-	112.68	-	-
Cash and Bank Balances	150.99	-	-	100.08	-	-
Total Financial Assets	**152.19**	-	-	**212.76**	-	-
Financial Liabilities						
Borrowings	48,079.47	-	-	47,169.94		
Retentions	146.78			139.31		
Trade payables	1,559.84	-	-	1,555.95	-	-
Other Financial Liabilities	1,990.48	-	-	1,061.12		
Total Financial Liabilities	**51,776.58**	-	-	**49,926.33**	-	-

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

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

(Amount in Lakhs)

Particulars	Carrying Value March 31, 2017	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017				
Financial Liabilities				
- Borrowings	47,169.94	-	47,169.94	0
- Retentions	139.31	-	139.31	0
Total	47,309.25	-	47,309.25	-

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Particulars	Carrying Value March 31, 2018	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018				
Financial Liabilities				
- Borrowings	48,079.47	-	48,079.47	-
- Retentions	146.78	-	146.78	-
Total	48,226.25	-	48,226.25	-

(ii) Valuation techniques used to determine Fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation technique used to value financial instrument includes:

> the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis

The following method and assumptions are used to estimate fair values:

The Carrying amounts of trade recibale/payables, short term borrowings, cash and cash equivalents, short term deposits/retentions, expenses payable etc. are considered to be their fair value, due to their short term nature.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

The fair value of retentions are evaluated on parameters such as interest rate and other risk factors. Fair value is being determined by using the discounted cash flow (DCF)

Financial assets and liabilities measured at fair value and the carrying amount is the fair value.

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PNC Bareilly Nainital Highways Private Limited
Notes to financial statement as at and for the year ended March 31, 2018

Note 32 : FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company principal financial asset includes loan , trade and other receivables, and cash and short-term deposits that arise directly from its operations.

I. Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

(a) 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. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio .

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows: (Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Variable rate borrowings	43,507.80	44,951.34
Fixed rate borrowings	-	-
Total borrowings	43,507.80	44,951.34

(ii) As at the end of reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding: (Amount in Lakhs)

Particulars	31/03/2018			31/03/2017		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Term Loan		43,507.80	100.00%		44,951.34	100.00%
Net exposure to cash flow interest rate risk		43,507.80	100.00%		44,951.34	100.00%

(ii) Sensitivity
Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
INR	+50	+50	217.54	224.76
	- 50	- 50	-217.54	-224.76

Foreign currency risk
The Company does not operates internationally and as the Company has not obtained any foreign currency loans and also doesn't have any foreign currency trade payables and foreign receivables outstanding therefore, the company is not exposed to any foreign exchange risk.

Price Risk
The company does not have any investments in equity and commodity at the current year end and previous year. Therefore the company is not exposed to price risk.

II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an on going basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.
(ii) Actual or expected significant changes in the operating results of the counterparty.
(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
(iv) Significant increase in credit risk an other financial instruments of the same counterparty
(v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

The company's only source of revenue is from toll collection which is mostly collected in cash by company and only trade recievables that a company has are against the the grant to be recieved, which is a goverment authority ,therefore company is not exposed to any credit risk. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

III. Liquidity Risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(Amount in Lakhs)

As at March 31, 2018	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	44,979.80	-	1,472.00	4,784.00	38,723.80	44,979.80
Trade payables	1,559.84	-	1,559.84	-	-	1,559.84
Other Liabilities	1,990.48	-	1,990.48	-	-	1,990.48
Total	**48,530.13**	**-**	**5,022.32**	**4,784.00**	**38,723.80**	**48,530.13**

(Amount in Lakhs)

As at March 31, 2017	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	47,169.94	-	716.00	4,176.80	42,257.14	47,169.94
Trade payables	1,555.95	-	1,555.95	-	-	1,555.95
Other Liabilities	1,061.12	-	1,061.12	-	-	1,061.12
Total	**49,787.01**	**-**	**3,353.07**	**4,176.80**	**42,257.14**	**49,787.01**

Financing arrangements

The company does not have any undrawn borrowing facilities at the end of reporting period or previous periods.

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PNC Bareilly Nainital Highways Private Limited
Notes to financial statement as at and for the year ended March 31, 2018

Note 33 : Capital Management

(a) Risk Management

The primary objective of the Company's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. In order to manage the capital structure, the Company may adjust the amount of dividend paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt.

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Debt	48,079.47	47,169.94
Cash & bank balances	150.99	100.08
Net Debt	47,928.49	47,069.86
Total Equity	3,494.82	6,150.07
Total Equity and Net Debt	51,423.30	53,219.93
Net debt to debt and equity ratio (Gearing Ratio)	**93.20%**	**88.44%**

Notes-

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

(b) Loan Covenants

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period and the previous periods. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. Till date,the banks have not charged any penal interests.

No changes were made in the objectives, policies or processes for managing capital during the current years and previous years.

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Note 34 : Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Ind AS 115 Revenue from Contracts with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The effect on adoption of Ind AS 115 is expected to be insignificant.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018.

Note 36 : Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

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