



**RMA & ASSOCIATES LLP**  
**Chartered Accountants**  
LLPIN: AAI-9419 / (ISO 9001:2015)

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## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBER OF PNC KANPUR HIGHWAYS LIMITED**

### **Report on the standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **PNC KANPUR HIGHWAYS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 or 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, 2016 and 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 thereunder. 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 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, 2017, 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, 2016 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" 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.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

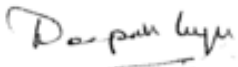


- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in Note 4 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management.

**Other Matter**

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, on which auditor expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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

  
CA Deepak Gupta  
Partner  
M.No. 081535



Place of Signature: Delhi

Date: 17/5/2017

**"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,2017:

- 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 (31.03.2017) for a period of more than six months from the date they became payable.



(b) According to the information and explanation given to us, there 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 theyear.
- 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.



- 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

*Deepak Gupta*

**CA Deepak Gupta**  
Partner  
M.No. 081535



Place of Signature: Delhi  
Date: 17/5/2017

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

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

We have audited the internal financial controls over financial reporting of PNC KANPUR HIGHWAYS LIMITED as of 31st March, 2017 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.



#### **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 31st March, 2017, based on our audit procedures.

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

  
**CA Deepak Gupta**  
Partner  
M.No. 081535



Place of Signature: Delhi  
Date: 17/5/2017



(Amount in Lakhs)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>ASSETS</b>				
(1) Non - current assets				
(a) Property, plant and equipment	3	22.96	11.49	-
(b) Intangible Asset	4	32,218.06	35,095.00	35,952.76
(c) Financial assets				
(i) Other Financial Assets	5	-	-	9.65
(d) Deffered Tax Asset	17	-	-	-
(e) Other Non - current assets	6	160.60	379.08	291.45
<b>Sub Total (Non Current Assets)</b>		<b>32,401.62</b>	<b>35,485.57</b>	<b>36,253.86</b>
(2) Current assets				
(a) Financial assets				
(i) Investments	7	1,318.33	36.18	-
(ii) Trade receivables	8	-	-	2,004.34
(iii) Othe Cash and cash equivalents	9	273.94	183.49	800.94
(iv) Other Financial Assets	10	9.05	29.10	2.08
(b) Other current assets	11	39.65	15.92	90.94
<b>Sub Total (Current Assets)</b>		<b>1,640.97</b>	<b>264.69</b>	<b>2,898.30</b>
<b>Total Assets</b>		<b>34,042.59</b>	<b>35,750.25</b>	<b>39,152.16</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	12	6,750.00	6,750.00	6,750.00
(b) Other equity	13	1,363.63	1,644.20	1,601.87
<b>Sub Total (Equity)</b>		<b>8,113.63</b>	<b>8,394.20</b>	<b>8,351.87</b>
<b>LIABILITIES</b>				
(1) Non - current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	22,357.16	24,228.52	25,668.94
(ii) Other financial liabilities	15	-	-	158.52
(b) Provisions	16	836.39	331.16	-
(c) Deffered Tax Liability	17	408.17	627.53	716.32
(d) Other non - current liabilities	18	-	-	32.46
<b>Sub Total (Non Current Liability)</b>		<b>23,601.71</b>	<b>25,187.21</b>	<b>26,576.24</b>
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	-	-	2,000.00
(ii) Trade payables	20	15.44	247.84	1,233.30
(iii) Other financial liabilities	21	2,169.51	1,846.07	951.69
(b) Other current liabilities	22	95.91	30.49	39.06
(c) Current tax liability	23	43.69	43.69	-
(d) Provisions	24	2.70	0.75	-
<b>Sub Total (Current Liability)</b>		<b>2,327.25</b>	<b>2,168.85</b>	<b>4,224.05</b>
<b>Total Equity &amp; Liabilities</b>		<b>34,042.59</b>	<b>35,750.25</b>	<b>39,152.16</b>

In terms of our report of even date


On Behalf of the Board

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

  
CA Deepak Gupta  
Partner  
M.No.- 081535  


  
Chakresh Kumar Jain  
Managing Director  
DIN: 00086768

  
Deeksha Garg  
Company Secretary

  
Yogesh Kumar Jain  
Director  
DIN: 00086811

  
Sarvesh Garg  
CFO

Place-New Delhi  
Date- 17/05/2017

PNC Kanpur Highways Ltd.  
 CIN: U45400DL2011PLC212392  
 Statement of Profit and Loss for the year ended on March 31, 2017

(Amount in Lakhs)

Particulars	Notes	Amount as on 31.03.2017	Amount as on 31.03.2016
I Revenue from Operations	25	7,306.06	6,953.26
II Other income	26	233.94	216.49
III <b>Total Income ( I+II )</b>		<b>7,540.00</b>	<b>7,169.75</b>
IV <b>Expenses :</b>			
Employee benefit expense	27	307.39	218.55
Finance Cost	28	2,570.78	2,600.52
Depreciation and amortization expenses	29	2,884.35	2,110.95
Other Expenses	30	2,267.28	2,286.20
<b>Total Expenses (IV)</b>		<b>8,029.80</b>	<b>7,216.22</b>
V Profit/(Loss) before exceptional items & Tax (III-IV)		-489.80	-46.47
VI Exceptional Items			
VII <b>Profit/(Loss) before tax (V-VI)</b>		<b>-489.80</b>	<b>-46.47</b>
VIII Tax expense :	31		
Current tax			43.69
Deferred tax		-216.23	-88.79
MAT Credit Adjustment		-	-43.69
IX <b>Profit &amp; (Loss) for the period from Continuing operations (VII-VIII)</b>		<b>-273.57</b>	<b>42.33</b>
X <b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
- Actuarial Gain and losses on defined benefit plans		-10.13	
(ii) Income tax relating to above items		3.13	
<b>Total Comprehensive Income for the period ( IX + X )</b>		<b>-280.57</b>	<b>42.33</b>
Earning per equity share (for continuing operation)			
(1) Basic & Diluted	32	-0.73	-0.07

In terms of our report of even date

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

*Deepak Gupta*  
 CA Deepak Gupta  
 Partner  
 M.No.- 081535



Place-New Delhi  
 Date-17/05/2017

On Behalf of the Board

*Chakresh Kumar Jain*  
 Chakresh Kumar Jain  
 Managing Director  
 DIN: 00086768

*Deeksha Garg*  
 Deeksha Garg  
 Company Secretary

*Yogesh Kumar Jain*  
 Yogesh Kumar Jain  
 Director  
 DIN: 00086811

*Sarvesh Garg*  
 Sarvesh Garg  
 CFO

PNC Kanpur Highways Ltd.

CIN: U45400DL2011PLC212392

Cash Flow Statement For The Period ended on March 31, 2017

(Amount in Lakhs)

Particulars	Year Ended March 31,2017	Year Ended March 31,2016
<b>A. Cash Flow from Operating Activities</b>		
Net Profit /(Loss) before Tax & after exceptional items	-489.80	-46.47
Adjustment for:		
Add/(Less):		
Interest	2,551.92	2,584.05
Fair valuation of mutual fund		0.16
Profit on sale of Mutual Fund	107.78	30.77
Depreciation	2,881.73	2,108.66
Markup	-	59.50
Finance Income On Grant	-	155.66
Provision for Gratuity	10.13	-
<b>Operating Profit / (Loss) before working capital changes</b>	<b>4,825.94</b>	<b>4,400.15</b>
<b>Adjustment fo Changes in Working Capital</b>		
Increase/Decrease in trade payable	-232.40	-985.45
Increase/Decrease in other current Liabilities	124.41	-1,783.33
Increase/Decrease in Non -current Liabilities	-	-190.98
Increase/Decrease in Long term provisions	505.23	331.16
Increase/Decrease in Non current assets	218.48	-34.28
Increase/Decrease in Current assets	-3.68	48.00
<b>Cash Generated from/(used) from operating activities</b>	<b>5,437.97</b>	<b>1,785.26</b>
Direct Taxes Paid		
Cash (used in )/ from operating activities befre extraordinary Items	5,437.97	1,785.26
Preliminary Exp.		
<b>Cash Generated from/(used) from operating activities (A)</b>	<b>5,437.97</b>	<b>1,785.26</b>
<b>B. Cash Flow from Investing Activities</b>		
Increase in Intangible Assets		-1,190.10
Purchase of Fixed Asset	-16.26	-12.80
Purchase/Sale of Investment	-1,174.36	-5.25
<b>Net Cash ( used in) / from Investing Activities (B)</b>	<b>-1,190.62</b>	<b>-1,208.14</b>
<b>C. Cash Flow from Financing Activities</b>		
Capital Grant		2,160.00
Interest	-2,551.92	-2,584.05
RePayment of Term Loan	-1,604.97	-770.52
<b>Net Cash ( used in) / from Financing Activities (C)</b>	<b>-4,156.89</b>	<b>-1,194.58</b>
<b>Net Cash Increase in cash &amp; Cash equivalents (A+B+C)</b>	<b>90.46</b>	<b>-617.46</b>
Cash & Cash equivalents in beginning	183.49	800.94
<b>Cash &amp; Cash equivalents as at the end</b>	<b>273.94</b>	<b>183.49</b>

In terms of our report of even date

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

*Deepak Gupta*  
CA Deepak Gupta  
Partner  
M.No.- 081535



Place-New Delhi  
Date-17/05/2017

On Behalf of the Board

*Chakresh Kumar Jain*  
Chakresh Kumar Jain  
Managing Director  
DIN: 00086768

*Deeksha Garg*  
Deeksha Garg  
Company Secretary

*Yogesh Kumar Jain*  
Yogesh Kumar Jain  
Director  
DIN: 00086811

*Sarvesh Garg*  
Sarvesh Garg  
CFO

PNC Kanpur Highways Ltd.  
CIN: U45400DL2011PLC212392

A. Equity Share Capital

(Amount in Lakhs)

As at March 31, 2017	Changes during the year	As at March 31, 2016	Changes during the year	As at April 1, 2015
6,750	-	6,750	-	6,750

B. Other Equity

(Amount in Lakhs)

Particulars	Reserves & Surplus	
	Retained earnings	Total
Restated Balance as at April 1, 2015	1,602	1,602
Profit for the year	42	42
Other Comprehensive Income	-	-
Total comprehensive income for the year	42	42
Balance as at March 31, 2016	1,644	1,644
Profit for the year	(274)	(274)
Other Comprehensive Income	(7)	(7)
Total comprehensive income for the year	(281)	(281)
Balance as at March 31, 2017	1,364	1,364

The accompanying notes form an integral part of the financial statements

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

*Deepak Gupta*

CA Deepak Gupta  
Partner  
M.No.- 081535



Place-New Delhi  
Date- 17.05.2017

On Behalf of the Board

*Chakresh Kumar Jain*  
Chakresh Kumar Jain  
Managing Director  
DIN: 00086768

*Deeksha Garg*  
Deeksha Garg  
Company Secretary

*Yogesh Kumar Jain*  
Yogesh Kumar Jain  
Director  
DIN: 00086811

*Sarvesh Garg*  
Sarvesh Garg  
CFO

PNC Kanpur Highways Ltd.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31.03.2017

**Significant Accounting Policies**

**Company Overview:**

section(Km. 7.430 to Km. 130.100) of NH-86 in the state of uttar pradesh on design,build,finance, Operate and transfer (DBFOT ) basis" and entitled to retain the collected toll fees and appropriate

**1.Basis of Prepration**

under sec 133 of the companies act 2013.(the Act )[Companies(Indian accounting standard)Rules, 2015] as amended and other relevant provision of the act.

The financial statement upto year ended 31 st march 2106 were prepared in accordance with the accounting standards notified under companies(accounting standard)RRules 2006(as amended) and other relevant provision of the Act.

**1(a)Historical Cost convention**

financial assets & Liablities measured at fair value.

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

**Property Plant & Equipment:**

*On transition to IND AS*, the Company has elected to continue with the carrying value of all its property plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP 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 Depreciation is calculated on a **straight-line basis** over the estimated useful lives of the assets as

Office Equipemnts- 5 years

Furniture & Fixtures- 10 Years

Electric Equipments- 5 Years

Computers-3 Years

financial year end and adjusted prospectively, if appropriate.

**Intangible Asset**

The company recognises the Intangible asset at the fair value according to **Ind AS-38**.During the construction phase of the arrangement the company asset is classified as a right to receive a licence to charge users of the infrastructure. The company estimates the fair value of its consideration received or receivable as equal to the forecast construction costs including expected to be available for use by the company.



## Financial Instruments

of financial instrument as specified under *Ind AS 109* is met.

### Financials Asset

#### Initial recognition and measurement

attributable to the acquisition of the financial asset except in the case of financial assets not recorded at fair value through profit or loss. Transaction costs of financial assets carried at fair

#### Subsequent measurement

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

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

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

FVTPL is a residual category for Financial Assets. Any financial asset, 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

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is

primarily derecognised when the rights to receive cash flows from the asset have expired

The company assesses on a forward looking basis the expected credit losses associated with its

assets carried at amortised cost. The impairment methodology applied depends on whether

there has been a significant increases in credit risk. *Note-21* details how the group determines

whether there has been a significant increase in credit Risk.

For trade receivables only, the company applies the simplified approach permitted by IND AS 109

### Financial Liabilities

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.



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**Subsequent Measurement**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of 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

**Provisions, Contingent liabilities and Contingent assets**

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-

**Contingent liabilities and assets**

Contingent liability and assets are not recognised but are disclosed in the notes to the financial statements in accordance with **IND AS 37**

**Service Concession Arrangements**

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

**Revenue related to SCA :**

**Determination of fair values of Intangible asset.**

construction profit margin which the company estimates to earn on its construction services.



**Revenue recognition**

the revenue can be reliably measured, irrespective of fact whether payment is received or not. Revenue is measured at the fair value of the consideration received or receivable, taking into a part of revenue from operations.

**Revenue related to SCA :**

the stage of completion of the work performed

**Interest Income**

For all financial instruments measured at amortised cost, 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

**Current Income Tax**

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.

**Deferred 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

**Borrowing Costs**

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

**Segment reporting**

operation, hence it operates in one business segment.

**Cash Flow Statement**

effects of transactions of a non-cash nature, any deferral or accruals of past or future operating cash receipt or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are





<b>Cash &amp; Cash Equivalent</b>
highly liquid investments which are subject to an insignificant risk of change in value with an original maturity of three months or less from date of purchase to be cash equivalent.
<b>Employee benefits</b>
<b>Short Term:</b> 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 employees have rendered the service entitling them to the contribution.
<b>Long Term:</b> 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. <b>Gratuity &amp; Leave Encashment(Un-Funded):</b> The cost is determined using the projected unit credit method with actuarial valuation being carried at cash at each Balance Sheet date by an



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PNC Kanpur Highways Ltd.

CIN: U45400DL2011PLC212392

Notes to financial statement as at and for the year ended March 31, 2017

Note : 3 Property, plant & equipment

Year Ended 31st march 2016						(Amount in Lakhs)
Particulars	Office equipment	Furniture & fixtures	electric equipments	Computers	Total	
Gross Carrying Value						
As at April, 1 2015	8.75	2.35	0.83	0.87	12.80	
Addition during the year						
Disposal / Adjustments						
As at March 31, 2016	8.75	2.35	0.83	0.87	12.80	
Accumulated Depreciation						
As at April, 1 2015	1.08	0.12	0.01	0.10	1.31	
Addition during the year						
Disposal / Adjustments	1.08	0.12	0.01	0.10	1.31	
As at March 31, 2016	7.67	2.22	0.81	0.77	11.49	
Net carrying Value as at March, 31 2016						

Year Ended 31st march 2017						(Amount in Lakhs)
Particulars	Office equipment	Furniture & fixtures	electric equipments	Computers	Total	
Gross Carrying Value						
As at March 31, 2016	8.75	2.35	0.83	0.87	12.80	
Addition during the year	1.42		7.27	7.57	16.26	
Disposal / Adjustments						
As at March 31, 2017	10.18	2.35	8.09	8.44	29.06	
Accumulated Depreciation						
As at March 31, 2016	1.08	0.12	0.01	0.10	1.31	
Addition during the year	1.67	0.22	0.35	2.55	4.79	
Disposal / Adjustments	2.75	0.34	0.37	2.65	6.10	
As at March 31, 2017	7.42	2.00	7.73	5.79	22.96	
Net carrying Value as at March, 31 2017						

Notes :

- i) Property, plant and equipment pledged as security except project assets (Refer Note 15)  
 (ii) Opening balances of Gross block and accumulated depreciation have been regrouped/ reclassified/rearranged wherever considered necessary.



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PNC Kanpur Highways Ltd.

CIN: U45400DL2011PLC212392

Notes to financial statement as at and for the year ended March 31, 2017

Note: 4 Intangible Assets

(Amount in Lakhs)

Year Ended 31st march 2016		
Particulars	Concession rights	Total
<b>Gross Carrying Value</b>		
As at April, 1 2015	35,952.76	35,952.76
Addition during the year	1,249.60	1,249.60
Disposal / Adjustments		
<b>As at March 31, 2016</b>	<b>37,202.36</b>	<b>37,202.36</b>
<b>Accumulated Depreciation</b>		
As at April, 1 2015		
Addition during the year	2,107.36	2,107.36
Disposal / Adjustments		
<b>As at March 31, 2016</b>	<b>2,107.36</b>	<b>2,107.36</b>
<b>Net Carrying value as at March 31, 2016</b>	<b>35,095.00</b>	<b>35,095.00</b>

(Amount in Lakhs)

Year Ended 31st march 2017		
Particulars	Concession rights	Total
<b>Gross Block (at cost or revalued amount)</b>		
As at March 31, 2016	37,202.36	37,202.36
Addition during the year		
Disposal / Adjustments		
<b>As at March 31, 2017</b>	<b>37,202.36</b>	<b>37,202.36</b>
<b>Accumulated Depreciation</b>		
As at March 31, 2016	2,107.36	2,107.36
Addition during the year	2,876.94	2,876.94
Disposal / Adjustments		
<b>As at March 31, 2017</b>	<b>4,984.30</b>	<b>4,984.30</b>
<b>Net Carrying value as at March 31, 2017</b>	<b>32,218.06</b>	<b>32,218.06</b>



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PNC Kanpur Highways Ltd.  
 CIN: U45400DL2011PLC212392  
 Notes to financial statement as at and for the year ended March 31, 2017

**Note 5 : Other Non Current Financial Assets**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Retention with statutory department			9.65
<b>Total Other Non Current financial assets</b>			<b>9.65</b>

**Note 6 : Other Non Current Assets**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory Dues Receivable			
-Advance Tax and TDS Refundable	46.88	267.61	242.54
-WCT Receivable	70.03	67.78	45.23
Other Advances	-	-	1.70
Mat Credit Entitlement	43.69	43.69	
Deffered Retention with Departments			1.98
<b>Total Other Non-current assets</b>	<b>160.60</b>	<b>379.08</b>	<b>291.45</b>

**Note 7 : Current financial investments**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments in Mutual fund			
Quoted			
HDFC Pool Liquid Fund	1,318.33	36.18	-
<b>Total</b>	<b>1,318.33</b>	<b>36.18</b>	<b>-</b>

**Note 8 : Current trade receivable**

(Amount in Lakhs)

Particulars	Amount as on 31.03.2017	Amount as on 31.03.2016	Amount as on 01.04.2015
Trade Receivables			
Unsecured considered Good unless otherwise stated			
Present value of Annuity Receivables			2,004.34
Less : allowance for doubtful debts			
<b>Total Trade Receivables</b>			<b>2,004.34</b>



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PNC Kanpur Highways Ltd.

CIN: U45400DL2011PLC212392

Notes to financial statement as at and for the year ended March 31, 2017

**Note 9 : Cash and cash equivalents**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with bank			
-In current account	221.39	152.54	515.54
Cash in hand	52.55	30.95	0.40
Fixed deposits(Maturity less than 3 months)		-	285.00
<b>Total cash and cash equivalents</b>	<b>273.94</b>	<b>183.49</b>	<b>800.94</b>

**Note 10 : Other Current financial Assets**

(Amount in Lakhs)

Particulars	Amount as on 31.03.2017	Amount as on 31.03.2016	Amount as on 01.04.2015
Interest Accrued		-	2.08
Retention with govt authority	9.05	29.10	-
<b>Total Other Current financial assets</b>	<b>9.05</b>	<b>29.10</b>	<b>2.08</b>

**Note 11 : Other Current Assets**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Imprest to Employees	0.11	0.11	0.72
Prepaid Insurance	4.29	4.13	0.03
Advance to NHA1	35.25	9.05	9.05
Pre-Operative and Preliminary	-	-	80.54
Deferred retention with department	0.00	2.63	-
<b>Total Other financial assets</b>	<b>39.65</b>	<b>15.92</b>	<b>90.94</b>



PNC Kangur Highways Ltd.  
 CIN: U45400DL2011PLC212992  
 Notes to financial statement as at and for the year ended March 31, 2017

Note 12 : Share Capital

Particulars	(Amount in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorized 6,80,00,000 (Previous year 6,80,00,000) equity Shares of Rs10/- each	6,800	6,800	6,800
Equity Shares - Issued, Subscribed & paid up 6,75,00,000 (Previous year 6,75,00,000) equity Shares of Rs10/- each	6,750	6,750	6,750

Notes 12.1

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	(No. of Shares in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
At the beginning of the year 675 Lakhs (Previous year 675 Lakhs) Equity Shares of Rs. 10 each allotted as fully paid up	675	675	675
Issued during the year Equity Shares of Lakhs 10 each allotted as fully paid up	-	-	-
Outstanding at the end of the year 675 Lakhs (Previous year 675 Lakhs) Equity Shares of Rs. 10 each allotted as fully paid up	675	675	675

Shares of Company Held by holding/Ultimate holding Co.

Particulars	(No. of Shares in Lakhs)		
	31st March 2017	31st March 2016	1st April 2015
PNC Infraholdings Ltd	675	675	675

Details of Shareholders holding more than 5% in the company

Particulars	31st March 2017		31st March 2016		1st April 2015	
	No of Shares	% Holdings	No of Shares	% Holdings	No of Shares	% Holdings
PNC Infraholding Limited	675	100	675	100	675	100

Rights and restrictions 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 Consortium of lenders.

Company has not allotted any equity shares in consideration other than cash.



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PNC Kanpur Highways Ltd.  
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Notes to financial statement as at and for the year ended March 31, 2017

Retained Earnings

Particulars	(Amount in Lakhs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Opening Balance	1,644.20	1,601.87	4,735.13
Net Profit for the period	(273.57)	42.33	
Remeasurement of post employee benefit obligation net of taxes	(7.00)	-	
Closing Balance	1,363.63	1,644.20	4,735.13

Note 13.1: This items of other comprehensive income are directly recognised in retained earnings

Note 13.2: Nature and Purpose of Reserves  
This are the company undistributed profits.



PNC Kanpur Highways Ltd.  
 CIN: U45400DL2011PLC212392  
 Notes to financial statement as at and for the year ended March 31, 2017

**Note 14 : Non Current Borrowings**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Secured</b>			
Term Loan From Banks			
-Oriental bank of commerce	13,564.52	14,463.08	14,366.79
-Central Bank of India	10,667.04	11,373.44	12,240.25
<b>Total Non Current Borrowings</b>	<b>24,231.56</b>	<b>25,836.52</b>	<b>26,607.04</b>
Less Current Maturities of Long term debt	1,874.40	1,608.00	938.10
<b>Non Current Borrowings(as per balance sheet)</b>	<b>22,357.16</b>	<b>24,228.52</b>	<b>25,668.94</b>

The Loan is repayable in 96 unequal monthly installments commencing from January 2016

**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 receivables save and except the project assets.

(iv) A first charge over all the bank accounts of the borrower, the escrow account, sub accounts, major maintenance 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 security interest in all the rights, title, interests, benefits, claims and demands.

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

**Note 15 : Other Non Current Financial Liabilities**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Retentions		-	158.52
<b>Total Other Non Current Financial Liabilities</b>	-	-	<b>158.52</b>

**Note 16 : Non-Current Liabilities-Provisions**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Major Maintenance provisions	820.09	331.16	
Gratuity	16.30		
<b>Total</b>	<b>836.39</b>	<b>331.16</b>	-

**Note 18 : Other Non current liabilities**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deferred Retention			32.46
<b>Total Other Non current Liabilities</b>	-	-	<b>32.46</b>



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PNC Kanpur Highways Ltd.  
 CIN: U45400DL2011PLC212392  
 Notes to financial statement as at and for the year ended March 31, 2017

**Note 19 : Current Borrowings**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans Repayable on Demand Unsecured From Related Party			2,000.00
<b>Total Current Borrowings</b>			<b>2,000.00</b>

**Note 20 : Current Financial Liabilities: Trade payables**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Dues Of MSME parties Dues of other than MSME parties	15.44	247.84	1,233.30
<b>Total Current Trade Payables</b>	<b>15.44</b>	<b>247.84</b>	<b>1,233.30</b>

As per the available records there is suppliers/Service providers covered under Micro, Small Medium Enterprises Development Act, 2006 .In view of this, information required to be disclosed u/s 22 of the said Act is not given.

**Note 21 : Other current financial liabilities:**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Maturities of Long Term Debt Payable to Employees -Salary Payables -Others Expenses Payable Others Retentions	1,874.40 28.16 3.29 - 31.37 232.29	1,608.00 18.97 2.95 0.52 215.63	938.10 - 13.08 0.51 -
<b>Total Other Current Financial Liabilities</b>	<b>2,169.51</b>	<b>1,846.07</b>	<b>951.69</b>

**Note 22 : Other current liabilities**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Statutory Dues payable -TDS Payable -WCT Payable -Labour Cess -EPF Payable Mess Recoverable Deferred Retentions Others	30.30 58.92 - 2.38 0.00 4.31	- 10.02 - 0.22 1.28 17.87 1.10	13.40 25.66 - - - -
<b>Total Other current Liabilities</b>	<b>95.91</b>	<b>30.49</b>	<b>39.06</b>

**Note 23 : Current Tax liability**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current Tax Liability Less: Taxes paid Net Tax Liability	43.69 - 43.69	43.69 - 43.69	- - -

**Note 24 : Short term provisions**

(Amount in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Gratuity	2.70	0.75	-
<b>Total</b>	<b>2.70</b>	<b>0.75</b>	<b>-</b>



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**Note 23.1: Detail of Employee Benefit Expenses**

The disclosures required by Ind- AS-19 "Employee Benefits" are as under:

**(a) Defined Benefit Plan**

The liability for employee gratuity and leave encashment is determined on actuarial valuation using projected unit credit method. The obligations are as under:-

Particulars	Gratuity	
	2016-17	2015-16
<b>1.Change in Present Value of Obligation</b>		
Present value of obligation at the beginning of the period	0.55	
Acquisition cost	-	
Interest cost	0.04	
Current service cost	8.27	
Benefits paid	-	
Actuarial (gain)/loss on obligation		
a) Effect of changes in demographic assumptions	-	
b) Effect of changes in financial assumptions	0.46	
c). Effect of experience adjustments	9.67	
Present value of obligation at end of period	18.99	
<b>2. Change in Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the period	-	
Acquisition adjustment	-	
Actual return on plan assets	-	
Contributions	-	
Benefits paid	-	
Actuarial gain/(loss) on plan assets	-	
Fair value of plan assets at the end of the period	-	
<b>3.Amount to be recognised in Balance Sheet</b>		
Present value of obligation as at end of the period	18.99	
Fair value of plan assets as at the end of the period	-	
Net Asset/(liability) recognised in Balance Sheet	(18.99)	
<b>4.Expenses recognised in the statement of profit &amp; loss.</b>		
Current service cost	8.27	
Net Interest cost	0.04	
Expected return on plan assets	-	
Net actuarial (gain)/loss recognised in profit/loss	-	
Expenses recognised in the statement of Profit & Loss	8.31	
<b>5.Recognised in other comprehensive income for the year</b>		
a. Net cumulative unrecognized actuarial gain/(loss) opening	-	
b. Actuarial gain / (loss) for the year on PBO	10.13	
c. Actuarial gain / (loss) for the year on Asset	-	
d. Unrecognized actuarial gain/(loss) at the end of the year	-	
<b>6. Maturity Profile of Defined Benefit Obligation</b>		
1. Within the next 12 months (next annual reporting period)	2.70	
2. Between 2 and 5 years	10.79	
3. Between 6 and 10 years	8.05	



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<b>7. Quantitative sensitivity analysis for significant assumptions is as below</b>		
<b>(i) Impact of the change in discount rate</b>		
Present Value of Obligation at the end of the period		18.99
a. Impact due to increase of 100 Basis Points		18.20
b. Impact due to decrease of 100 Basis Points		19.86
<b>Impact of the change in salary increase</b>		
Present Value of Obligation at the end of the period		18.99
a. Impact due to increase of 1 %		19.74
b. Impact due to decrease of 1 %		18.29
<b>Attrition Rate</b>		
Present Value of Obligation at the end of the period		18.99
a. Impact due to increase of 1 %		18.67
b. Impact due to decrease of 1 %		19.33

**(ii) Sensitivity Analysis Method**  
Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

<b>8. Actuarial assumptions</b>			
<b>a) Economic Assumptions</b>			
i. Discounting Rate		7.00%	
ii. Salary escalation		9.00%	
iii. Attrition rate		25.00%	
<b>b) Demographic Assumption</b>			
i) Retirement Age (Years)		60	
ii) Mortality rates inclusive of provision for disability		100% of IALM (2006 - 08)	
<b>Mortality Rates for specimen ages</b>			
Age	Mortality Rate	Age	Mortality Rate
18	0.0008	43	0.00235
23	0.000961	48	0.003983
28	0.001017	53	0.006643
33	0.001164	58	0.009944
38	0.001549	60	0.011534



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PNC Kanpur Highways Ltd.  
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 Notes to financial statement as at and for the year ended March 31, 2017

**Note 25 : Revenue from operations**

(Amount in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Contract Revenue	56.37	1,621.41
<b>Toll Collection:</b>		
Toll Collection - Khanna	4,065.72	2,129.49
Toll Collection A/c - Sazeti	3,183.97	3,202.36
<b>Total revenue from continuing operation</b>	<b>7,306.06</b>	<b>6,953.26</b>

**Note 26 : Other Income**

(Amount in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income		
- From Bank	-	6.94
Fair valuation of mutual fund	107.78	0.16
Interest on Income Tax Refund	28.94	3.31
Finance income on Capital grant	-	155.66
Finance income on retentions	20.59	19.65
Profit on sale of Mutual fund	-	30.77
Compensation from NHA1	76.63	-
<b>Total other Income</b>	<b>233.94</b>	<b>216.49</b>



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PNC Kanpur Highways Ltd.  
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 Notes to financial statement as at and for the year ended March 31, 2017

**Note 27 : Employee Benefit Expenses**

(Amount in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries and Wages	290.71	206.02
Contribution to provident fund	7.32	2.26
Staff Welfare Exp.	0.50	10.27
<b>Total Employee benefit expenses</b>	<b>298.53</b>	<b>218.55</b>

**Note 28: Finance Cost**

(Amount in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest on term loans	2,551.92	2,584.05
Interest expense on retention payable	18.86	16.47
<b>Total Finance cost</b>	<b>2,570.78</b>	<b>2,600.52</b>

**Note 29 : Depreciation and amortisation**

(Amount in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation on Tangible Assets	4.79	1.31
Amortisation on Intangible Assets	2,876.94	2,107.36
Amortisation of Security Money Asset	2.62	2.28
<b>Total Depreciation and amortisation</b>	<b>2,884.35</b>	<b>2,110.95</b>

**Note 30 : Other Expenses**

(Amount in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Power & Fuel	79.80	33.38
other expenses CONTRACT PAID	1,547.98	622.42
Other Expenses Rent (Lease rental)	-	0.54
Travelling - Others	0.16	0.28
postage and telephone	0.02	0.01
Legal expenses	84.36	9.12
printing and stationary	2.46	6.86
Security Expenses	2.27	1.78
Rates & taxes	0.00	0.35
Insurance Premium	0.86	2.27
Bank Charges	3.00	6.13
Repair & maintenance	9.28	3.47
Electricity Expense	-	2.79
Hire charges of Vehicles	12.59	11.32
Miscellaneous Expenses written off	-	38.58
Auditor remuneration*	0.86	0.57
Advertisement cost	0.54	3.99
expense incurred on intangible asset	-	1,190.10
Other	34.16	21.07
Major Maintenance Cost	488.93	331.16
<b>Total</b>	<b>2,267.28</b>	<b>2,286.20</b>

Auditor Remuneration Includes:	Year ended March 31, 2017	Year ended March 31, 2016
Audit Fees	0.86	0.57
Other Services	-	-
<b>Total</b>	<b>0.86</b>	<b>0.57</b>

PNC Kanpur Highways Ltd.  
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Notes to financial statement as at and for the year ended March 31, 2017

**Note 31 : Tax Expense**

**A. Income Tax Expenses**

(Amount in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>(a) Current tax</b>		
Current tax on profit for the period	-	-
Adjustments for current tax of prior periods		
<b>Total Current tax expense</b>	-	-
<b>(b) Deferred tax</b>		
(Decrease) Increase in deferred tax Liabilities	(216.23)	(624.29)
(Increase) Decrease in deferred tax Assets		535.50
<b>Total Deferred Tax Expenses</b>	(216.23)	(88.79)
<b>(c) MAT</b>		
Mat Credit Entitlement	-	-
<b>Total Income tax Expense</b>	<b>(216.23)</b>	<b>(88.79)</b>

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

(Amount in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit & Loss before tax	(489.80)	(46.47)
<b>Tax at Indian tax rate of 30.09% (F.Y. 2015-16-30.9%)</b>	<b>(151.35)</b>	<b>(14.36)</b>
Income Tax Exempt under Tax Holiday	(64.88)	(74.44)
<b>Total tax expenses as per profit and loss</b>	<b>(216.23)</b>	<b>(88.80)</b>



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PNC Kanpur Highways Ltd.

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Notes to financial statement as at and for the year ended March 31, 2017

Note 32 : Earning Per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
(a) Profit/(Loss) available to Equity Shareholders (Lakhs In lakhs)	(490)	(46)
(b) Weighted Average number of Equity Shares	675	675
(c) Nominal value of Equity Shares (in Lakhs)	10	10
(d) Basic and Diluted Earnings Per Share [(a)/(b)]	(0.73)	(0.07)



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PNC Kanpur Highways Ltd.

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Notes to financial statement as at and for the year ended March 31, 2017

**Note 28 : Operating Segment Information**

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

The 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 31,2017 and March 31, 2016.



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PNC Kanpur Highways Ltd.  
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 Notes to financial statement as at and for the year ended March 31, 2017

Note: 34 Related party transactions

(A) List of related parties

(a) Parent Entity

Name	Type	Ownership Interest		
		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
PNC Infratech Ltd	Ultimate holding	0%	0%	0%
PNC Infraholding Ltd	Immediate holding	100%	100%	100%

(B) Transactions between related parties

(i) Related party transactions

(Amount in Lakhs)

Nature of Transaction	Year ended	Ultimate holding	Immediate holding	Total
EPC Contracts	March 31, 2017	1,529.37	-	1,529.37
	March 31, 2016	371.81	-	371.81
Amount Payable	March 31, 2017	251.11	-	251.11
	March 31, 2016	235.30	-	235.30
	April 1, 2015	-	-	-



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PNC Kanpur Highways Ltd.  
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 Notes to financial statement as at and for the year ended March 31, 2017

Note 35 : Fair Value Measurement

Financial Instruments by category	Particulars	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
		Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Asset										
Trade receivables		-	-	-	-	-	-	2,004.34	-	-
Security Deposits		9.05	-	-	31.73	-	-	11.63	-	-
Cash and Bank Balances		273.94	-	-	183.49	-	-	800.94	-	-
<b>Total Financial Assets</b>		<b>282.99</b>	-	-	<b>215.22</b>	-	-	<b>2,816.91</b>	-	-
Financial Liabilities										
Borrowings		24,231.56	-	-	25,836.52	-	-	28,607.04	-	-
Trade payables		15.44	-	-	247.84	-	-	1,233.30	-	-
Other Financial Liabilities		295.11	-	-	238.07	-	-	172.11	-	-
<b>Total Financial Liabilities</b>		<b>24,542.10</b>	-	-	<b>26,322.44</b>	-	-	<b>30,012.45</b>	-	-

(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 amortized 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



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(Amount in Lakhs)

Particulars	Carrying Value April 1, 2015	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at April 1, 2015				
(I) Financial Assets				
Trade Receivables	2,004.34		2,004.34	
Security Deposit	11.63		11.63	
<b>Total</b>	<b>2,015.97</b>	<b>-</b>	<b>2,015.97</b>	
(II) Financial Liabilities				
Borrowings	28,607.04		28,607.04	
Retentions				
<b>Total</b>	<b>28,607.04</b>		<b>28,607.04</b>	

Particulars	Carrying Value March 31, 2016	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2016				
(I) Financial Assets				
Trade Receivables	31.73		31.73	
Security Deposit				
<b>Total</b>	<b>31.73</b>	<b>-</b>	<b>31.73</b>	<b>-</b>
(II) Financial Liabilities				
Borrowings	25,836.52		25,836.52	
Retentions	215.63		215.63	
<b>Total</b>	<b>26,052.15</b>	<b>-</b>	<b>26,052.15</b>	



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(i) 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, 2017	March 31, 2016	March 31, 2017	March 31, 2016
INR	+50	-50	112	121
	-50	-50	117	-121

(b) Foreign currency risk

The Company does not operate 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.

(c) 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.

Sensitivity

The table below summarises the impact of increase/decrease on companies equity and profit for the period. The analysis is based on that the equity index has increased and decreased by % with all other variables constant and that the company equity investment move in line with the index

Particulars	Impact on Profit after tax	
	March 31, 2017	March 31, 2016
Market Index- Increase by 10%		
Market Index- Decrease by 10%		

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's only source of revenue is from toll collection which is mostly collected in cash by company and only trade receivables that a company has are against the grant to be received, which is a government 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.



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Notes to financial statement as at and for the year ended March 31, 2017

**Note 37: Capital Management**

**(a) Risk Management**

The primary objective of the Company's Capital Management is to maximize the shareholder value and also maintain an

(Amount in Lakhs)

Particulars	As at	As at	As at
	March 31, 2017	March 31, 2016	April 1, 2015
Debt	24,232	25,837	28,607
Cash & bank balances	273.94	183.49	800.94
Net Debt	16,118	17,442	20,255
Total Equity	8,114	8,394	8,352
Total Equity and Net Debt	24,232	25,837	28,607
Net debt to debt and equity ratio (Gearing Ratio)	66.52%	67.51%	70.80%

**Notes-**

- (i) Debt is defined as long-term and short-term borrowings including current maturities as described in notes 12
- (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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Notes to financial statement as at and for the year ended March 31, 2017

**Note 38 : Transition to Ind AS**

These financial statements, for the year ended 31st March, 2017, are the first, the company has prepared in accordance with Ind AS. For the periods upto and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared its financial statement to comply with the Ind AS for the year ending 31st March, 2017, together with the comparative date as at and for the year ended 31st March, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, Company's opening balance sheet was prepared as at 1st April, 2015, the date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2015 and the financial statements as at and for the year ended 31st March, 2016.

**Note 33(A): Exemptions and Exceptions opted by the company on the date of transition:-**

Ind As 101 allows first-time adopters certain exemptions and exceptions from the retrospective application of certain requirements under Ind As. The Company has applied the following exemptions and exceptions:

**a) Exemptions from retrospective application**

**i) Deemed Cost**

Ind As 101 permits first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

**b) Exceptions from retrospective application**

**i) Classification and measurement of financial assets:-**

The Company has classified the financial assets in accordance with IndAS 109 on the basis of facts and circumstances that exists at the date of transition to Ind AS.

**ii) Estimates**

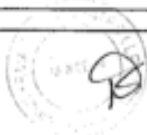
The estimates of 01.04.2015 and 31.03.2016 are consistent with those made for the same date in accordance with the previous GAAP.



PNC Kanpur Highways Ltd.  
 CIN: U45400DL2011PLC212392  
 Notes to financial statement as at and for the year ended March 31, 2017

Note 39: Reconciliation between balance sheet, statement of profit and loss and cash flow statement prepared under previous IGAAP and those presented under Ind AS

(a) Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016		(Amount in Lakhs)		
Particulars	Notes	IGAAP	Adjustments	Ind as
<b>ASSETS</b>				
(1) Non - current assets				
(a) Property, plant and equipment		11.48	0.01	11.49
(b) Intangible Asset		32,731.42	2,363.58	35,095.00
(c) Financial assets				
(i) Other Financial Assets				
(d) Deferred Tax Asset		9.05	(9.05)	
(e) Other Non - current assets		379.08		379.08
<b>Sub Total (A)</b>		<b>33,131.03</b>	<b>2,354.54</b>	<b>35,485.57</b>
(2) Current assets				
(a) Financial assets				
(i) Investments		36.02	0.16	36.18
(ii) Trade receivables				
(iii) C Cash and cash equivalents		183.49	-	183.49
(iv) Other Financial Assets		31.87	(2.77)	29.10
(b) Current tax assets (net)				
(c) Other current assets		13.75	2.17	15.92
<b>Sub Total (B)</b>		<b>265.12</b>	<b>(0.43)</b>	<b>264.69</b>
<b>Total Assets (A+B)</b>		<b>33,396.15</b>	<b>2,354.11</b>	<b>35,750.25</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital		6,750.00		6,750.00
(b) Other equity		222.59	1,421.61	1,644.20
<b>Sub Total (C)</b>		<b>6,972.59</b>	<b>1,421.61</b>	<b>8,394.20</b>
<b>LIABILITIES</b>				
(1) Non - current liabilities				
(a) Financial liabilities				
(i) Borrowings		24,253.22	(24.70)	24,228.52
(ii) Other financial liabilities				
(b) Provisions			331.16	331.16
(c) Deferred Tax Liability			627.53	627.53
(d) Other non - current liabilities				
<b>Sub Total (D)</b>		<b>24,253.22</b>	<b>933.99</b>	<b>25,187.21</b>
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings				
(ii) Trade payables		247.84	-	247.84
(iii) Other financial liabilities		1,865.44	(19.36)	1,846.07
(b) Other current liabilities		12.62	17.87	30.49
(c) Current tax liability		43.69		43.69
(d) Provisions		0.75		0.75
<b>Sub Total (E)</b>		<b>2,170.34</b>	<b>(1.49)</b>	<b>2,168.85</b>
<b>Total Equity &amp; Liabilities (C+D+E)</b>		<b>33,396.15</b>	<b>2,354.11</b>	<b>35,750.25</b>



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PNC Kanpur Highways Ltd.  
 CIN: U45400DL2013PLC212392  
 Notes to financial statement as at and for the year ended March 31, 2017

(b) Effect of Ind AS adoption on the Balance Sheet as at April 1, 2015 (Amount in Lakhs)

Particulars	IGAAP	Adjustments	Ind AS
<b>ASSETS</b>			
(1) Non - current assets			
(a) Intangible Asset	45,806.76	(9,854.00)	35,952.76
(b) Financial assets			
(i) Other Financial Assets	9.65	-	9.65
(c) Deferred Tax Asset			
(d) Other Non - current assets	291.45	-	291.45
<b>Sub Total (Non Current Assets)</b>	<b>46,107.86</b>	<b>(9,854.00)</b>	<b>36,253.86</b>
(2) Current assets			
(a) Financial assets			
(i) Investments			
(ii) Trade receivables		2,004.34	2,004.34
(iii) C Cash and cash equivalents	800.94	-	800.94
(iv) Other Financial Assets	2.08	-	2.08
(b) Current tax assets (net)			
(c) Other current assets	90.94	-	90.94
<b>Sub Total (Current Assets)</b>	<b>893.96</b>	<b>2,004.34</b>	<b>2,898.30</b>
<b>Total Assets</b>	<b>47,001.82</b>	<b>(7,849.67)</b>	<b>39,152.16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	6,750.00		6,750.00
(b) Other equity	10,140.00	(8,538.13)	1,601.87
<b>Sub Total (Equity)</b>	<b>16,890.00</b>	<b>(8,538.13)</b>	<b>8,351.87</b>
<b>LIABILITIES</b>			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	25,696.80	(27.86)	25,668.94
(ii) Other financial liabilities	158.52	-	158.52
(b) Provisions			
(c) Deferred Tax Liability		716.32	716.32
(d) Other non - current liabilities	32.46	-	32.46
<b>Sub Total (Non Current Liability)</b>	<b>25,887.78</b>	<b>688.46</b>	<b>26,576.25</b>
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	2,000.00	-	2,000.00
(ii) Trade payables	1,233.30	-	1,233.30
(iii) Other financial liabilities	951.69	-	951.69
(b) Other current liabilities	39.06	-	39.06
(d) Provisions			
<b>Sub Total (Current Liability)</b>	<b>4,224.04</b>	<b>-</b>	<b>4,224.04</b>
<b>Total Equity &amp; Liabilities</b>	<b>47,001.82</b>	<b>(7,849.67)</b>	<b>39,152.16</b>



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PNC Kangur Highways Ltd.  
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Notes to financial statement as at and for the year ended March 31, 2017

(c) Reconciliation to statement of profit and loss as previously reported as on March 31, 2016 under IGAAP to Ind AS

(Amount in Lakhs)

	Particulars	Notes	Amount as per IGAAP	Effects of transition to Ind AS	Amount as per IND AS
I	Revenue from Operations		5,703.66	1,249.60	6,953.26
II	Other Income		41.01	175.48	216.49
III	<b>Total income (I+II)</b>		<b>5,744.67</b>	<b>1,425.08</b>	<b>7,169.75</b>
IV	Expenses :				
	Employee benefit expense		219.26	(0.72)	218.55
	Finance Cost		2,580.90	19.63	2,600.52
	Depreciation and amortization expenses		1,966.75	144.20	2,110.95
	Other Expenses		764.23	1,521.97	2,286.20
	<b>Total Expenses (IV)</b>		<b>5,531.13</b>	<b>1,685.08</b>	<b>7,216.21</b>
V	Profit/(Loss) before tax (II-IV)		<b>213.54</b>	<b>(260.00)</b>	<b>(46.46)</b>
VI	Tax expense :				
	Current tax		43.69	-	43.69
	Deferred tax		(9.05)	(79.75)	(88.79)
	MAT Credit Adjustment		(43.69)	-	(43.69)
VII	Profit/ (Loss) for the period ( V - VI )		<b>222.59</b>	<b>(180.26)</b>	<b>42.33</b>
VIII	Other Comprehensive Income				
	(i) Items that will not be reclassified to profit or loss				
	- Actuarial Gain and losses on defined benefit plans				
	(ii) Income tax relating to above items				
IX	<b>Total Comprehensive Income for the period ( VII + VIII)</b>		<b>222.59</b>	<b>(180.26)</b>	<b>42.33</b>

The previous GAAP figures have been reclassified to conform the Ind As presentation requirement for the purpose of this note.



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PNC Kanpur Highways Ltd.

CIN: U45400DL2011PLC212392

Notes to financial statement as at and for the year ended March 31, 2017

(d) Equity Reconciliation as at March 31, 2016 and as at April 1, 2015

(Amount in Lakhs)

Particulars	Notes	31st March 2016		1st April 2015	
		Capital Reserve	Retained Earnings	Capital Reserve	Retained Earnings
Total Equity (shareholder's fund) as per previous GAAP		-	222.59	10,140.00	-
<b>Adjustment:</b>					
Provision for major maintenance			-331.16		
Borrowings- Transaction cost adjustment			24.70		27.85
Trade Receivables-Amortised Cost			2,160.00		2,004.34
Fair Valuation of Retention			0.90		
Fair Valuation of Investments			0.16		
Fair Valuation of Intangible Asset			203.58	-10,140.00	286.00
Tax effect of Adjustment			-636.57		-716.32
<b>Total Adjustment</b>		-	<b>1,421.60</b>	<b>-10,140.00</b>	<b>1,601.87</b>
<b>Total Equity as per Ind AS</b>		-	<b>1,644.19</b>	-	<b>1,601.87</b>



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PNC Kanpur Highways Ltd.  
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Notes to financial statement as at and for the year ended March 31, 2017

( e ) Impact of Ind AS adoption on the consolidated statements of cash flows for the year ended 31 March 2016

Particulars	Notes	( Amount In Lakhs)		
		Previous GAAP	Adjustments	Ind AS
Net Cash Flow from operating activities		2485.95	-700.69	1785.26
Net Cash Flow from investing activities		11061.10	-12269.24	-1208.14
Net Cash Flow from financing activities		-14164.48	12969.90	-1194.58
Net Increase/ (Decrease) in cash & cash equivalent		-617.46		-617.46
Cash & Cash equivalent as at 1 April 2015		800.94	0.00	800.94
Cash & cash equivalent as at 31.3.2016		183.49	0.00	183.48



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Notes to financial statement as at and for the year ended March 31, 2017

#### 1) Borrowings

Under the previous GAAP, the company recognised the expense of upfront fees/processing charges as and when they are incurred. Under Ind As, loan is recorded at the net value i.e amount of the loan less upfront fees and upfront fee will be amortised over the period of loan

#### 2) Provisions

Under the previous GAAP discounting of provisions was not allowed. Under Ind AS, provisions are measured at discounted rate if the effect of time value is material. In our case, following guidance of Appendix A of Ind AS-11 and Ind AS 37, we have recognised provision for major maintenance of road discounted to present value of liability accrued

#### 3) Revenue Recognition:

Under previous GAAP, Revenue/equity support is recognised as and when received by the company. Under Ind As, revenue/equity support is recognised, when the inflow is probable and amount can be reliably measured.

#### 4) Retentions

Under the previous GAAP, long term retentions are recognised at their transaction value. Under Ind As, long term retentions are measured at fair value at initial recognition and subsequently at amortised cost. Difference between the transaction price and fair value has been charged to retained earnings.

#### 5) Intangible Asset (Right for toll Collection)

As per Ind AS -11, intangible asset acquired in mode of concession agreement should be recorded at fair value. The company has fair valued its right to collect to collect toll and subsequently amortised it as per Ind AS 38.

#### 6) Defined benefit liabilities

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.

#### 7) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.





PNC Kanpur Highways Ltd.

CIN: U45400DL2011PLC212392

Notes to financial statement as at and for the year ended March 31, 2017

Note 40 : Details of Specified Bank Notes ("SBNs") held and transacted during the period from 08th November 2016 to 31st December 2016 as defined in MCA notification G.S.R. 308 (E) dated March 31, 2017 provided in the table below:

Particulars	( Amount in Lakhs)		
	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	35.20	0.28	35.47
(+) Permitted receipts	198.76	329.09	527.85
(-) Permitted payments	-	0.01	0.01
(-) Amount deposited in Banks	233.96	308.61	542.57
Closing cash in hand as on 30.12.2016	-	20.76	20.76

Note 41 : 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

Ind AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after 1st April 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

Amendment to Ind AS 7:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards)(Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7. The amendment is applicable to the company from April 1, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow items, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Note 42 : Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.



PNC Kanpur Highways Ltd.

CIN: U45400DL2011PLC212392

Notes to financial statement as at and for the year ended March 31, 2017

**(A) Nature of Operations**

The Company has been awarded the work to "Two laning with paved shoulders of Kanpur-Kabrai section of NH-86 From (Km.7.430 to Km. 130.100) in the state of Uttar Pradesh on Design, Build , Finance, Operate & Transfer on Annuity (DBFOT) basis" and the collected toll fees to be retain and appropriate receivables as per the concession agreement dated 11.03.2011 with NHAI.



A handwritten signature in blue ink, appearing to be "DK".

A handwritten signature in blue ink, appearing to be "An".