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

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# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBER OF PNC DELHI INDUSTRIALINFRA PRIVATE LIMITED**

## Report on the standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **PNC DELHI INDUSTRIALINFRA 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

RMA & ASSOCIATES New Delhi Chartered Accountants 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

RMA & ASSOCIATES LLP
New Delhi
Chartered Accountants

Place: New Delhi
Date: 21.05.2018

**"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 31[st] 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 DELHI INDUSTRIALINFRA 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 DELHI INDUSTRIALINFRA 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.

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**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 Delhi Industrialinfra Private Limited

CIN:U45200DL2011PTC222406

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 | 20.63 | 22.60 |
| (b) Intangible Asset | 4 | - | 1.00 |
| (f) Intangible Asset Under Development | | - | - |
| (c) Financial assets | | - | - |
| (i) Trade receivables | 5 | 17,985.25 | 18,823.60 |
| (d) Deffered Tax Asset | 14 | - | - |
| (e) Other Non - current assets | 6 | - | - |
| **Sub Total (Non Current Assets)** | | **18,005.88** | **18,847.20** |
| (2) Current assets | | | |
| (a) Inventories | | - | - |
| (a) Financial assets | | | |
| (i) Investments | | | |
| (i) Trade receivables | 7 | 6,861.84 | 9,104.89 |
| (ii) Cash and cash equivalents | 8 | 119.19 | 58.11 |
| (iii) Other Financial Assets | 9 | 8.49 | 8.49 |
| (b) Other current assets | 10 | 6.78 | 14.04 |
| (c) Current tax assets (net) | 20 | 46.59 | - |
| **Sub Total (Current Assets)** | | **7,042.89** | **9,185.53** |
| **Total Assets ( A+B )** | | **25,048.77** | **28,032.72** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| (a) Equity share capital | 11 | 3,500.00 | 3,500.00 |
| (b) Other equity | 12 | 3,990.01 | 3,610.32 |
| **Sub Total (Equity)** | | **7,490.01** | **7,110.32** |
| **LIABILITIES** | | | |
| (1) Non - current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 | 8,186.15 | 8,564.40 |
| (b) Deffered Tax Liability | 14 | 1,667.87 | 1,565.85 |
| (c) Provisions | 15 | 15.53 | 10.20 |
| **Sub Total (Non Current Liability)** | | **9,869.54** | **10,140.45** |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 16 | 7,100.00 | 6,750.00 |
| (ii) Trade payables | 17 | 48.83 | 1,161.61 |
| (iii) Other financial liabilities | 18 | 525.86 | 2,739.00 |
| (b) Other current liabilities | 19 | 10.49 | 26.29 |
| (c) Provisions | 15.1 | 4.04 | 1.57 |
| (d) Current tax liability | 20 | - | 103.47 |
| **Sub Total (Current Liability)** | | **7,689.22** | **10,781.95** |
| **Total Equity & Liabilities** | | **25,048.77** | **28,032.72** |

The accompanying notes form an integral part of the 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**

**On Behalf of the Board**

**Ashish Jain**
**Managing Director**
**DIN -03499171**

**Devendra Kumar Maheshwari**
**Director**
**DIN -03499179**

**Chhavi Dixit**
**Company Secretary**

**Sachin Parolliya**
**CFO**

PNC Delhi Industrialinfra Private Limited
CIN:U45200DL2011PTC222406
Statement of profit and loss for the year ended as on March 31, 2018

(Amount in Lakhs)

| | Particulars | Note | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|---|
| I | Revenue from Operations | 21 | 3,135.88 | 3,083.90 |
| II | Other income | 22 | 10.86 | 3.37 |
| III | **Total Income ( I+II )** | | **3,146.74** | **3,087.26** |
| IV | **Expenses :** | | | |
| | Cost of materials consumed | | - | - |
| | Purchase of stock in trade | | - | - |
| | Change in inventories of finished goods,work-in-progress and Stock-in-Trade | | - | - |
| | Employee benefit expense | 23 | 170.73 | 153.57 |
| | Finance Cost | 24 | 1,726.40 | 1,763.25 |
| | Depreciation and amortization expenses | 25 | 4.55 | 4.35 |
| | Other Expenses | 26 | 730.33 | 658.82 |
| | **Total Expenses (IV)** | | **2,632.01** | **2,579.98** |
| V | **Profit/(Loss) before tax (III-IV)** | | **514.73** | **507.28** |
| VI | Tax expense : | 27 | | |
| | Current tax | | 40.02 | 103.80 |
| | Deferred tax | | 102.15 | 129.61 |
| | Prior year current tax adjustment | | -7.42 | -6.31 |
| VII | **Profit & (Loss) for the period (V-VI)** | | **379.99** | **280.18** |
| VIII | Other Comprehensive Income | | | |
| | (i) Items that will not be reclassified to profit or loss | | | |
| | - Acturial Gain and losses on defined benefit plans | | -0.44 | -0.14 |
| | (ii) Income tax relating to above items | | 0.14 | 0.04 |
| IX | **Total Comprehensive Income for the period ( VII+VIII)** | | **379.68** | **280.08** |
| | Earning per equity share (for continuing operation) | | | |
| | (1) Basic & Diluted | 28 | 1.09 | 0.80 |

The accompanying notes form an integral part of the financial statements

**In Terms of our report of even date**

**On Behalf of the Board**

**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**
**Managing Director**
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**Director**
**DIN -03499179**

Chhavi Dixit
Company Secretary

**Sachin Pargliya**
**CFO**

PNC Delhi Industrialinfra Private Limited
CIN:U45200DL2011PTC222406
Statement of cash flow for the year ended as on March 31, 2018

(Amount in Lakhs)

| | Particulars | Year Ended March 31,2018 | Year Ended March 31,2017 |
|---|---|---|---|
| A. | **Cash Flow from Operating Activities** | | |
| | **Net Profit /(Loss) before Tax & after exceptional items** | 514.73 | 507.28 |
| | Adjustment for: | - | - |
| | Add/(Less): | - | - |
| | Interest | 4.48 | 1,763.25 |
| | Income Tax Refund | 7.42 | - |
| | Depreciation | 4.55 | 4.35 |
| | Provision For Gratuity | 7.36 | 11.63 |
| | **Operating Profit / (Loss) before working capital changes** | **538.55** | **2,286.51** |
| | | - | - |
| | **Adjustment fo Changes in Working Capital** | - | - |
| | Increase/Decrease in trade payable | -1,112.79 | 20.73 |
| | Increase/Decrease in other current Liabilities | -2,228.94 | 2,857.11 |
| | Increse/Decrease in Non current trade recievables | 838.34 | 688.96 |
| | Increase/Decrease in Current assets | 2,203.72 | -2,671.44 |
| | | - | - |
| | **Cash Generated from/(used) from operating activities** | **238.89** | **3,181.87** |
| | Direct Taxes Paid | 143.48 | 97.49 |
| | **Cash Generated from/(used) from operating activities (A)** | **95.40418919** | **3084.38116** |
| | | - | - |
| | | - | - |
| B. | **Cash Flow from Investing Activities** | - | - |
| | Purchase of Fixed Asset | -1.58 | -1.31 |
| | **Net Cash ( used in) / from Investing Activities (B)** | **-1.58** | **-1.31** |
| | | - | - |
| C. | **Cash Flow from Financing Activities** | - | - |
| | Repayment of Term Loans | -28.26 | -1,339.81 |
| | Interest | -4.48 | -1,763.25 |
| | **Net Cash ( used in) / from Financing Activities (C)** | **-32.74** | **-3,103.06** |
| | | - | - |
| | **Net Cash Increase in cash & Cash equivalents (A+B+C)** | 61.08 | -19.99 |
| | Cash & Cash equivalents in beginning | 58.11 | 78.10 |
| | **Cash & Cash equivalents as at the end** | **119.19** | **58.11** |

The accompanying notes form an integral part of the financial statements

**In Terms of our report of even date**
**For RMA & Associates LLP**
**Chartered Accountants**
**FRN-000978N/00005N**

Rahul Vashishtha

**CA Rahul Vashishtha**
**Partner**
**M.No. 097881**

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

**Place: New Delhi**
**Date:-21.05.2018**

**On Behalf of the Board**

**Ashish Jain**
**Managing Director**
**DIN -03499171**

**Devendra Kumar Maheshwari**
**Director**
**DIN -03499179**

**Chhavi Dixit**
**Company Secretary**

**Sachin Paroliya**
**CFO**

PNC Delhi Industrialinfra Private Limited
Statement of changes in equity for the year ended as on March 31, 2018

A. Equity Share Capital

(Amount in Lakhs)

| As at April 1, 2016 | Changes during the year | As at March 31, 2017 | Changes during the year | As at March 31, 2018 |
|---|---|---|---|---|
| 3,500 | - | 3,500 | - | 3,500 |

B. Other Equity

(Amount in Lakhs)

| Particulars | Reserves & Surplus | |
|---|---|---|
| | Retained earnings | Total |
| **Balance as at April 1, 2017** | **3,610.32** | **3,610.32** |
| Profit for the year | 379.99 | 380 |
| Other Comprehensive Income | -0.30 | -0.30 |
| Total comprehensive income for the year | **379.68** | **379.68** |
| | | |
| **Balance as at March 31, 2018** | **3,990.01** | **3,990.01** |

The accompanying notes form an integral part of the financial statements

**In Terms of our report of even date**

**For RMA & Associates LLP**
**Chartered Accountants**
**FRN-000978N/00005N**

CA Rahul Vashishtha
Partner
M.No. 097881

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

**On Behalf of the Board**

Ashish Jain
Managing Director
DIN -03499171

Devendra Kumar Maheshwari
Director
DIN -03499179

Chhavi Dixit
Company Secretary

Sachin Paroliya
CFO

Place: New Delhi
Date: 21.05.2018

PNC DELHI INDUSTRIALINFRA 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 "Re-Development and Management of Narela Industrial Area in Delhi" and the collected fees to be retained and appropriate as per concession agreement dated 19.07.2011 with DSIIDC.

**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 2016 were prepared in accordance with the accounting standards notified under companies(accounting standard)RRules 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 GAAP, 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: - 10 Years (WDV Basis)

Furniture & Fixtures-10 years

Office Equipments- 5 Years

Vehicles -8 Years

Laboratory Instruments- 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 finance income in the profit or loss.

**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 Asset 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 Liabilities**

**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 Delhi Industrialinfra Private Limited

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

Note 4: Intangible Assets

(Amount in Lakhs)

| Particulars | Website | Software | Total |
|---|---|---|---|
| **Gross carrying value** | | | |
| At March 31, 2017 | 93,141.00 | 306,000.00 | 399,141.00 |
| Addition during the year | - | - | - |
| Disposal / Adjustments | | | - |
| **At March 31, 2018** | 93,141.00 | 306,000.00 | 399,141.00 |
| | | | |
| **Amortisation** | | | |
| At March 31, 2017 | 69,855.00 | 229,500.00 | 299,355.00 |
| Addition during the year | 23,286.00 | 76,500.00 | 99,786.00 |
| Disposal / Adjustments | | | - |
| **At March 31, 2018** | 93,141.00 | 306,000.00 | 399,141.00 |
| | | | |
| **Net carrying value as at March 31, 2018** | - | - | - |

(Amount in Lakhs)

| Particulars | Website | Software | Total |
|---|---|---|---|
| **Gross carrying value** | | | |
| At March 31, 2017 | 0.93 | 3.06 | 3.99 |
| Addition during the year | - | - | - |
| Disposal / Adjustments | | | - |
| **At March 31, 2018** | **0.93** | **3.06** | **3.99** |
| | | | |
| **Amortisation** | | | |
| At March 31, 2017 | 0.70 | 2.30 | 2.99 |
| Addition during the year | 0.23 | 0.77 | 1.00 |
| Disposal / Adjustments | - | - | - |
| **At March 31, 2018** | **0.93** | **3.06** | **3.99** |
| | | | |
| **Net carrying value as at March 31, 2018** | - | - | - |

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PNC Delhi Industrialinfra Private Limited
Notes to financial statement as at and for the year ended March 31, 2018

**Note 5: Non- Current Trade receivables**

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Unsecured considered Good unless otherwise stated | | |
| Annuity Receivables | 17,985.25 | 18,823.60 |
| Total | 17,985.25 | 18,823.60 |

**Note 6: Other Non - current assets**

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| | - | - |
| Total | - | - |

**Note 7: Current Trade Recievables**

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Unsecured considered Good unless otherwise stated | | |
| Annuity Receivables | 6,861.84 | 9,104.89 |
| Total | 6,861.84 | 9,104.89 |

**Note 8 : Cash and Bank Balances**

(i)Cash and cash equivalents

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Balances with bank | 48.55 | 57.95 |
| Cash in hand | 0.60 | 0.16 |
| Term Deposits(Less Than 3 Months) | 70.04 | - |
| | | - |
| Total | 119.19 | 58.11 |

**Note 9 : Other Current financial assets**

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Interest Accrued | - | - |
| Retention with Statuory Departments | 8.49 | 8.49 |
| | | - |
| Total | 8.49 | 8.49 |

**Note 10 : Other current assets**

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Advances other than capital advance | | - |
| - Advance to suppliers | - | - |
| -Others | 6.78 | 14.04 |
| Total | 6.78 | 14.04 |

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

**Note 11: Share capital**

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Authorised | | |
| Equity Shares of ` 10/- each | | |
| 3,50,00,000 (Previous Year 3,50,00,000) | 3,500 | 3,500 |
| | 3,500 | 3,500 |
| Issued ,Subscribed & Fully Paid up | | |
| Equity Shares of ` 10/- each | | |
| 3,50,00,000 (Previous Year 3,50,00,000) | 3,500 | 3,500 |
| Total | 3,500 | 3,500 |

**Note 11.1**

a **Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:**

(No shares in Lakh)

| Particulars | Nos. | Nos. |
|---|---|---|
| Balance as at March 31, 2017 | 350 | 350 |
| Add: Issued during the period | - | - |
| Less:Deductions | - | - |
| Balance as at March 31, 2018 | 350 | 350 |

b **Details of Shareholders holding more Than 5% in the company** (No shares in Lakh)

| Particulars | As at March 31, 2018 | As at March 31, 2018 |
|---|---|---|
| | No of Shares | % Holdings |
| PNC Infraholdings Ltd | 350 | 100% |

c **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

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 12: 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 | 3,610.32 | 3,330.24 |
| Profit for the year | 379.99 | 280.18 |
| Remeasurement of post employment benefit obligation (See Note 12.1) | -28.59 | -0.10 |
| Balance outstanding at the close of the year | 3,961.72 | 3,610.32 |

Note 12.1 : This is an item of Other Comprehensive Income, recognised directly in retained earnings

**Retained Earnings**

This comprise company's undistributed profit after taxes.

**Note 13 : Non Current Borrowings**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Secured Long term borrowing:** | | |
| Term Loans -From Oriental Bank Of Commerce | 8,462.15 | 9,896.40 |
| Less: Current Maturity of Long Term Debt (Refer Note No. 18) | 276.00 | 1,332.00 |
| Total | 8,186.15 | 8,564.40 |

(i) The loan is repayable in 121 unequal monthly instalments commencing from December 2013.

PNC Delhi Industrialinfra Private Limited
Notes to financial statement as at and for the year ended March 31, 2018

**Note 14: Deffered Tax Liability**

The balance comprise of differnce attributable to:

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Fixed Assets (Tangibles ) | -0.09 | 0.31 |
| Trade Receivable | 5531.66 | 5,800.13 |
| Borrowings | 2.12 | 2.48 |
| Intangible Assets | -3859.77 | -4,233.44 |
| Employee Benfit | -6.05 | -3.64 |
| **Net Deffered Tax Liability/(Assets)** | 1,667.87 | 1,565.85 |

**Note 14.1 Movement of Deferred Tax**

(Amount in Lakhs)

| Movement in Deferred Tax Liablity | Fixed Assets (Tangibles ) | Trade Receivable | Borrowings | Employee Benefit | Intangible Assets | Total |
|---|---|---|---|---|---|---|
| As at 31.03.2017 | 0.31 | 5,800.13 | 2.48 | -3.64 | -4,233.44 | 1,565.85 |
| Charged/(credited) | | | | | | |
| -to OCI | | | | 0.14 | | |
| - to profit and loss a/c | -0.40 | -268.47 | -0.37 | -2.55 | 373.67 | 102.02 |
| **As at 31.03.2018** | **-0.09** | **5,531.66** | **2.12** | **-6.05** | **-3,859.77** | **1,667.87** |

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PNC Delhi Industrialinfra Private Limited
Notes to financial statement as at and for the year ended March 31, 2018

**Note 15: Long Term Provisions** (Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Provision for Gratuity | 11.99 | 10.20 |
| Provision for Leave encashment | 3.54 | |
| Total | 15.53 | 10.20 |

**Note 15.1: Short Term Provisions** (Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Provision for Gratuity | 3.15 | 1.57 |
| Provision for Leave encashment | 0.89 | |
| Total | 4.04 | 1.57 |

**Note 16 : Short term borrowings** (Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **Unsecured Loan** | | |
| From Related Party(PNC Infratech Limited) | 7,100.00 | 6,750.00 |
| **Total Borrowings** | **7,100.00** | **6,750.00** |

**Note 17: Trade Payables**

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Due to MSME parties ( Refer Note 16.1 ) | - | - |
| Due to other than MSME parties | 48.83 | 61.61 |
| - Related Party | - | 1,100.00 |
| Total | 48.83 | 1,161.61 |

**Note 18: Other Current Financial Liablities**

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Current Maturities of Long Term Debt (refer note no 13) | 276.00 | 1,332.00 |
| Employee Benefits payable | 17.65 | 15.14 |
| Payable to employees | 0.21 | 1.14 |
| Expenses Payable* | 206.80 | 1,263.79 |
| Security deposits payable # | 25.20 | 126.93 |
| Total | 525.86 | 2,739.00 |

* includes Rs. 182.00 Lakh payable to related party (Previous Year Rs. 1254.54 Lakh)
# includes Rs. NIL payable to related party (Previous Year Rs. 100.00 Lakh)

**Note 19: Other Current Liability** (Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Statuary dues payable | 10.49 | 23.23 |
| Other | - | 3.06 |
| Total | 10.49 | 26.29 |

**Note 20 : Current Tax Liablity/Assets** (Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Provision For Income Tax | 40.02 | 103.80 |
| Less: TDS and Advance Tax | -86.61 | 0.34 |
| Total | -46.59 | 103.47 |

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PNC Delhi Industrialinfra Private Limited
Notes to financial statement as at and for the year ended March 31, 2018

**Note 21: Revenue From Operations**

(Amount in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| CETP operation Revenue | 199.18 | 196.53 |
| Maintenance Revenue | 463.30 | 472.56 |
| Water Charges Revenue | 276.15 | 288.02 |
| Advertisement Revenue | 0.93 | 0.25 |
| Other Revenue Charges | 152.63 | - |
| Finance income on annuity receivable | 2,043.71 | 2,126.54 |
| Total | 3,135.88 | 3,083.90 |

**Note 22: Other Income**

(Amount in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Intrest From Bank | 6.44 | 1.96 |
| Interst From Income Tax Refund | 0.17 | - |
| Other non-operating income (net of expenses ) | 0.34 | 1.41 |
| Scrap Sales | 3.91 | - |
| Total | 10.86 | 3.37 |

**Note 23: Employee Benefit Expenses**

(Amount in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Salaries and wages | 156.98 | 132.39 |
| Contribution to provident & other funds | 12.49 | 19.87 |
| Staff welfare expense | 1.26 | 1.31 |
| Total | 170.73 | 153.57 |

**Note 24: Finance Cost**

(Amount in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Interest Cost* | 1,726.40 | 1,763.25 |
| Total | 1,726.40 | 1,763.25 |

*Includes Rs 830.10 Lakhs interest on unsecured loan taken from related party (Previous Year Rs 654.53 Lakhs)

**Note 25: Depreciation and amortisation**

(Amount in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Depreciation on Tangible Assets | 3.55 | 3.35 |
| Amortisation of Other Intangibles | 1.00 | 1.00 |
| Total | 4.55 | 4.35 |

**Note 26: Other Expenses**

(Amount in Lakhs)

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|---|---|
| Power & Fuel | 249.10 | 257.45 |
| Consumption of Stores and spares | 12.61 | 11.45 |
| Other expenses-Contract Paid | 203.13 | 183.64 |
| Other Expenses Rent (Lease rental) | 21.13 | 31.19 |
| Travelling - Others | 0.85 | 0.60 |
| Postage and telephone | 5.56 | 7.81 |
| Legal expenses | 64.04 | 25.31 |
| Printing and stationary | 1.72 | 1.95 |
| Security Expenses | 0.07 | 0.04 |
| Other operational expenses | 113.44 | 108.51 |
| Hire charges of Vehicles | 0.03 | 0.72 |
| Miscellaneous and General Expenses | 57.90 | 28.97 |
| Auditor remuneration | 0.75 | 0.86 |
| Advertisement expense | - | 0.33 |
| Total | 730.33 | 658.82 |

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Notes to financial statement 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 | 11.77 | 5.87 |
| 2. | Service cost | | |
| | a. Current service cost | 5.10 | 5.29 |
| | b. Past service cost | - | - |
| | c. (Gain) / loss on settlements | - | - |
| 3. | Interest expenses | 0.82 | 0.47 |
| 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 | 0.63 | - |
| | b. Effect of changes in financial assumptions | -0.45 | 0.31 |
| | c. Effect of experience adjustments | -0.43 | -0.17 |
| 6. | Transfer In /Out | | |
| | a. Transfer In | - | - |
| | b. Transfer out | - | - |
| 7. | Defined benefit obligation at end of period | 17.44 | 11.77 |
| | | | |
| B. | **Change in fair value of plan assets** | | |
| 1. | Fair value of plan assets at beginning of period | 0 | - |
| 2. | Interest income | 0.08 | - |
| 3. | Cash flows | | |
| | a. Total employer contributions | | |
| | (i) Employer contributions | 2.30 | - |
| | (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 | - | - |

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| | | | |
|---|---|---|---|
| 4. | Remeasurements | | |
| | a. Return on plan assets (excluding interest income) | -0.08 | - |
| 5. | Transfer In /Out | | |
| | a. Transfer In | - | - |
| | b. Transfer out | - | - |
| 6. | Fair value of plan assets at end of period | 2.30 | - |
| | | | |
| C. | **Amounts recognized in the Balance Sheet** | | |
| 1. | Defined benefit obligation | 17.44 | 11.77 |
| 2. | Fair value of plan assets | -2.30 | - |
| 3. | Funded status | 15.14 | 11.77 |
| 4. | Effect of asset ceiling | - | - |
| 5. | Net defined benefit liability (asset) | 15.14 | 11.77 |
| | | | |
| D. | **Components of defined benefit cost** | | |
| 1. | Service cost | | |
| | a. Current service cost | 5.10 | 5.29 |
| | b. Past service cost | - | - |
| | c. (Gain) / loss on settlements | - | - |
| | d. Total service cost | 5.10 | 5.29 |
| 2. | Net interest cost | | |
| | a. Interest expense on DBO | 0.82 | 0.47 |
| | b. Interest (income) on plan assets | 0.08 | - |
| | c. Interest expense on effect of (asset ceiling) | - | - |
| | d. Total net interest cost | 0.74 | 0.47 |
| 3. | Remeasurements (recognized in OCI) | | |
| | a. Effect of changes in demographic assumptions | 0.63 | - |
| | b. Effect of changes in financial assumptions | -0.45 | 0.31 |
| | c. Effect of experience adjustments | -0.43 | -0.17 |
| | d. (Return) on plan assets (excluding interest income) * | -0.08 | - |
| | e. Changes in asset ceiling (excluding interest income) | - | - |
| | f. Total remeasurements included in OCI | -0.17 | 0.14 |
| 4. | Total defined benefit cost recognized in P&L and OCI | 5.67 | 5.90 |
| | | | |
| E. | **Re-measurement** | | |
| | a. Actuarial Loss/(Gain) on DBO | -0.25 | 0.14 |
| | b. Returns above Interest Income | -0.08 | - |
| | c. Change in Asset ceiling | - | - |
| | Total Re-measurements (OCI) | -0.17 | 0.14 |
| | | | |
| F. | **Employer Expense (P&L)** | | |
| | a. Current Service Cost | 5.10 | 5.29 |
| | b. Interest Cost on net DBO | 0.74 | 0.47 |
| | c. Past Service Cost | - | - |
| | d. Total P& L Expenses | 5.85 | 5.76 |

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| | | | |
|---|---|---|---|
| **G.** | **Net defined benefit liability (asset) reconciliation** | | |
| 1. | Net defined benefit liability (asset) | 11.77 | 5.87 |
| 2. | Defined benefit cost included in P&L | 5.85 | 5.76 |
| 3. | Total remeasurements included in OCI | -0.17 | 0.14 |
| 4. | a. Employer contributions | -2.30 | - |
| | b. Employer direct benefit payments | - | - |
| | c. Employer direct settlement payments | - | - |
| 5. | Net transfer | - | - |
| 6. | Net defined benefit liability (asset) as of end of period | 15.14 | 11.77 |
| **H.** | **Reconciliation of OCI (Re-measurment)** | | |
| 1. | Recognised in OCI at the beginning of period | 0.14 | - |
| 2. | Recognised in OCI during the period | -0.17 | 0.14 |
| 3. | Recognised in OCI at the end of the period | -0.03 | 0.14 |
| **I.** | **Sensitivity analysis - DBO end of Period** | | |
| 1. | Discount rate +100 basis points | 16.73 | 11.31 |
| 2. | Discount rate -100 basis points | 18.22 | 12.26 |
| 3. | Salary Increase Rate +1% | 18.12 | 12.19 |
| 4. | Salary Increase Rate -1% | 16.81 | 11.37 |
| 5. | Attrition Rate +1% | 17.29 | 11.60 |
| 6. | Attrition Rate -1% | 17.60 | 11.95 |
| **J.** | **Significant actuarial assumptions** | | |
| 1. | Discount rate Current Year | 8.00% | 0.07 |
| 2. | Discount rate Previous Year | 7.00% | 0.08 |
| 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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**Note 23.2 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 | 3.22 |
| 2. | Service cost | |
| | a. Current service cost | 0.37 |
| | b. Past service cost | - |
| | c. (Gain) / loss on settlements | - |
| 3. | Interest expenses | 0.23 |
| 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 | 0.01 |
| | b. Effect of changes in financial assumptions | -0.09 |
| | c. Effect of experience adjustments | 0.69 |
| 6. | Transfer In /Out | |
| | a. Transfer In | - |
| | b. Transfer out | - |
| 7. | Defined benefit obligation at end of period | 4.43 |
| | | 4.43 |
| 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 | - |

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| | | |
|---|---|---|
| | b. Transfer out | - |
| 6. | Fair value of plan assets at end of period | - |
| | | |
| C. | **Amounts recognized in the Balance Sheet** | |
| 1. | Defined benefit obligation | 4.43 |
| 2. | Fair value of plan assets | - |
| 3. | Funded status | 4.43 |
| 4. | Effect of asset ceiling | - |
| 5. | Net defined benefit liability (asset) | 4.43 |
| | | |
| D. | **Components of defined benefit cost** | |
| 1. | Service cost | |
| | a. Current service cost | 0.37 |
| | b. Past service cost | - |
| | c. (Gain) / loss on settlements | - |
| | d. Total service cost | 0.37 |
| 2. | Net interest cost | |
| | a. Interest expense on DBO | 0.23 |
| | b. Interest (income) on plan assets | - |
| | c. Interest expense on effect of (asset ceiling) | - |
| | d. Total net interest cost | 0.23 |
| 3. | Remeasurements (recognized in OCI) | |
| | a. Effect of changes in demographic assumptions | 0.01 |
| | b. Effect of changes in financial assumptions | -0.09 |
| | c. Effect of experience adjustments | 0.69 |
| | d. (Return) on plan assets (excluding interest income) | - |
| | e. Changes in asset ceiling (excluding interest income) | - |
| | f. Total remeasurements included in OCI | 0.61 |
| 4. | Total defined benefit cost recognized in P&L and OCI | 1.21 |
| | | |
| E. | **Re-measurement** | |
| | a. Actuarial Loss/(Gain) on DBO | 0.61 |
| | b. Returns above Interest Income | - |
| | c. Change in Asset ceiling | - |
| | Total Re-measurements (OCI) | 0.61 |
| | | |
| F. | **Employer Expense (P&L)** | |
| | a. Current Service Cost | 0.37 |
| | b. Interest Cost on net DBO | 0.23 |
| | c. Past Service Cost | - |
| | d. Total P&L Expenses | 0.59 |
| | | |
| G. | **Net defined benefit liability (asset) reconciliation** | |
| 1. | Net defined benefit liability (asset) | 3.22 |
| 2. | Defined benefit cost included in P&L | 0.59 |
| 3. | Total remeasurements included in OCI | 0.61 |
| 4. | a. Employer contributions | - |
| | b. Employer direct benefit payments | - |
| | c. Employer direct settlement payments | - |
| 5. | Net transfer | - |

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| | | | |
|---|---|---|---|
| 6. | Net defined benefit liability (asset) as of end of period | | 4.43 |
| | | | |
| H. | **Reconciliation of OCI (Re-measurment)** | | |
| 1. | Recognised in OCI at the beginning of period | | - |
| 2. | Recognised in OCI during the period | | 0.61 |
| 3. | Recognised in OCI at the end of the period | | 0.61 |
| | | | |
| I. | **Sensitivity analysis - DBO end of Period** | | |
| 1. | Discount rate +100 basis points | | 4.29 |
| 2. | Discount rate -100 basis points | | 4.59 |
| 3. | Salary Increase Rate +1% | | 4.56 |
| 4. | Salary Increase Rate -1% | | 4.31 |
| 5. | Attrition Rate +1% | | 4.43 |
| 6. | Attrition Rate -1% | | 4.44 |
| | | | |
| 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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.Notes to financial statement as at and for the year ended March 31, 2018

Note 27 : Tax Expense

A. Income Tax Expenses (Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| (a) Current tax | | |
| Current tax on profit for the period | 40.02 | 103.80 |
| Taxes for prior period | (7.42) | -6.31 |
| **Total Current tax expense** | **32.59** | **97.49** |
| (b) Deferred tax | | |
| Decrease (increase) in deferred tax assets | 371.25 | -225.47 |
| (Decrease) increase in deferred tax Liabilities | (269.24) | 355.08 |
| **Total Deffered Tax Expenses** | **102.02** | **129.61** |
| **Total Income tax Expense** | **134.61** | **227.10** |

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

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Profit before tax | 514.73 | 507.28 |
| **Tax at Indian tax rate of 30.9% (F.Y. 2015-16-30.9%)** | **159.05** | **156.75** |
| Taxes paid for earlier years | -7.42 | -6.31 |
| Income tax Exempt under 80-IA | -57.03 | -27.14 |
| Minimum Alternate tax paid | 40.02 | 103.80 |
| **Total tax expenses as per profit and loss** | **134.61** | **227.10** |

Note 28 : Earning Per share

(Amount in Lakhs)

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| (a) Profit/(Loss) available to Equity Shareholders (Rs. in lakhs) | 379.99 | 280.18 |
| (b) Weighted Average number of Equity Shares | 350.00 | 350.00 |
| (c) Nominal value of Equity Shares (in Rs.) | 10.00 | 10.00 |
| (d) Basic and Diluted Earnings Per Share [(a)/(b)] | **1.09** | **0.80** |

Note 29 : Operating Segment Information

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

The Managing director 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

There is only one customer having more than 10% of the total revenue.

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Notes to financial statement as at and for the year ended 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 Limited | Immediate Holding company | 100% | 100% |
| PNC Infratech Limited | Ultimate Holding | - | - |

**(B) Transactions between related parties**
The following transactions were carried out with the related parties in the ordinary course of business.

**(Amount in Lakhs)**

| Sr. No | Nature of transaction | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | **Loan Received** | | |
| | PNC Infratech Limited | 1,450.00 | 2,350.00 |
| 2 | **Loan Repaid** | | |
| | PNC Infratech Limited | 1,100.00 | - |

**(C ) Balance Outstanding during the year**

**(Amount in Lakhs)**

| Sr. No | Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| 1 | **Short Term borrowing** | | |
| | PNC Infratech Limited | - | 6,750.00 |
| 2 | **Intrest Payable** | | |
| | PNC Infratech Limited | 182.00 | 1,254.54 |
| 3 | **Security Payable** | | |
| | PNC Infratech Limited | - | 100.00 |
| 4 | **Trade Payables** | - | 1,100.00 |
| | PNC Infratech Limited | | |

**(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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**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** | | | | | | |
| Long Term Trade receivables | 17,985.25 | - | - | 18,823.60 | - | - |
| Retentions | 8.49 | - | - | 8.49 | - | - |
| Short Term trade recievables | 6,861.84 | | | 9,104.89 | | |
| Cash and Bank Balances | 119.19 | - | - | 58.11 | - | - |
| **Total Financial Assets** | **24,974.76** | - | - | **27,995.08** | - | - |
| **Financial Liabilities** | | | | | | |
| Long Term Borrowings | 8,462.15 | - | - | 9,896.40 | | |
| Trade payables | 48.83 | - | - | 1,161.61 | - | - |
| Short Term Borrowings | 7,100.00 | | | 6,750.00 | | |
| Other Financial Liabilities | 249.86 | - | - | 1,407.00 | | |
| **Total Financial Liabilities** | **15,860.83** | - | - | **19,215.02** | - | - |

**(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, 2018 | 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, 2018** | | | | |
| **(i) Financial Assets** | | | | |
| Trade Recievables | 17,985.25 | | 17,985.25 | |
| Total | 17,985.25 | | 17,985.25 | - |
| **(ii) Financial Liabilities** | | | | |
| **Non Current borrowings** | | | | |
| - Borrowings | 8,462.15 | | 8,462 | |
| Total | 8,462.15 | - | 8,462.15 | - |

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(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 Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017** | | | | |
| **(i) Financial Assets** | | | | |
| Trade Recievables | 18,823.60 | | 18,823.60 | |
| **Total** | **18,823.60** | | **18,823.60** | - |
| **(ii) Financial Liabilities** | | | | |
| **Non Current borrowings** | | | | |
| - Borrowings | 9,896.40 | | 9,896 | |
| **Total** | **9,896.40** | - | **9,896.40** | - |

**(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.

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

The Carrying amounts of trade payables, short term borrowings, cash and cash equivalents,current trade recievables, 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 trade receivables, security deposits and retentions are evaluated on parameters such as interest rate and other risk factors. Fair value is being determoned 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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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.
The Company's activities are exposed to **market risk, credit risk and liquidity risk.**

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.

**(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 Lak **(Amount in Lakhs)**

| Particulars | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Variable rate borrowings | 8,462.15 | 9,896.40 |
| Fixed rate borrowings | 7,100.00 | 6,750.00 |
| **Total borrowings** | **15,562.15** | **16,646.40** |

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

| 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 | | 8,462 | 54.38% | | 9,896.40 | 59.45% |
| **Net exposure to cash flow interest rate risk** | | **8,462** | **54.38%** | | **9,896** | **59.45%** |

(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, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| INR | +50 | +50 | 42 | 49 |
| | - 50 | - 50 | -42 | -49 |

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**(b) Foreign currency risk**

The Company by nature 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.

**(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.

**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 the annuity which it recieves from DSIIDC, 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 | 15,562.15 | 7,100.00 | 276.00 | 1,536.00 | 6,650.15 | 15,562.15 |
| Trade payables | 48.83 | - | 48.83 | - | - | 48.83 |
| Other Liabilities | 249.86 | - | 249.86 | - | - | 249.86 |
| **Total** | **15,860.83** | **7,100.00** | **574.68** | **1,536.00** | **6,650.15** | **15,860.83** |

(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 | 16,646.40 | 6,750.00 | 1,332.00 | 1,956.00 | 6,608.40 | 16,646.40 |
| Trade payables | 1,161.61 | - | 1,161.61 | - | - | 1,161.61 |
| Other Liabilities | 1,407.00 | - | 1,407.00 | - | - | 1,407.00 |
| **Total** | **19,215.02** | **6,750.00** | **3,900.62** | **1,956.00** | **6,608.40** | **19,215.02** |

**Financing arrangements:**

There are no undrawn facilities at the end of current year and previous years.

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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 | 15,562.15 | 16,646.40 |
| Cash & bank balances | 119.19 | 58.11 |
| Net Debt | 15,442.96 | 16,588.30 |
| Total Equity | 7,490.01 | 7,110 |
| Total Equity and Net Debt | 22,932.96 | 23,699 |
| **Net debt to debt and equity ratio (Gearing Ratio)** | **67.34%** | **70.00%** |

**Notes-**

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes 15 and 19

(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. Till date,there has been no breach in the finacial covenats of interest bearing loans & borrowings in the current period and in the previous period .

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

RMA & ASSOCIATES LLP
New Delhi
Chartered Accountants

IMC Delhi Industrialinfra Private Limited
CIN:U45200DL2011PTC222406
Notes to financial statement for the year ended on March 31, 2018

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

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