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

Address : First Floor, 95, National Park,
Lajpat Nagar IV, New Delhi - 110024
Phone : 011-49097836
Email : carahulv@gmail.com
Website : www.rma-ca.com

INDEPENDENT AUDITOR'S REPORT

UDIN: 20097881AAAAEZ6621

To the Members of PNC Kanpur Highways Limited

Report on the Audit of the IND AS Financial Statements

Opinion

We have audited the IND AS Financial Statements of PNC Delhi Industrial Infra Private Limited (the "company") , which comprises of IND AS Balance Sheet as at 31st March 2020 , and the statement of Profit and Loss including statement of Other Comprehensive Income , and statement of cash flows and Statement of changes in Equity for the year then ended, and notes to the IND AS Financial Statements summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2020, and the statement of Profit and Loss including Statement of Other Comprehensive Income , and Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to the IND AS Financial Statements summary of significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibility for The Audit of IND AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the IND AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the IND AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the IND AS Financial Statements and our auditor's report thereon.

Our opinion on the IND AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the IND AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the IND AS Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for IND AS Financial Statements

The company's Board of Directors is IND AS Financial Statements for the matters stated in section of 134(5) of the companies act , 2013 with respect to the preparation of these IND AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the IND AS Financial Statements, management is responsible for assessing the company's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for Audit of IND AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the IND AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these IND AS Financial Statements.

We give in "**Annexure A**" a detailed description of Auditor's responsibilities for Audit of the IND AS Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, and the statement of Profit and Loss, and statement of cash flows for the year then ended, notes to the IND AS Financial Statements, summary of significant accounting policies and other explanatory information dealt with in this report are in agreement with the books of accounts.

d. In our opinion, the aforesaid IND AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with of the Companies (Indian Accounting Standards) Rules, 2015.

e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 C".

g. With respect to the other matters to be included in Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS Financial Statements - Refer to note 35 to the IND AS Financial Statements.

   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 Vashishth

CA Rahul Vashishth
Partner
M.No.097881

Place of Signature: Agra
Date: 22-06-2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF PNC KANPUR HIGHWAYS LIMITED FOR THE YEAR ENDED MARCH 31, 2020

Auditor's Responsibilities for the Audit of the IND AS Financial Statements

As part of an audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the IND AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the IND AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the IND AS Financial Statements, including the disclosures, and whether the IND AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Rahul Vashishth

CA Rahul Vashishth
Partner
M.No.097881

Place of Signature: Agra
Date: 22-06-2020

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF PNC KANPUR HIGHWAYS LIMITED FOR THE YEAR ENDED MARCH 31, 2020

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the IND AS Financial Statements of the Company for the year ended 31st March,2020:

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 book's 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. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of the cost records under section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

7. 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, CSS 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 (31.03.2020) for a period of more than six months from the date they became payable.

   a. According to the information and explanation given to us, there are no tax dues outstanding on account of 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.

New Delhi

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) a term loan. 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, there was no managerial remuneration paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act. Therefore clause 3(xi) is not applied.

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 section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the IND AS 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

Rahul Vashishtha

CA Rahul Vashishtha
Partner
M.No.097881
Place of Signature: Agra
Date: 22-06-2020

ANNEXURE C TO INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF PNC KANPUR HIGHWAYS LIMITED FOR THE YEAR ENDED MARCH 31, 2020

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report.]

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 Kanpur Highways Limited as of March 31, 2020 in conjunction with our audit of the IND AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on these responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of IND AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of IND AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 IND AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020.

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

Rahul Vashishth

CA Rahul Vashishth
Partner
M.No.097881

Place of Signature: Agra
Date: 22-06-2020

PNC Kanpur Highways Limited
CIN: U45400DL2011PLC212392
Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	3	24.48	27.94
(b) Intangible Asset	4	21,926.85	25,138.74
(c) Deffered Tax Asset (net)	5	1,429.56	1,144.87
(d) Other Non - current assets	6	251.04	225.84
Sub Total (Non Current Assets)		**23,631.93**	**26,537.39**
(2) Current assets			
(a) Financial assets			
(i) Investments	7	6,022.27	6,822.82
(ii) Cash and cash equivalents	8	338.68	321.66
(iii) Other Financial Assets	9	9.05	9.05
(b) Other current assets	10	116.80	47.39
Sub Total (Current Assets)		**6,486.80**	**7,200.92**
Total Assets		**30,118.73**	**33,738.31**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	11	6,750.00	6,750.00
(b) Other equity	12	4,113.14	4,598.70
Sub Total (Equity)		**10,863.14**	**11,348.70**
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	13,789.81	15,661.06
(b) Provisions	14	3,268.83	2,209.38
Sub Total (Non Current Liabiity)		**17,058.64**	**17,870.44**
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	15	92.38	51.78
(ii) Other financial liabilities	16	2,076.98	3,937.18
(b) Other current liabilities	17	20.94	5.15
(c) Current tax liability	18	0.00	518.91
(d) Provisions	19	6.64	6.15
Sub Total (Current Liability)		**2,196.95**	**4,519.17**
Total Equity & Liabilities		**30,118.73**	**33,738.31**

The accompanying notes form an integral part of the financial statements

As per our report on even date attached

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

CA Rahul Vashishtha
Partner
M.No.-097881

Place- Agra
Date- June 22, 2020

On Behalf of the Board

Chakresh Kumar Jain
Managing Director
DIN- 00086768

Yogesh Kumar Jain
Director
DIN-00086811

Deeksha Garg
Company Secretary

Sarvesh Garg
Chief Financial Officer

PNC Kanpur Highways Limited
CIN: U45400DL2011PLC212392
Statement of Profit and Loss for the year ended on March 31, 2020

(₹ in Lakhs)

	Particulars	Notes	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from Operations	20	7,623.27	9,726.09
II	Other income	21	459.44	432.57
III	**Total Income (I+II)**		**8,082.71**	**10,158.66**
IV	**Expenses :**			
	Employee benefit expense	22	526.12	461.98
	Finance Cost	23	1,623.17	1,917.09
	Depreciation and amortization expenses	24	3,218.54	3,680.29
	Other Expenses	25	3,504.80	2,352.33
	Total Expenses (IV)		**8,872.63**	**8,411.69**
V	Profit/(Loss) before exceptional items & Tax **(III-IV)**		(789.92)	1,746.97
VI	Exceptional Items		-	-
VII	**Profit/(Loss) before tax (V-VI)**		**(789.92)**	**1,746.97**
VIII	Tax expense :			
	Current tax		-	368.15
	Taxes for earlier years		(4.61)	-
	Deferred tax	5.2	(251.07)	(330.42)
	MAT Credit Adjustment		(37.53)	(332.58)
IX	**Profit & (Loss) for the period from Continuing operations (VII-VIII)**		**(496.71)**	**2,041.82**
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	- Acturial Gain and losses on defined benefit plans	33-34	15.07	1.39
	(ii) Income tax relating to above items		(3.92)	(0.43)
	Total Comprehensive Income for the period (IX + X)		**(485.56)**	**2,042.77**
	Earning per equity share (for continuing operation)			
	(1) Basic & Diluted	26	(0.74)	3.02

The accompanying notes form an integral part of the financial statements

As per our report on even date attached

On Behalf of the Board

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

CA Rahul Vashishtha
Partner
M.No.-097881

Chakresh Kumar Jain
Managing Director
DIN- 00086768

Yogesh Kumar Jain
Director
DIN-00086811

Deeksha Garg
Company Secretary

Sarvesh Garg
Chief Financial Officer

Place- Agra
Date- June 22, 2020

PNC Kanpur Highways Limited
CIN: U45400DL2011PLC212392
Cash Flow Statement for the year ended on March 31, 2020

(₹ in Lakhs)

	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
A.	**Cash Flow from Operating Activities**		
	Net Profit /(Loss) before Tax & after exceptional items	(789.92)	1,746.97
	Adjustment for:		
	Add/(Less):		
	Interest	1,623.17	1,917.09
	Fair valuation of mutual fund	138.14	(228.79)
	Profit on sale of Mutual Fund	(597.58)	(203.59)
	Depreciation	3,218.54	3,680.29
	Actuarial gain/ Loss	15.07	1.39
	Operating Profit / (Loss) before working capital changes	3,607.42	6,913.36
	Adjustment fo Changes in Working Capital		
	Increase/Decrease in trade payable	40.60	11.18
	Increase/Decrease in other current Liabilities	34.79	(97.50)
	Increase/Decrease in Provisions	1,059.94	734.88
	Increse/Decrease in Non current assets	(25.19)	5.51
	Increase/Decrease in Current assets	(69.41)	(4.31)
	Cash Generated from/(used) from Operating Activities	4,648.14	7,563.12
	Direct Taxes Paid	(514.30)	-
	Cash (used in)/ from operating activities befre extraordinary Items	4,133.84	7,563.12
	Preliminary Exp.	-	-
	Cash Generated from/(used) from Operating Activities (A)	4,133.84	7,563.12
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Asset	(3.20)	(7.30)
	Purchase of Investment	(13,352.87)	(8,666.26)
	Sale of Investment	14,612.87	5,884.26
	Net Cash (used in) / from Investing Activities (B)	1,256.80	(2,789.30)
C.	**Cash Flow from Financing Activities**		
	Capital Grant	-	-
	Interest	(1,623.17)	(1,917.09)
	RePayment of Term Loan	(3,750.45)	(2,946.45)
	Net Cash (used in) / from Financing Activities (C)	(5,373.62)	(4,863.54)
	Net Cash Increase in cash & Cash equivalents (A+B+C)	17.02	(89.73)
	Cash & Cash equivalents in beginning	321.66	411.39
	Cash & Cash equivalents as at the end	338.68	321.66

The accompanying notes form an integral part of the financial statements

As per our report on even date attached

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

CA Rahul Vashishtha
Partner
M.No.-097881

Place- Agra
Date- June 22, 2020

On Behalf of the Board

Chakresh Kumar Jain
Managing Director
DIN- 00086768

Yogesh Kumar Jain
Director
DIN-00086811

Deeksha Garg
Company Secretary

Sarvesh Garg
Chief Financial Officer

PNC Kanpur Highways Limited
CIN: U45400DL2011PLC212392
Statement change of equity for the year ended on March 31, 2020

A. Equity Share Capital

(₹ in Lakhs)

As at March 31, 2019	Changes during the year	As at March 31, 2020
6,750.00	-	6,750.00

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus	
	Retained earnings	Total
Balance as at April 1, 2019	**4,598.70**	**4,598.70**
Profit for the year	(496.71)	(496.71)
Other Comprehensive Income	11.15	11.15
Total comprehensive income for the year	(485.56)	(485.56)
Balance as at March 31, 2020	**4,113.14**	**4,113.14**

The accompanying notes form an integral part of the financial statements

As per our report on even date attached

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

Rahul Vashishtha

CA Rahul Vashishtha
Partner
M.No.-097881

Place- Agra
Date- June 22, 2020

On Behalf of the Board

Chakresh Kumar Jain	**Yogesh Kumar Jain**
Managing Director	**Director**
DIN- 00086768	**DIN-00086811**
Deeksha Garg	**Sarvesh Garg**
Company Secretary	**Chief Financial Officer**

PNC Kanpur Highways Limited
CIN: U45400DL2011PLC212392
Notes to financial statement as at and for the year ended March 31, 2020

1. Significant Accounting Policies

Company Overview:

Kanpur Highways Limited (the Company) is domicile and incorporated in India and is wholly owned subsidiary Company of PNC Infra-Holdings Limited. The company has been awarded the "Two Laining with paved shoulders of Kanpur-Kabrai 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 receivables as per the concession agreement dated 11.03.2011 with NHAI.

1.Basis of Preparation

The financial statements comply in all material aspects with Indian Accounting Standards notified under Sec 133 of the Companies Act 2013(the Act) read with [Companies (Indian Accounting Standard) Rules, 2015] and other relevant provision of the Act and Rules framed there under.

The financial statements up-to year ended 31st March 2020 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules 2006 (As Amended) and other relevant provision of the Act.

Historical Cost convention

These Financial statements have been prepared on a historical cost basis except
Certain financial assets & Liabilities measured at fair value.

2.Significant Accounting Policies adopted by Company in preparation 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 Appendix 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 recognized 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 recognized 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:

Furniture & Fixtures-10 years
Office Equipment's- 5 Years
Vehicles:
-Two Wheelers- 10 Years
-Four Wheelers- 8 Years

Computers- 3 Years
Computer Software's- 6 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 recognized 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 Amortized Cost
(ii)Financial Asset At Fair Value through OCI
(iii)Financial Asset at Fair Value through P&L

Financial Asset at Amortized Cost

A 'Financial Asset' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization 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 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 measurement or recognition inconsistency (referred to as 'accounting mismatch').

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.

New Delhi

De-recognition 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 derecognized 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 amortized 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 116

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 115 (statements referred to as 'contractual revenue receivables' in these illustrative financial)

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 recognizing 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 recognized 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 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 repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial Liabilities at Amortized Cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.

New Delhi

Financial Guarantee

Derecognisition

A financial liability is derecognized 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 de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Provisions, Contingent Liabilities

Provisions are recognized 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 recognized 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

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 C to Ind-AS 115 – 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 amortized 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 amortized on the basis of revenue earned.

Any asset carried under concession agreements is derecognized 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 recognized 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.

Rahul Vashistha

Revenue Recognition

Revenue is recognized 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 amortized 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 amortized 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized 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.

Deferred 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized 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 recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized 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 recognized in OCI/ Capital Reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realized are recognized 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 recognized 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.

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 capitalized 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 recognized during the period in which the employee renders related service.

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

New Delhi

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PNC Kanpur Highways Limited
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Notes to financial statement as at and for the year ended March 31, 2020

Note : 3 Property, plant & equipment

(₹ in Lakhs)

Particulars	Office equipment	Furniture & fixtures	electric equipments	Computers	Vehicle	Total
Gross Carrying Value						
As at March 31, 2019	12.29	2.84	18.64	10.91	0.91	45.58
Addition during the year	2.60	0.06	0.54	-	-	3.20
Disposal / Adjustments						
As at March 31, 2020	**14.89**	**2.90**	**19.19**	**10.91**	**0.91**	**48.78**
Accumulated Depreciatiom						
As at March 31, 2019	6.93	0.83	2.84	6.97	0.09	17.64
Charged During the year	2.76	0.27	1.79	1.76	0.09	6.67
Disposal / Adjustments						
As at March 31, 2020	**9.69**	**1.10**	**4.62**	**8.73**	**0.17**	**24.31**
Net carrying Value as at March 31, 2020	**5.20**	**1.80**	**14.57**	**2.17**	**0.74**	**24.48**

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PNC Kanpur Highways Limited
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Notes to financial statement as at and for the year ended March 31, 2020

Note: 4 Intangible Assets

(₹ in Lakhs)

Particulars	Concession Rights	Total
Gross Block (at cost or revalued amount)		
As at March 31, 2019	37,202.36	37,202.36
Addition during the year	-	-
Disposal / Adjustments	-	-
	-	-
As at March 31, 2020	**37,202.36**	**37,202.36**
Accumulated Depreciation		
As at March 31, 2019	12,063.63	12,063.63
Addition during the year	3,211.87	3,211.87
Disposal / Adjustments	-	-
As at March 31, 2020	**15,275.50**	**15,275.50**
Net Carrying value as at March 31, 2020	**21,926.86**	**21,926.86**

PNC Kanpur Highways Limited
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Notes to financial statement as at and for the year ended March 31, 2020

Note : 5 Deferred Tax

5.1 The balance comprises temporary differences attributable to: (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Deferred Tax Assets/(Liabilities)		
Fixed Assets (Tangibles)	0.71	0.46
Intangible Assets	130.32	88.89
Borrowings	(3.15)	(4.76)
Investments	(26.78)	(75.24)
Major Maintenance	847.88	689.34
Preoperative Expenses	-	-
Employee Benefits	3.74	6.88
Net deferred tax Assets/(Liabilities)	952.72	705.57
(b) Mat Credit Entitlement		
Mat Credit Entitlement	476.84	439.30
Total	1,429.56	1,144.87

5.2 Movement in Deferred tax (Liabilities)/Assets (₹ in Lakhs)

Particulars	Fixed Assets (Intangibles)	Fixed Assets (Tangibles)	Borrowings	Major Maintenance	Employee Benefit	Investments	Total
At April 1, 2019	88.89	0.46	(4.76)	689.34	6.88	(75.24)	705.57
(Charged)/credited:-							
-to profit & loss	41.43	0.25	1.61	158.54	0.78	48.45	251.07
-to other comprehensive income				-	(3.92)		(3.92)
As at March 31, 2020	130.32	0.71	(3.15)	847.88	3.74	(26.78)	952.72

5.3 Movement in Minimum Alternate Tax (₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Balance	439.30	106.72
Created/ (Charged) during the period	37.53	332.58
Closing Balance	476.84	439.30

PNC Kanpur Highways Limited
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Notes to financial statement as at and for the year ended March 31, 2020

Note 6 : Other Non Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statuary Dues Receivable		
-Advance Tax and TDS Refundable	218.06	155.70
-WCT Receivable	32.98	70.14
Other Advances	-	-
Total Other Non-current assets	**251.04**	**225.84**

Note 7 : Current Financial Investments

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investments in Mutual fund		
Quoted		
HDFC Pool Liquid Fund	-	6,822.82
Kotak Low Duration	40.66	-
HDFC Floating Rate Debt Fund Account	5,981.61	-
Total Current financial investments	**6,022.27**	**6,822.82**

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate Book Value of quoted investments	5,919.26	6,581.68
Aggregate Market Value of quoted investments	6,022.27	6,822.82
Aggregate Book Value of unquoted investments	-	-
Aggregate amount of impairment on value of investments	-	-

Rahul Vashishtha

PNC Kanpur Highways Limited
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Notes to financial statement as at and for the year ended March 31, 2020

Note 8 : Cash and Bank Balances

Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	0.26	59.03
Balances with bank		
-In current account	338.42	262.63
Total cash and cash equivalents	**338.68**	**321.66**

Note 9 : Other Current Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Retetion with Govt authority	9.05	9.05
Total Other Current financial assets	**9.05**	**9.05**

Note 10 : Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Imprest to Employees	2.25	0.80
Prepaid Expenses	0.81	1.01
Others	83.11	14.95
Advance to NHAI	30.63	30.63
Total Other financial assets	**116.80**	**47.39**

Rahul Vashishtha

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Notes to financial statement as at and for the year ended March 31, 2020

Note 11 : Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
6,80,00,000 (Previous year 6,80,00,000) equity Shares of Rs10/- each	6,800.00	6,800.00
Equity Shares - Issued, Subscribed & paid up		
6,75,00,000 (Previous year 6,75,00,000) equity Shares of Rs10/- each	6,750.00	6,750.00

Notes 11.1

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

(No. of Shares)

Particulars	As at March 31, 2020	As at March 31, 2019
At the beginning of the year 6,75,00,000 (Previous year 6,75,00,000) Equity Shares of Rs. 10/- each allotted as fully paid up	6,75,00,000	6,75,00,000
Issued during the year Equity Shares of Lakhs 10 each allotted as fully paid up	-	-
Outstanding at the end of the year 6,75,00,000 (Previous year 6,75,00,000) Equity Shares of Rs. 10/- each allotted as fully paid up	6,75,00,000	6,75,00,000

Shares of Company Held by Holding/Ultimate Holding Company (No. of Shares)

Particulars	As at March 31, 2020	As at March 31, 2019
PNC Infra Holdings Limited	6,75,00,000	6,75,00,000

Details of Shareholders holding more than 5% in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	No of Shares	%	No of Shares	%
PNC Infra Holdings Limited and its nominees*	6,75,00,000	100	6,75,00,000	100

*Six Equity Shares are held by nominee of PNC Infra Holdings Limited.

Rights and restrictions attached to equity shares

The Company has only one class of equity shares having at 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.

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

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PNC Kanpur Highways Limited
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Notes to financial statement as at and for the year ended March 31, 2020

Note 12 : Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
- Retained Earnings		
Opening Balance	4,598.70	2,555.93
Net Profit for the period	(496.71)	2,041.82
Remeasurement of post employee benefit obligation net of taxes (See Note 12.1)	11.15	0.96
Closing Balance	**4,113.14**	**4,598.70**

Note 12.1 : This items of other comprehensive inocme are directly recognised in retained earnings

Note 12.2 : Nature and Purpose of Reserves
This comprise Company's unditributed profits after taxes.

PNC Kanpur Highways Limited
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Notes to financial statement as at and for the year ended March 31, 2020

Note 13 : Non Current Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Term Loan From Banks		
-Oriental bank of commerce	8,761.35	10,859.40
-Central Bank of India	6,902.86	8,555.26
Total Non Current Borrowings	**15,664.21**	**19,414.66**
Less Current Maturities of Long term debt	1,874.40	3,753.60
Non Current Borrowings(as per balance sheet)	**13,789.81**	**15,661.06**

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 14 : Non-Current Liabilities-Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Major Maintence provisions	3,261.07	2,193.47
Gratuity	2.96	9.49
Leave Encashment	4.80	6.42
Total	**3,268.83**	**2,209.38**

PNC Kanpur Highways Limited
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Notes to financial statement as at and for the year ended March 31, 2020

Note 15 : Current Financial Liabilities: Trade payables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Dues Of MSME parties (Refer Note 15.1)		
Dues of other than MSME parties	92.38	51.78
Total Current Trade Paybles	**92.38**	**51.78**

Note 15.1 : As per the available records there is no 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 16 : Other current financial liablities:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long Term Debt	1,874.40	3,753.60
Payable to Employees		
-Salary Payables	40.98	36.22
-Others (Emp)	7.00	5.23
Expenses Payable	0.16	0.35
Retentions	154.44	141.78
Total Other Current Financial Liablities	**2,076.98**	**3,937.18**

Note 17 : Other current liablities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statuary Dues payable		
-TDS Payable	4.75	1.95
-Labour Cess	-	-
-GST Payable	12.77	-
-EPF Payable	3.42	3.21
Deferred Retentions	-	-
Total Other current Liablities	**20.94**	**5.15**

Note 18 : Current Tax liablity

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Tax Liability	0.00	518.91
Less: Taxes paid	-	-
Total Net Tax Liablity	**0.00**	**518.91**

Note 19 : Short term provisions

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity	5.46	4.54
Leave Encashment	1.18	1.61
Total Short term provisions	**6.64**	**6.15**

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PNC Kanpur Highways Limited
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Notes to financial statement as at and for the year ended March 31, 2020

Note 20 : Revenue from operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract Revenue	-	-
Toll Collection:		
Toll Collection - Khanna	2,659.65	2,939.48
Toll Collection A/c - Sazeti	4,963.62	6,786.61
Total revenue from continuing operation	**7,623.27**	**9,726.09**

Note 21 : Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Fair valuation of mutual fund	(138.14)	228.79
Interest on Income Tax Refund	-	0.19
Profit on sale of M.F	597.58	203.59
Total other Income	**459.44**	**432.57**

PNC Kanpur Highways Limited
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Notes to financial statement as at and for the year ended March 31, 2020

Note 22 : Employee Benefit Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	495.96	434.84
Contribution to provident fund	21.67	19.89
Staff Welfare Exp.	8.49	7.25
Total Employee benefit expenses	**526.12**	**461.98**

Note 23: Finance Cost

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on term loans	1,623.17	1,917.09
Intrest expense on retention payable	-	-
Total Finance cost	**1,623.17**	**1,917.09**

Note 24 : Depreciation and amortisation

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Tangible Assets	6.67	5.93
Amortisation on Intangible Assets	3,211.87	3,674.36
Total Depreciation and amortisation	**3,218.54**	**3,680.29**

Note 25 : Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Power & Fuel	80.84	87.65
Contract Paid*	1,551.75	1,071.97
Other Expenses Rent (Lease rental)	0.24	0.24
Travelling - Others	0.15	0.25
Postage and Telephone	3.03	9.71
Legal expenses	347.43	135.96
Printing and Stationary	4.56	8.75
Security Expenses	0.91	1.07
Rates & taxes	337.03	207.66
Insurance Premium	3.76	6.49
Bank Charges	2.64	14.16
Repair &maintence	7.59	19.88
Hire charges of Vehicles	15.35	14.36
Auditor remuneration**	0.75	0.75
Advertisement cost	-	0.93
CSR Expenses	11.40	-
Other Exps	69.79	43.32
Major Maintenance Cost	1,067.60	729.18
Total Other Expenses	**3,504.80**	**2,352.33**

*Includes Rs. 1464.35 Lakh to Related Party

**Auditor Remuneration Includes:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit Fees	0.75	0.75
Other Services	-	-
Total	0.75	0.75

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Note 26 : Earning Per share

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Profit/(Loss) available to Equity Shareholders (Rs. in lakhs)	(496.71)	2,041.82
(b) Weighted Average number of Equity Shares	675.00	675.00
(c) Nominal value of Equity Shares (in Rs)	10.00	10.00
(d) Basic and Diluted Earnings Per Share [(a)/(b)	**(0.74)**	**3.02**

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Note 27 : 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, 2020 and March 31, 2019.

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Note: 28 Related party transactions

(A) List of related parties

(a) Parent Entity

Sr. No.	Name	Type	Ownership Interest	
			As at March 31, 2020	As at March 31, 2019
1	PNC Infratech Limited	Ultimate holding	0%	0%
2	PNC Infraholding Limited	Immediate holding	100%	100%

(B) Transactions between related parties

(₹ in Lakhs)

Sr. No.	Nature of transaction	2019-20	2018-19
1	**EPC Contract**		
	PNC infratech Limited	1,464.34	1,009.50

(C) Balance Outstanding during the year

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	**Amount Payable**		
	PNC infratech Limited	147.19	146.33

(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 settled in cash.

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Note 29 : Fair Value Measurement

Financial instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Asset						
Trade receivables	-	-	-	-	-	-
Security Deposits	9.05	-	-	9.05	-	-
Cash and Bank Balances	338.68	-	-	321.66	-	-
Total Financial Assets	**347.73**	-	-	**330.71**	-	-
Financial Liabilities						
Borrowings	15,664.21	-	-	19,414.66		
Trade payables	92.38	-	-	51.78	-	-
Other Financial Liabilities	202.42	-	-	183.23		
Total Financial Liabilities	**15,959.02**	-	-	**19,649.67**	-	-

(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.

(₹ in Lakhs)

Particulars	Carrying Value March 31, 2020	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, 2020				
(i) Financial Assets				
Investments	-	6,022.27	-	-
Trade Recievables	-	-	-	-
Security Deposit	9.05	-	9.05	-
Total	**9.05**	**6,022.27**	**9.05**	-
(ii) Financial Liabilities				
Borrowings	15,664.21	-	15,664.21	
Retentions	154.44	-	154.44	
Total	**15,818.66**	-	**15,818.66**	

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Particulars	Carrying Value March 31, 2019	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, 2019				
(i) Financial Assets				
Investments	-	6,822.82	-	-
Trade Recievables	-	-	-	-
Security Deposit	9.05	-	9.05	-
Total	**9.05**	**6,822.82**	**9.05**	-
(ii) Financial Liabilities				
Non Current borrowings				
- Borrowings	19,414.66	-	19,414.66	-
Retentions	141.78	-	141.78	-
Total	**19,556.44**	-	**19,556.44**	-

(ii) Valuation techniques used to determine Fair value

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

Specific valuation technique used to value financial instrument includes:

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

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

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

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

The fair value of 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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Note 30 : 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.

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

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio .

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

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowings	13,789.81	15,661.06
Fixed rate borrowings	-	-
Total borrowings	**13,789.81**	**15,661.06**

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

Particulars	31/03/2020			31/03/2019		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Term Loan	9.23%	13,789.81	100.00%	9.13%	15,661.06	100.00%
Net exposure to cash flow interest rate risk	**9.23%**	**13,789.81**	**100.00%**	**9.13%**	**15,661.06**	**100.00%**

(iii) 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
INR	+50	+50	68.95	78.31
	- 50	- 50	-68.95	-78.31

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(b) Foreign currency risk

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

(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 considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an on going basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:
The company's only source of revenue is from toll collection which is mostly collected in cash by company and only trade recievables that a company has are against the the grant to be recieved, which is a goverment authority ,therefore company is not exposed to any credit risk. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

III. Liquidity Risk

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

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

As at March 31, 2020	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	15,664.21	-	1,874.40	11,522.40	2,267.41	15,664.21
Trade payables	92.38	-	92.38	-	-	92.38
Other Liabilities	202.42	-	202.42	-	-	202.42
Total	**15,959.02**	-	**2,169.21**	**11,522.40**	**2,267.41**	**15,959.02**

As at March 31, 2019	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	19,414.66	-	3,753.60	7,502.40	8,158.66	19,414.66
Trade payables	51.78	-	51.78	-	-	51.78
Other Liabilities	183.23	-	183.23	-	-	183.23
Total	**19,649.67**	-	**3,988.61**	**7,502.40**	**8,158.66**	**19,649.67**

Financing arrangements

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

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Notes to financial statement as at and for the year ended March 31, 2019

Note 31 : Tax Expense

A. Income Tax Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Tax adjustments for earlier years		
Taxes for earlier years	(4.60)	-
(b) Current tax		
Current tax on profit for the period	-	368.15
Mat Credit Entitlement	(37.53)	(332.58)
Total Current tax expense	**(42.14)**	**35.57**
(c) Deferred tax		
(Decrease) increase in deferred tax Liabilities	(91.74)	(98.09)
(Increase) Decrease in deferred tax Assets	(159.32)	(232.32)
Total Deffered Tax Expenses	**(251.07)**	**(330.42)**
Total Income tax Expense	(293.21)	(294.85)

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit & Loss before tax	(789.92)	1,746.97
Tax at Indian Tax Rate of 26% (F.Y. 2018-19-34.944%)	-	**610.46**
Deffered tax recognised during the year	(251.07)	(330.42)
Mat credit taken during the period	(37.53)	(332.58)
Taxes for earlier years	(4.60)	-
Income Tax Exempt under Tax Holiday	-	(242.31)
Total tax expenses as per profit and loss	(293.21)	(294.85)

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Notes to financial statement as at and for the year ended March 31, 2020

Note 32: Contingent Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Company not acknowledged as debts		
Contingent liability towards claim raised by PNC Infratech Limited for the EPC Project including interest thereon which is payable by the Company on back to back basis only upon realisation the same from NHAI in terms of MOU dated 14th September 2018 between the Comnpany and PNC Infratech Limited	43,899.80	43,899.80

Note 32.1: Contingent Assets

The Company has a pending arbitration case against National Highways Authority of India (NHAI) arising out of the Concession Agreement executed on 11.03.2011 for development of "Two Laning with paved shoulders of Kanpur to Kabrai Section of NH-86 from Km.7.430 to Km.130.100 in the State of Uttar Pradesh on Design, Build, Finance, Operate and Transfer (DBFOT) on Toll Basis". The Company has raised claims for total amount Rs. 61,876.10 Lakhs including interest in the said Arbitration against NHAI. The arbitration proceedings are under progress

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Note 33 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:-

(₹ in Lakhs)

S. No.	Particulars	Gratuity	
		2019-20	2018-19
A.	**Change in defined benefit obligation**	**31-03-2020**	**31-03-2019**
1.	Defined benefit obligation at beginning of period	**31.54**	**19.57**
2.	Service cost		
	a. Current service cost	9.69	12.09
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
3.	Interest expenses	2.21	1.37
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	(0.71)	0.00
	b. Effect of changes in financial assumptions	(3.18)	0.95
	c. Effect of experience adjustments	(9.20)	(2.45)
6.	Transfer In /Out		
	a. Transfer In	-	-
	b. Transfer out	-	-
7.	Defined benefit obligation at end of period	**30.35**	**31.54**
B.	**Change in fair value of plan assets**	**31-03-2020**	**31-03-2019**
1.	Fair value of plan assets at beginning of period	**17.51**	**9.54**
2.	Interest income	1.38	0.95
3.	Cash flows		
	a. Total employer contributions		
	(i) Employer contributions	4.42	6.99
	(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)	(1.38)	0.03
5.	Transfer In /Out		
	a. Transfer In	-	-
	b. Transfer out	-	-
6.	Fair value of plan assets at end of period	**21.93**	**17.51**
C.	**Amounts recognized in the Balance Sheet**	**31-03-2020**	**31-03-2019**
1.	Defined benefit obligation	**30.35**	**31.54**
2.	Fair value of plan assets	(21.93)	(17.51)
3.	Funded status	8.42	14.03
4.	Effect of asset ceiling	-	-
5.	Net defined benefit liability (asset)	**8.42**	**14.03**

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Note 33 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:-

(₹ in Lakhs)

S. No.	Particulars	Gratuity	
		2019-20	2018-19
D.	**Components of defined benefit cost**	**31-03-2020**	**31-03-2019**
1.	Service cost		
	a. Current service cost	9.69	12.09
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
	d. Total service cost	9.69	12.09
2.	Net interest cost		
	a. Interest expense on DBO	2.21	1.37
	b. Interest (income) on plan assets	1.38	0.95
	c. Interest expense on effect of (asset ceiling)	-	-
	d. Total net interest cost	0.83	0.42
3.	Remeasurements (recognized in OCI)		
	a. Effect of changes in demographic assumptions	(0.71)	0.00
	b. Effect of changes in financial assumptions	(3.18)	0.95
	c. Effect of experience adjustments	(9.20)	(2.45)
	d. (Return) on plan assets (excluding interest income) *	(1.38)	0.03
	e. Changes in asset ceiling (excluding interest income)	0.00	-
	f. Total remeasurements included in OCI	(11.70)	(1.52)
4.	Total defined benefit cost recognized in P&L and OCI	**(1.19)**	**10.99**
E.	**Re-measurement**	**31-03-2020**	**31-03-2019**
	a. Actuarial Loss/(Gain) on DBO	**(13.08)**	**(1.49)**
	b. Returns above Interest Income	(1.38)	0.03
	c. Change in Asset ceiling	0.00	-
	Total Re-measurements (OCI)	**(11.70)**	**(1.52)**
F.	**Employer Expense (P&L)**	**31-03-2020**	**31-03-2019**
	a. Current Service Cost	**9.69**	**12.09**
	b. Interest Cost on net DBO	0.83	0.42
	c. Past Service Cost	-	-
	d. Total P& L Expenses	**10.51**	**12.51**
G.	**Net defined benefit liability (asset) reconciliation**	**31-03-2020**	**31-03-2019**
1.	Net defined benefit liability (asset)	14.03	10.03
2.	Defined benefit cost included in P&L	10.51	12.51
3.	Total remeasurements included in OCI	(11.70)	(1.52)
4.	a. Employer contributions	(4.42)	(6.99)
	b. Employer direct benefit payments	-	-
	c. Employer direct settlement payments	-	-
5.	Net transfer	-	-
6.	Net defined benefit liability (asset) as of end of period	8.42	14.03
H.	**Reconciliation of OCI (Re-measurment)**	**31-03-2020**	**31-03-2019**
1.	Recognised in OCI at the beginning of period	(1.35)	0.23
2.	Recognised in OCI during the period	(11.70)	(1.52)
3.	Recognised in OCI at the end of the period	(13.05)	(1.29)

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Note 33 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:-

(₹ in Lakhs)

S. No.	Particulars	Gratuity	
		2019-20	2018-19
I.	**Sensitivity analysis - DBO end of Period**	**31-03-2020**	**31-03-2019**
1.	Discount rate +100 basis points	29.37	30.06
2.	Discount rate -100 basis points	31.39	33.16
3.	Salary Increase Rate +1%	31.25	32.96
4.	Salary Increase Rate -1%	29.49	30.21
5.	Attrition Rate +1%	30.21	31.08
6.	Attrition Rate -1%	30.48	32.02
J.	**Significant actuarial assumptions**	**31-03-2020**	**31-03-2019**
1.	Discount rate Current Year	6.50%	8.00%
2.	Discount rate Previous Year	7.00%	7.00%
3.	Salary increase rate	5.00%	9.0%
4.	Attrition Rate	25.00%	20.0%
5.	Retirement Age	60	60
		Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
6.	Pre-retirement mortality	Ultimate	Ultimate
7.	Disability	Nil	Nil

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Note 34: 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:-

(₹ in Lakhs)

S. No.	Particulars	Leave Encashment	
		2019-20	2018-19
A.	**Change in defined benefit obligation**	**31-03-2020**	**31-03-2019**
1.	Defined benefit obligation at beginning of period	**8.03**	**6.33**
2.	Service cost		-
	a. Current service cost	0.75	1.12
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
3.	Interest expenses	0.56	0.44
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	0.06	(0.00)
	b. Effect of changes in financial assumptions	(0.57)	0.24
	c. Effect of experience adjustments	(2.85)	(0.10)
6.	Transfer In /Out		-
	a. Transfer In	-	-
	b. Transfer out	-	-
7.	Defined benefit obligation at end of period	**5.98**	**8.03**
B.	**Change in fair value of plan assets**	**31-03-2020**	**31-03-2019**
1.	Fair value of plan assets at beginning of period	-	-
2.	Interest income	-	-
3.	Cash flows		-
	a. Total employer contributions		-
	(i) Employer contributions	-	-
	(ii) Employer direct benefit payments	-	-
	(iii) Employer direct settlement payments	-	-
	b. Participant contributions	-	-
	c. Benefit payments from plan assets	-	-
	d. Benefit payments from employer	-	-
	e. Settlement payments from plan assets	-	-
	f. Settlement payments from employer	-	-
4.	Remeasurements	-	-
	a. Return on plan assets (excluding interest income)	-	-
5.	Transfer In /Out	-	-
	a. Transfer In	-	-
	b. Transfer out	-	-
6.	Fair value of plan assets at end of period	-	-
C.	**Amounts recognized in the Balance Sheet**	**31-03-2020**	**31-03-2019**
1.	Defined benefit obligation	**5.98**	**8.03**
2.	Fair value of plan assets		-
3.	Funded status	5.98	8.03
4.	Effect of asset ceiling	-	-
5.	Net defined benefit liability (asset)	**5.98**	**8.03**
			-

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Note 34: 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:-

(₹ in Lakhs)

S. No.	Particulars	Leave Encashment	
		2019-20	2018-19
D.	**Components of defined benefit cost**	**31-03-2020**	**31-03-2019**
1.	Service cost		
	a. Current service cost	**0.75**	**1.12**
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
	d. Total service cost	0.75	1.12
2.	Net interest cost		-
	a. Interest expense on DBO	0.56	0.44
	b. Interest (income) on plan assets	-	-
	c. Interest expense on effect of (asset ceiling)	-	-
	d. Total net interest cost	0.56	0.44
3.	Remeasurements (recognized in OCI)		-
	a. Effect of changes in demographic assumptions	0.06	(0.00)
	b. Effect of changes in financial assumptions	(0.57)	0.24
	c. Effect of experience adjustments	(2.85)	(0.10)
	d. (Return) on plan assets (excluding interest income)	-	-
	e. Changes in asset ceiling (excluding interest income)	-	-
	f. Total remeasurements included in OCI	(3.36)	0.13
4.	Total defined benefit cost recognized in P&L and OCI	**(2.04)**	**1.70**
			-
E.	**Re-measurement**	**31-03-2020**	**31-03-2019**
	a. Actuarial Loss/(Gain) on DBO	**(3.36)**	**0.13**
	b. Returns above Interest Income	-	-
	c. Change in Asset ceiling	-	-
	Total Re-measurements (OCI)	**(3.36)**	**0.13**
			-
F.	**Employer Expense (P&L)**	**31-03-2020**	**31-03-2019**
	a. Current Service Cost	**0.75**	**1.12**
	b. Interest Cost on net DBO	0.56	0.44
	c. Past Service Cost	-	-
	d. Total P&L Expenses	**(2.04)**	**1.56**
			-
G.	**Net defined benefit liability (asset) reconciliation**	**31-03-2020**	**31-03-2019**
1.	Net defined benefit liability (asset)	**8.03**	**6.33**
2.	Defined benefit cost included in P&L	(2.04)	1.56
3.	Total remeasurements included in OCI	-	0.13
4.	a. Employer contributions	-	-
	b. Employer direct benefit payments	-	-
	c. Employer direct settlement payments	-	-
5.	Net transfer	-	-
6.	Net defined benefit liability (asset) as of end of period	**5.98**	**8.03**
			-
H.	**Reconciliation of OCI (Re-measurment)**	**31-03-2020**	**31-03-2019**
1.	Recognised in OCI at the beginning of period	**(0.23)**	**(0.37)**
2.	Recognised in OCI during the period	(3.36)	0.13
3.	Recognised in OCI at the end of the period	**(3.59)**	**(0.23)**

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Note 34: 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:-

(₹ in Lakhs)

S. No.	Particulars	Leave Encashment	
		2019-20	2018-19
I.	**Sensitivity analysis - DBO end of Period**	**31-03-2020**	**31-03-2019**
1.	Discount rate +100 basis points	5.81	7.70
2.	Discount rate -100 basis points	6.17	8.39
3.	Salary Increase Rate +1%	6.14	8.34
4.	Salary Increase Rate -1%	5.83	7.74
5.	Attrition Rate +1%	5.99	7.99
6.	Attrition Rate -1%	5.97	8.06
J.	**Significant actuarial assumptions**	**31-03-2020**	**31-03-2019**
1.	Discount rate Current Year	6.50%	8.00%
2.	Discount rate Previous Year	7.00%	7.00%
3.	Salary increase rate	5.00%	9.0%
4.	Attrition Rate	25.00%	20.0%
5.	Retirement Age	6000.00%	60
		Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
6.	Pre-retirement mortality	Ultimate	Ultimate
7.	Disability	Nil	Nil

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Note 35 : Standards issued but not yet effective

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

Ind AS 115 Revenue from Contracts with Customers

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

The standard permits two possible methods of transition:

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

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

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

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

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

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

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

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

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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 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.

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Debt	15,664.21	19,414.66
Cash & bank balances	338.68	321.66
Net Debt	15,325.53	19,093.00
Total Equity	10,863.14	11,348.70
Total Equity and Net Debt	26,188.67	30,441.70
Net debt to debt and equity ratio (Gearing Ratio)	**0.59**	**0.63**

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities as described in Notes 13.

(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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