RMA & ASSOCIATES LLP
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF PNC KANPUR HIGHWAYS PRIVATE LIMITED

Report on the standalone Ind AS Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act")with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit o loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Amendment Rules, 2016and the Companies (Indian Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls]. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, **its loss including** other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

(e) On the basis of written representations received from the directors as on March 31, 2018 , and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 , from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;

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

   i. There is no Pending litigation against the company.

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

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

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

Rahul Vashishtha

CA Rahul Vashishtha
Partner
M.No. 098711

RMA & ASSOCIATES LLP
New Delhi
Chartered Accountants

Place: New Delhi
Date: 21.05.2018

"Annexure A" to the Independent Auditors' Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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New Delhi
Chartered Accountants

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

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

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

Rahul Vashishtha

CA Rahul Vashishtha
Partner
M.No. 098711

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

Place: New Delhi
Date: 21.05.2018

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

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

We have audited the internal financial controls over financial reporting of **PNC KANPUR HIGHWAYS PRIVATE LIMITED** as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Rahul Vashishtha

RMA & ASSOCIATES LLP * New Delhi * Chartered Accountants

CA Rahul Vashishtha
Partner
M.No. 098711

Place of Signature: New Delhi
Date: 21.05.2018

PNC Kanpur Highways Limited
CIN: U45400DL2011PLC212392
Balance Sheet as at March 31, 2018

(Amount in Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) **Non - current assets**			
(a) Property, plant and equipment	3	26.57	22.96
(b) Intangible Asset	4	28,813.09	32,218.06
(c) Financial assets			
(i) Other Financial Assets			
(d) Deffered Tax Asset	17	482.31	-
(e) Other Non - current assets	6	231.35	116.91
Sub Total (Non Current Assets)		**29,553.32**	**32,357.93**
(2) **Current assets**			
(a) Financial assets			
(i) Investments	7	3,608.45	1,318.33
(ii) Trade receivables	8		-
(iii) Cash and cash equivalents	9	411.39	273.94
(iv) Other Financial Assets	10	9.05	9.05
(b) Other current assets	11	43.07	39.65
Sub Total (Current Assets)		**4,071.95**	**1,640.97**
Total Assets		**33,625.29**	**33,998.90**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	12	6,750.00	6,750.00
(b) Other equity	13	2,555.93	1,363.63
Sub Total (Equity)		**9,305.93**	**8,113.63**
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	19,411.51	22,357.16
(ii) Other financial liabilities	15	-	-
(b) Provisions	16	1,477.22	836.39
(c) Deffered Tax Liability	17	-	364.48
(d) Other non - current liabilities	18	-	-
Sub Total (Non Current Liabiity)		**20,888.73**	**23,558.02**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19		
(ii) Trade payables	20	40.61	15.44
(iii) Other financial liabilities	21	3,225.71	2,169.52
(b) Other current liabilities	22	10.12	95.91
(c) Current tax liability	23	150.76	43.69
(d) Provisions	24	3.43	2.70
Sub Total (Current Liability)		3,430.62	2,327.25
Total Equity & Liabilities		**33,625.29**	**33,998.90**

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

Rahul Vashishtha

CA Rahul Vashishtha
Partner
M.No.-097881

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

Place-New Delhi
Date- 21.05.2018

On Behalf of the Board

Chakresh Kumar Jain
Managing Director
DIN- 00086768

Yogesh Kumar Jain
Director
DIN-00086811

Deeksha Garg
Company Secretary

Sarvesh Garg
CFO

PNC Kanpur Highways Limited
CIN: U45400DL2011PLC212392
Statement of Profit and Loss for the year ended on March 31, 2018

(Amount in Lakhs)

	Particulars	Notes	For the year ended 31.03.2018	For the year ended 31.03.2017
I	Revenue from Operations	25	8,844.10	7,306.06
II	Other income	26	145.54	233.94
III	**Total Income (I+II)**		**8,989.64**	**7,540.00**
IV	**Expenses :**			
	Employee benefit expense	27	387.40	307.39
	Finance Cost	28	2,207.11	2,570.78
	Depreciation and amortization expenses	29	3,410.56	2,884.35
	Other Expenses	30	2,542.25	2,267.28
	Total Expenses (IV)		**8,547.32**	**8,029.80**
V	Profit/(Loss) before exceptional items & Tax **(III-IV)**		442.32	(489.80)
VI	Exceptional Items			
VII	**Profit/(Loss) before tax (V-VI)**		**442.32**	**(489.80)**
VIII	Tax expense :	31		
	Current tax		107.07	-
	Deferred tax		(786.92)	(216.23)
	MAT Credit Adjustment		(63.03)	-
IX	**Profit & (Loss) for the period from Continuing operations (VII-VIII)**		**1,185.21**	**(273.57)**
X	**Other Comprehensive Income**			
A	(i) Items that will not be reclassified to profit or loss			
	- Acturial Gain and losses on defined benefit plans		10.26	(10.13)
	(ii) Income tax relating to above items		(3.17)	3.13
	Total Comprehensive Income for the period (IX + X)		**1,192.30**	**(280.57)**
	Earning per equity share (for continuing operation)			
	(1) Basic & Diluted	32	0.66	(0.73)

In terms of our report of even date

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

CA Rahul Vashishtha
Partner
M.No.-097881

Place-New Delhi
Date- 21.05.2018

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

On Behalf of the Board

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

PNC Kanpur Highways Limited
CIN: U45400DL2011PLC212392
Cash Flow Statement For the Period ended on March 31, 2018

(Amount in Lakhs)

	Particulars	Year Ended March 31,2018	Year Ended March 31,2017
A.	**Cash Flow from Operating Activities**		
	Net Profit /(Loss) before Tax & after exceptional items	442.32	(489.80)
	Adjustment for:		
	Add/(Less):		
	Interest	2,207.11	2,551.92
	Fair valuation of mutual fund	12.36	-
	Profit on sale of Mutual Fund	133.18	107.78
	Depreciation	3,410.56	2,881.73
	Markup	-	-
	Finance Income On Grant	-	-
	Actuarial gain/ Loss	(10.26)	10.13
	Operating Profit / (Loss) before working capital changes	5,924.71	4,825.94
	Adjustment fo Changes in Working Capital		
	Increase/Decrease in trade payable	25.17	(221.11)
	Increase/Decrease in other current Liabilities	(104.80)	123.95
	Increase/Decrease in Non -current Liabilities	-	-
	Increase/Decrease in Provisions	641.57	505.23
	Increse/Decrease in Non current assets	(114.44)	218.48
	Increase/Decrease in Current assets	(3.42)	(3.23)
	Cash Generated from/(used) from operating activities	6,368.78	5,449.26
	Direct Taxes Paid		
	Cash (used in)/ from operating activities befre extraordinary Items	6,368.78	5,449.26
	Preliminary Exp.		
	Cash Generated from/(used) from operating activities (A)	6,368.78	5,449.26
B.	**Cash Flow from Investing Activities**		
	Increase in Intangible Assets		
	Purchase of Fixed Asset	(9.22)	(16.26)
	Purchase/Sale of Investment	(2,144.57)	(1,174.36)
	Net Cash (used in) / from Investing Activities (B)	(2,153.80)	(1,190.62)
C.	**Cash Flow from Financing Activities**		
	Capital Grant		
	Interest	(2,207.11)	(2,551.92)
	RePayment of Term Loan	(1,870.44)	(1,604.97)
	Net Cash (used in) / from Financing Activities (C)	(4,077.55)	(4,156.89)
	Net Cash Increase in cash & Cash equivalents (A+B+C)	137.43	101.75
	Cash & Cash equivalents in beginning	273.94	172.19
	Cash & Cash equivalents as at the end	411.39	273.94

In terms of our report of even date

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

Rahul Vashishtha

CA Rahul Vashishtha
Partner
M.No.-097881

Place-New Delhi
Date- 21.05.2018

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

On Behalf of the Board

Chakresh Kumar Jain
Managing Director
DIN- 00086768

Yogesh Kumar Jain
Director
DIN-00086811

Deeksha Garg
Company Secretary

Sarvesh Garg
CFO

PNC Kanpur Highways Limited
CIN: U45400DL2011PLC212392
Cash Flow Statement For the Period ended on March 31, 2018

A. Equity Share Capital

(Amount in Lakhs)

As at March 31, 2016	Changes during the year	As at March 31, 2017	Changes during the year	As at March 31, 2018
6,750	-	6,750	-	6,750

B. Other Equity

(Amount in Lakhs)

Particulars	Reserves & Surplus	
	Retained earnings	Total
Balance as at April 1, 2017	**1,363.63**	**1,363.63**
Profit for the year	1,185.21	1,185.21
Other Comprehensive Income	7.09	7.09
Total comprehensive income for the year	1,192.30	1,192.30
Balance as at March 31, 2018	**2,555.93**	**2,555.93**

The accompanying notes form an integral part of the financial statements

On Behalf of the Board

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

CA Rahul Vashishtha
Partner
M.No.-097881

Place-New Delhi
Date- 21.05.2018

RMA & ASSOCIATES LLP New Delhi Chartered Accountants

Chakresh Kumar Jain
Managing Director
DIN- 00086768

Yogesh Kumar Jain
Director
DIN-00086811

Deeksha Garg
Company Secretary

Sarvesh Garg
CFO

PNC Kanpur Highways Limited
CIN: U45400DL2011PLC212392
Notes to financial statement as at and for the year ended March 31, 2018

1 Significant Accounting Policies

Company Overview:

The company has been awarded the "Two laning 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 Prepration

The financial statements comply in all material aspects with Indian accounting standards notified under sec 133 of the companies act 2013 (the Act)[Companies(Indian accounting standard)Rules, 2015] as amended and other relevant provision of the act.
The financial statement upto year ended 31 st march 2015 were prepared in accordance with the accounting standards notified under companies(accounting standard)Rules 2006(as amended) and other relevant provision of the Act.
These financial statements are the first financial statements of the company under Ind AS.

1(a)Historical Cost convention

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

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

1 **Property Plant & Equipment:**

On transition to IND AS, the Company has elected to continue with the carrying value of all its property plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property,plant and equipment.

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.

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

Office Equipments- 5 years
Furniture & Fixtures- 10 Years
Electric Equipments- 5 Years
Computers-3 Years
The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible Asset

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

In accordance with Ind AS 38 , the intangible asset is amortised over the period in which it is expected to be available for use by the company.

2 **Financial Instruments**

The company recognizes the financial assets and financial liabilities when the recognition criteria of financial instrument as specified under ***Ind AS 109*** is met.

Financials Asset

Initial recognition and measurement

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

Subsequent measurement

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

Financial Asset at amortised cost

A 'Financial Asset' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

Financial Asset at Fair value through Other Comprehensive Income("FVTOCI")

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 Profit & Loss ("FVTPL")

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').

Derecognition of Financial asset

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired

Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increases in credit risk. *Note-21* details how the group determines whether there has been a significant increase in credit Risk.
For trade receivables only, the company applies the simplified approach permitted by IND AS 109 Financial instrument, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial Liablities

Initial recognition and measurement

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

Subsequent Measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial 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 recognised in the profit or loss.

Financial Liablities at Amortised Cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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2 **Provisions, Contingent liabilities and Contingent assets**

Provisions

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.

Provisions are reviewed at each balance sheet date

Contingent liabilities and assets

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

2 **Service Concession Arrangements**

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

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

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

Income from the concession arrangements earned under the intangible asset model consists of the:

(i) fair value of the contract revenue, which is deemed to be fair value of the consideration transferred to acquire the asset; and

(ii) payments actually received from the users.

The intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the company, starting from the date when the right to operate starts to be used. Based on these principles, intangible asset is amortised on the basis of revenue earned.

Revenue related to SCA :

Determination of fair values of intangible asset.

The fair value of intangible assets consists of the amount spent on contruction of asset plus the construction profit margin which the company estimates to earn on its construction services.

3 **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, irrespective of fact whether payment is recieved or not. 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.

Revenue related to SCA :

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

3 **Interest Income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a 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.

3 **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.

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

8 **Deffered Tax**

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

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

8 **Borrowing Costs**

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

10 **Segment reporting**

The company's operation are dominantly consist of infrastructure development ,construction & operation , hence it operates in one business segment.

2 **Cash Flow Statement**

Cash flows are reported using the indirect method , whereby profit before tax is adjusted of the effects of transactions of a non-cash nature, any deferral or accruals of past or future operating cash reciept or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating , investing and financing activities of the company are segregated.Cash and cash equivalent in the Balance sheet comprise cash and cash at bank

2 **Cash & Cash Equivalent**

Cash & cash equivalents comprise of cash at bank and cash-in-hand. The Company consider all highly liquid investments which are subject to an insignificant risk of change in value with an original maturity of three months or less from date of purchase to be cash equivalent.

2 **Employee benefits**

Short Term:

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

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

Long Term:

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 & Leave Encashment(Un-Funded): 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

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PNC Kanpur Highways Limited
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Note : 3 Property, plant & equipment

(Amount in Lakhs)

Year Ended 31st March 2018						
Particulars	**Office equipment**	**Furniture & fixtures**	**electric equipments**	**Computers**	**Vehicle**	**Total**
Gross Carrying Value						
As at March 31, 2017	10.18	2.35	8.09	8.44	-	29.06
Addition during the year	0.30	0.32	7.43	0.27	0.91	9.22
Disposal / Adjustments						
As at March 31, 2018	**10.47**	**2.67**	**15.52**	**8.71**	**0.91**	**38.28**
Accumulated Depreciatiom						
As at March 31, 2017	2.75	0.34	0.37	2.65	-	6.11
Charged During the year	1.93	0.22	0.77	2.67	0.00	5.60
Disposal / Adjustments	-	-	-	-	-	
As at March 31, 2018	**4.69**	**0.57**	**1.14**	**5.32**	**0.00**	**11.71**
Net carrying Value as at March 31, 2018	**5.79**	**2.10**	**14.39**	**3.39**	**0.91**	**26.57**

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

Note: 4 Intangible Assets

(Amount in Lakhs)

Year Ended 31st March 2018		
Particulars	**Concession rights**	**Total**
Gross Block (at cost or revalued amount)		
As at March 31, 2017	37,202.36	37,202.36
Addition during the year	-	-
Disposal / Adjustments	-	-
	-	-
As at March 31, 2018	**37,202.36**	**37,202.36**
Accumulated Depreciation		
As at March 31, 2017	4,984.30	4,984.30
Addition during the year	3,404.96	3,404.96
Disposal / Adjustments		-
As at March 31, 2018	**8,389.26**	**8,389.26**
Net Carrying value as at March 31, 2018	**28,813.09**	**28,813.09**

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

Note 5 : Other Non Current Financial Assets

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Retention with statutory department	-	-
Total Other Non Current financial assets	-	-

Note 6 : Other Non Current Assets

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Statuary Dues Receivable		
-Advance Tax and TDS Refundable	158.36	46.88
-WCT Receivable	72.99	70.03
Other Advances		-
Deferred Retention with Departments	-	
Total Other Non-current assets	**231.35**	**116.91**

Note 7 : Current financial investments

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Investments In Mutual fund		
Quoted		
HDFC Pool Liquid Fund	3,608.45	1,318.33
Total	**3,608.45**	**1,318.33**

Note 8 : Current trade receivable

(Amount in Lakhs)

Particulars	As at March 31, 2018	Amount as on 31.03.2017
Trade Receivables		
Unsecured considered Good unless otherwise stated		
Present value of Annuity Receivables	-	
Less : allowance for doubtful debts		
Total Trade Receivables	-	-

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

Note 9 : Cash and Bank Balances
Cash and cash equivalents (Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with bank		
-In current account	354.98	221.39
Cash in hand	56.41	52.55
Total cash and cash equivalents	**411.39**	**273.94**

Note 10 : Other Current financial Assets

(Amount in Lakhs)

Particulars	As at March 31, 2018	Amount as on 31.03.2017
Interest Accrued		
Retetion with govt authority	9.05	9.05
Total Other Current financial assets	**9.05**	**9.05**

Note 11 : Other Current Assets

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Imprest to Employees	0.70	0.11
Prepaid Expenses	5.49	4.29
Others	6.25	-
Advance to NHAI	30.63	35.25
Pre-Operative and Preliminary	-	-
Balances with Department	-	
Balances with Related Parties	-	
Deferred retention with department	-	0.00
Total Other financial assets	**43.07**	**39.65**

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Note 12 : Share Capital

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised		
6,80,00,000 (Previous year 6,80,00,000) equity Shares of Rs10/- each	6,800.00	6,800
Equity Shares - Issued, Subscribed & paid up		
6,75,00,000 (Previous year 6,75,00,000) equity Shares of Rs10/- each	6,750.00	6,750

Notes 12.1

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

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
At the beginning of the year 675 Lakhs (Previous year 675 Lakhs) Equity Shares of Rs. 10 each allotted as fully paid up	675.00	675.00
Issued during the year Equity Shares of Lakhs 10 each allotted as fully paid up	-	-
Outstanding at the end of the year 675 Lakhs (Previous year 675 Lakhs) Equity Shares of Rs. 10 each allotted as fully paid up	675.00	675.00

Shares of Company Held by holding/Ultimate holding Co. (No. of Shares in Lakhs)

Particulars	31st March 2018	31st March 2017
PNC Infraholdings Ltd	675	675

Details of Shareholders holding more Than 5% in the company (No. of Shares in Lakhs)

Particulars	31st March 2018		31st March 2017	
	No of Shares	% Holdings	No of Shares	% Holdings
PNC Infraholding Limited and its nominees	675	100	675	100

Rights and restrictions attached to equity shares

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

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

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

Retained Earnings

(Amount in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Opening Balance	1,363.63	1,644.20
Net Profit for the period	1,185.21	(273.57)
Remeasurement of post employee benefit obligation net of taxes	7.09	(7.00)
Closing Balance	**2,555.93**	**1,363.63**

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

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

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

Note : 17 Deferred Tax

17.1 The balance comprises temporary differences attributable to: (Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Deferred Tax Assets/(Liabilities)		
Fixed Assets (Tangibles)	0.04	(0.93)
Intangible Assets	(79.27)	(670.46)
Borrowings	(5.68)	(6.66)
Investments	(3.82)	(0.05)
Major Maintenance	456.46	258.44
Preoperative Expenses	2.81	5.62
Provision for gratuity	5.05	5.87
Net deferred tax Assets/(Liabilities)	**375.59**	**(408.17)**
(b) Mat Credit Entitlement		
Mat Credit Entitlement	106.72	43.69
Total	**482.31**	**(364.48)**

17.2 Movement in Deferred tax (Liabilities)/Assets (Amount in Lakhs)

Particulars	Fixed Assets (Intangibles)	Fixed Assets (Tangibles)	Borrowings	Major Maintenance	Employee Benefit	Investments	Preoperative Expenses	Total
At April 1, 2017	(670.46)	(0.93)	(6.66)	258.44	5.87	(0.05)	5.62	(408.17)
(Charged)/credited:-								
-to profit & loss	591.19	0.97	0.97	198.02	2.36	(3.77)	(2.81)	786.92
-to other comprehensive income					(3.17)			
At March 31, 2018	**(79.27)**	**0.04**	**(5.68)**	**456.46**	**5.05**	**(3.82)**	**2.81**	**375.59**

17.3 Movement in Minimum Alternate Tax (Amount in Lakhs)

Particulars	As at March 31, 2018
Opening Balance	43.69
Created/ (Charged) during the period	63.03
Closing Balance	**106.72**

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

Note 14 : Non Current Borrowings

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
Term Loan From Banks		
-Oriental bank of commerce	12,517.45	13,564.52
-Central Bank of India	9,843.67	10,667.04
Total Non Current Borrowings	**22,361.11**	**24,231.56**
Less Current Maturities of Long term debt	2,949.60	1,874.40
Non Current Borrowings(as per balance sheet)	19,411.51	22,357.16

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 recceivables save and except the project assets.

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

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

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

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

Note 15 : Other Non Current Financial Liablities

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Retentions		
Total Other Non Current Financial Liablities	-	-

Note 16 : Non-Current Liabilities-Provisions

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Major Maintence provisions	1,464.30	820.09
Provision for income tax		
Gratuity	7.84	16.30
Leave Encashment	5.08	
Total	**1,477.22**	**836.39**

Note 18 : Other Non current liablities

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Retention	-	
Total Other Non current Liablities	-	-

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

Note 19 : Current Borrowings

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans Repayble on Demand		
Unsecured		
From Related Party	-	
Total Current Borrowings	-	-

Note 20 : Current Financial Liabilities: Trade payables

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Dues Of MSME parties		
Dues of other than MSME parties	40.61	15.44
Total Current Trade Paybles	**40.61**	**15.44**

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

Note 21 : Other current financial liablities:

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Current Maturities of Long Term Debt	2,949.60	1,874.40
Payable to Employees		
-Salary Payables	30.57	28.16
-Others	3.98	3.29
Expenses Payable	0.55	-
Others	-	31.37
Retentions	241.01	232.29
Total Other Current Financial Liablities	**3,225.71**	**2,169.52**

Note 22 : Other current liablities

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Statuary Dues payable		
-TDS Payable	7.80	30.30
-WCT Paybable	-	58.92
-Labour Cess	0.29	-
-EPF Payable	2.03	2.38
Deferred Retentions	-	0.00
Others	-	4.31
Total Other current Liablities	**10.12**	**95.91**

Note 23 : Current Tax liablity

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Current Tax Liability	150.76	43.69
Less: Taxes paid		
Net Tax Liablity	**150.76**	**43.69**

Note 24 : Short term provisions

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Gratuity	2.19	2.70
Leave Encashment	1.25	
Total	3.43	2.70

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

Note 25 : Revenue from operations

(Amount in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contract Revenue	74.06	56.37
Toll Collection:		
Toll Collection - Khanna	3,671.88	4,065.72
Toll Collection A/c - Sazeti	5,098.16	3,183.97
Total revenue from continuing operation	**8,844.10**	**7,306.06**

Note 26 : Other Income

(Amount in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Fair valuation of mutual fund	12.36	107.78
Interest on Income Tax Refund	-	28.94
Finance income on retentions	-	20.59
Profit on sale of M.F	133.18	-
Compensation from NHAI	-	76.63
Total other Income	**145.54**	**233.94**

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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, 2018

Note 27 : Employee Benefit Expenses

(Amount in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	369.22	290.71
Contribution to provident fund	17.28	7.32
Staff Welfare Exp.	0.90	0.50
Total Employee benefit expenses	**387.40**	**298.53**

Note 28: Finance Cost

(Amount in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on term loans	2,207.11	2,551.92
Intrest expense on retention payable	-	18.86
Total Finance cost	**2,207.11**	**2,570.78**

Note 29 : Depreciation and amortisation

(Amount in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on Tangible Assets	5.60	4.79
Amortisation on Intangible Assets	3,404.96	2,876.94
Amortisation of Security Money Asset	-	2.62
Total Depreceiation and amortisation	**3,410.56**	**2,884.35**

Note 30 : Other Expenses

(Amount in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power & Fuel	86.04	79.80
Contract Paid	1,549.09	1,547.98
Other Expenses Rent (Lease rental)	0.23	-
Travelling - Others	0.27	0.16
postage and telephone	0.03	0.02
Legal expenses	59.61	84.36
printing and stationary	3.53	2.46
Security Expenses	2.55	2.27
Rates & taxes	118.22	0.00
Insurance Premium	-	-
Bank Charges	6.77	3.00
Repair &maintence	14.94	9.28
Electricity Expense	-	-
Hire charges of Vehicles	12.13	12.59
Auditor remuneration*	0.75	0.86
Advertisement cost	0.67	0.54
Other	43.21	35.02
Major Maintenance Cost	644.21	488.93
Total	**2,542.25**	**2,267.28**

Auditor Remuneration Includes:	Year ended March 31, 2018	Year ended March 31, 2017
Audit Fees	0.75	0.86
Other Services	-	-
Total	**0.75**	**0.86**

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

Note 31 : Tax Expense

A. Income Tax Expenses

(Amount in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Current tax		
Current tax on profit for the period	107.07	-
Mat Credit Entitlement	(63.03)	
Total Current tax expense	44.03	-
(b) Deferred tax		
(Decrease) increase in deferred tax Liabilities	-589.36	(216.23)
(Increase) Decrease in deferred tax Assets	-197.57	-
Total Deffered Tax Expenses	(786.92)	(216.23)
Total Income tax Expense	**(742.89)**	**(216.23)**

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

(Amount in Lakhs)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Profit & Loss before tax	442.32	(489.80)
Tax at Indian tax rate of 30.09% (F.Y. 2016-17-30.9%)	**136.68**	**(151.35)**
Income Tax Exempt under Tax Holiday	(879.57)	(64.88)
Total tax expenses as per profit and loss	**(742.89)**	**(216.23)**

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

Note 32 : Earning Per share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Profit/(Loss) available to Equity Shareholders (Lakhs in lakhs)	442.32	-489.80
(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)	**0.66**	**(0.73)**

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Note 33 : 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, 2018 and March 31, 2017.

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

Note: 34 Related party transactions

(A) List of related parties

(a) Parent Entity

Name	Type	Ownership interest	
		As at March 31, 2018	As at March 31, 2017
PNC Infratech ltd	Ultimate holding	0%	0%
PNC Infraholding ltd	Immediate holding	100%	100%

(B) Transactions between related parties

(i) Related party transactions

(Amount in Lakhs)

Nature of Transaction	Year ended	Ultimate holding	Immediate holding	Total
EPC Contracts	March 31, 2018	1,525.31	-	1,525.31
	March 31, 2017	1,529.37	-	1,529.37
Amount Payable	March 31, 2018	239.51	-	239.51
	March 31, 2017	251.11	-	251.11

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Note 35 : Fair Value Measurement

Financial instruments by category (Amount in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Asset						
Trade receivables	-	-	-	-	-	-
Security Deposits	9.05	-	-	9.05	-	-
Cash and Bank Balances	411.39	-	-	273.94	-	-
Total Financial Assets	**420.44**	**-**	**-**	**282.99**	**-**	**-**
Financial Liabilities						
Borrowings	22,361.11	-	-	24,231.56		
Trade payables	40.61	-	-	15.44	-	-
Other Financial Liabilities	275.57	-	-	295.44		
Total Financial Liabilities	**22,677.29**	**-**	**-**	**24,542.43**	**-**	**-**

(i) Fair Value Hierarchy

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

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

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

(Amount in Lakhs)

Particulars	Carrying Value March 31, 2018	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable Inputs (Level 2)	Significant unobservable Inputs (Level 3)
(A) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018				
(i) Financial Assets				
Trade Recievables	-	-	-	
Security Deposit	9.05	-	9.05	
Total	**9.05**	**-**	**9.05**	**-**
(ii) Financial Liabilities				
Borrowings	22,361.11	-	22,361.11	
Retentions	241.01	-	241.01	
Total	**22,602.13**	**-**	**22,602.13**	

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Particulars	Carrying Value March 31, 2017	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017				
(i) Financial Assets				
Trade Recievables	-		-	
Security Deposit	9.05		9.05	
Total	**9.05**	-	**9.05**	-
(ii) Financial Liabilities				
Non Current borrowings				
- Borrowings	22,361.11		22,361.11	
Retentions	232.29		232.29	
Total	**22,593.40**	-	**22,593.40**	-

(ii) Valuation techniques used to determine Fair value

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

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 36 : 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, 2018	As at March 31, 2017
Variable rate borrowings	22,357.16	24,228.52
Fixed rate borrowings		
Total borrowings	**22,357.16**	**24,228.52**

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

Particulars	31/03/2018			31/03/2017		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Term Loan		22,357.16	100.00%		24,228.52	100.00%
Net exposure to cash flow interest rate risk		**22,357.16**	**100.00%**		**24,228.52**	**100.00%**

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

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
INR	+50	+50	112	121
	- 50	- 50	-112	-121

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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, 2018	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	22,361.11	-	2,949.60	5,628.00	13,783.51	22,361.11
Trade payables	40.61	-	40.61	-	-	40.61
Other Liabilities	275.57	-	275.57	-	-	275.57
Total	22,677.29	-	3,265.78	5,628.00	13,783.51	22,677.29

As at March 31, 2017	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	24,231.56	-	1,874.40	6,703.20	15,653.96	24,231.56
Trade payables	15.44	-	15.44	-	-	15.44
Other Liabilities	295.44	-	295.44	-	-	295.44
Total	24,542.43	-	2,185.27	6,703.20	15,653.96	24,542.43

Financing arrangements

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

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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.

(Amount in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Debt	22,361.11	24,231.56
Cash & bank balances	411.39	273.94
Net Debt	21,949.73	23,957.61
Total Equity	9,305.93	8,113.63
Total Equity and Net Debt	43,899.45	47,915.23
Net debt to debt and equity ratio (Gearing Ratio)	**50.00%**	**50.00%**

Notes-
(i) Debt is defined as long-term and short-term borrowings including current maturities as described in notes 12
(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

(b) Loan Covenants

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

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

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Note 27 : 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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(A) Nature of Operations

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

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