



KARMV AND COMPANY

CHARTERED ACCOUNTANTS

(Formerly KAILASH AND COMPANY)

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Independent Auditor's Report

To the Members of **NKG INFRASTRUCTURE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **NKG INFRASTRUCTURE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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 in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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 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 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 in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's



preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 31st March 2016 and its Profit and its cash flows 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 1** a statement on the matters specified in the paragraph 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 2**.
 - 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) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company have disclosed the impact of pending litigations on its financial position in Note No. 2.26 to the financial statement.
- ii. The Company does not have any foreseeable losses on long-term contracts including derivative contracts, if any, in respect of which any provision is required to be made under the applicable law and Accounting Standards.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For KARMV & Company

Chartered Accountants

(Firm Registration No. 023022N)



(Kailash Kumar)

Partner

Membership No. 511322

Place of Signature: New Delhi

Date: 01/07/2016

(Referred to in our Report of even date to the members of **NKG INFRASTRUCTURE LIMITED**)

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

(b) The Company has a regular programme of physical verification by which fixed assets are verified in phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancy was noticed on such physical verification.

(c) The title deeds of immovable properties are held in the name of Company.

In our opinion, physical verification of inventory has been conducted by the management at reasonable intervals. No material discrepancy was noticed on such physical verification of Inventory.

III. As per the information and explanations given to us, 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 Companies Act, 2013. Accordingly the clauses (iii) (a), (iii) (b) & (iii) (c) of the report are not applicable.

IV. As per the information and explanations given to us, the Company has not given any loans, investments, guarantees and security and as such the provisions of Section 185 & 186 of the Companies Act, 2013 are not applicable.

V. The Company has not accepted any deposits from the public. Accordingly, the directives issued by RBI and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 & the rules framed there under are not applicable to the Company.

VI. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records prescribed under Section 148(1)) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

VII. (a) According to the information and explanation given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, ESI, Income Tax, Sales Tax, Service Tax, Custom Duty,



Excise Duty, VAT, Cess and other statutory dues applicable to the company and that there are no undisputed statutory dues outstanding as on 31st March, 2016 for a period more than six months from the date they became payable except for a sum of ₹ 2,31,176/- payable as Labour Cess .

b) According to information and explanation given to us, there are some dues on account of Income tax and service tax, which have not been deposited due to dispute pending in the Appeal. The details of dues not deposited due to dispute are as under:

Name of statute	Amount (In ₹)	Period to which amount relates	Forum where dispute is pending
(A) Income Tax Act, 1961	Income Tax Demand		
Income Tax	7,89,976	A. Yr. 2008-09	Asstt. Commissioner of Income Tax, Delhi
	34,521	A. Yr. 2008-09	Asstt. Commissioner of Income Tax, Delhi
	13,06,174	A. Yr. 2005-06	Asstt. Commissioner of Income Tax, Delhi
TOTAL	21,30,671		
(B) Finance Act, 1994	Service Tax Demand		
	66,35,778	F. Yr. 2006-07	Appellate Tribunal, Custom, Excise & Service Tax
TOTAL	66,35,778		
G. Total	87,66,449		

VIII. As per the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks or Government. The Company has so far not issued any debentures.



- IX. As per the information and explanations given to us, the Company has not raised any money by way of initial Public offer or further Public offer(including debt instruments). Further in the opinion and according to the information & explanations given to us, on an overall basis, money raised by way of term loans have been applied for the purposes for which they were obtained.
- X. According to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year under review.
- XI. In our opinion, Managerial remuneration has been paid/in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- XII. The Company is not a Nidhi Company and as such this clause is not applicable.
- XIII. In our opinion all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the necessary details have been disclosed in the Financial statements as required by the applicable Accounting Standards.
- XIV. According to the information and explanations given to us, the Company has made allotment of 0% convertible Preference Shares during the year under review. Company has complied with the provisions of Section 42 of the Companies Act, 2013 and the utilization of amount is for the purpose for which funds are raised.
- XV. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with him and as such the compliance of provisions of Section 192 of the Companies Act, 2013 are not applicable.
- XVI. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For KARMV & Company

Chartered Accountants

(Firm Registration No.023022N)

(Kailash Kumar)

Partner

Membership No. 511322



Place of Signature: New Delhi

Date: 01/07/2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S 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 **NKG INFRASTRUCTURE LIMITED**) as of March 31, 2016 in conjunction with our audit of the 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 "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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 financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

For KARMV & Company
Chartered Accountants
(Firm Registration No.023022N)

(Kailash Kumar)

Partner

Membership No. 511322



Place of Signature: New Delhi

Date: 01/07/2016

NKG INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

(Amount in ₹)

Particulars	Note	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	567,090,120	565,000,120
Reserves and Surplus	2.2	5,901,462,738	5,559,950,633
		6,468,552,858	6,124,950,753
Non-Current Liabilities			
Long-Term Borrowings	2.3	731,492,436	1,086,660,355
Deferred Tax Liabilities (Net)	2.4	399,849,860	395,249,860
Other Long Term Liabilities	2.5	883,233,918	1,091,492,588
Long-Term Provisions	2.6	29,088,122	17,956,020
		2,043,664,336	2,591,358,823
Current Liabilities			
Short-Term Borrowings	2.7	2,259,434,826	2,293,408,919
Trade Payables		1,145,338,303	1,160,345,618
Other Current Liabilities	2.8	1,785,675,625	1,617,725,763
Short-Term Provisions	2.9	-	390,801
		5,190,448,754	5,071,871,101
TOTAL		13,702,665,948	13,788,180,677
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.10	4,380,939,838	4,250,839,615
Intangible Assets	2.10	11,682,868	856,584
Intangible Assets under Development	2.11	-	4,363,500.00
Long-Term Loans and Advances	2.12	655,680,959	660,013,140
		5,048,303,665	4,916,072,839
Current Assets			
Current Investments	2.13	-	-
Inventories	2.14	3,873,866,995	3,881,159,916
Trade Receivables	2.15	1,758,108,595	1,796,794,343
Cash and Bank Balances	2.16	784,256,205	764,716,677
Short-Term Loans and Advances	2.17	2,191,572,514	2,398,718,925
Other Current Assets	2.18	46,557,974	30,717,977
		8,654,362,283	8,872,107,838
TOTAL		13,702,665,948	13,788,180,677
Significant Accounting Policies	1		
Notes on Accounts	2		

Notes referred above form an integral part of the Balance Sheet

As per our report of even date attached

For KARMV & Company
Chartered Accountants
(FRN No. 023022N)

Kailash Kumar
Partner
Membership No. 511322

Place : New Delhi
Date : 01/07/2016



For and on behalf of the Board of Directors

Pradeep Kumar Garg
Managing Director

Rakesh Kumar
Executive Director & CFO

Rakhi Singh
(M.No. ACS 31522)



NKG INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	Note	Year Ended 31.03.2016	Year Ended 31.03.2015
Revenue from Operations	2.19	14,580,247,833	16,328,290,815
Other Income	2.20	54,944,894	74,330,123
Total Revenue		14,635,192,727	16,402,620,938
Expenses:			
Purchases	2.21	11,624,073,945	13,193,887,588
Changes in Inventories	2.22	7,292,921	341,086,347
Employee Benefits Expense	2.23	337,215,936	273,295,411
Finance Costs	2.24	639,607,424	637,307,558
Depreciation and Amortization Expense		394,769,912	322,203,989
Operating, Administration and Other Expenses	2.25	1,142,430,484	1,055,311,043
Total Expenses		14,145,390,622	15,823,091,936
Profit Before Tax		489,802,105	579,529,002
Tax Expense:			
Current Tax		162,500,000	166,300,000
Deferred Tax		4,600,000	38,400,000
		167,100,000	204,700,000
Profit for the year		322,702,105	374,829,002
Earning per Equity share :	2.28		
Basic		6.39	7.43
Diluted		5.70	6.63
Significant Accounting Policies	1		
Notes on Accounts	2		

Notes referred above form an integral part of the Statement of Profit and Loss

As per our report of even date attached

For KARMV & Company
Chartered Accountants
(FRN No. 023022N)

Kailash Kumar
Partner
Membership No. 511322



For and on behalf of the Board of Directors


Pradeep Kumar Garg
Managing Director


Rakesh Kumar
Executive Director


Rakhi Singh
(M.No. ACS 31522)



Place : New Delhi
Date : 01/07/2016

NKG INFRASTRUCTURE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

(Amount in ₹)

Sr. No.	Particulars	As at 31 st March 2016	As at 31 st March 2015
(A)	CASH FLOW STATEMENT FROM OPERATING ACTIVITIES		
	Net Profit Before Taxation (Cr.)	489,802,105	579,529,002
	Adjustments for :-		
	Depreciation	394,769,912	322,203,989
	Interest Paid	639,607,424	637,307,558
	Bad- Debts written off (Adjusted against Reserves)	-	-
	Loss on sale of Fixed Assets	-	84,311
	Loss on Sale of Investments	-	-
	Interest Income	(54,917,631)	(72,514,397)
	Operating Profit Before Working Capital Changes	1,469,261,810	1,466,610,463
	Adjustments for :-		
	Increase/ (Decrease) in Trade Receivables	(35,483,253)	78,888,275
	Increase/ (Decrease) in Inventories	(7,292,921)	(341,086,347)
	Increase/ (Decrease) in Loans & Advances	(243,614,448)	454,143,787
	Increase/(Decrease) in Liabilities & Provisions	(72,084,158)	(240,341,155)
	Net Increase/(Decrease) in Working Capital	(214,306,464)	432,286,870
	Cash Generated from Operations	1,683,568,274	1,034,323,593
	Direct Taxes Paid (Net of Refunds) (Dr.)	194,635,855	172,645,319
	Total Cash Flow from Operation (A)	1,488,932,419	861,678,274
(B)	CASH FLOW FROM INVESTING ACTIVITIES (Cr.)		
	Purchase of Fixed Assets	531,332,919	432,015,709
	Disposal of Fixed Assets	-	84,311
	Interest Received	(39,077,634)	(76,536,665)
	Purchase / (Sale) of Investments	-	(500,000)
	Net Cash Used in Investing Activities (B)	492,255,285	355,063,355
(C)	CASH FLOW FROM FINANCING ACTIVITIES (Cr.)		
	Proceeds from issue of Share Capital		
	(a) Share Capital	2,090,000.00	400,000
	(b) Share Premium	18,810,000.00	3,600,000
	Proceeds from Borrowings:		
	Long Term Borrowings	(254,597,948)	182,686,316
	Short Term Borrowings	(33,974,093)	(72,648,591)
	Interest Paid	(709,465,558)	(617,981,781)
	Net Cash From Financing Activities (C)	(977,137,599)	(503,944,056)
(D)	Net Increase/ Decrease in Cash & Cash Equivalents (A-B+C)	19,539,535	2,670,863
	Opening Balance of Cash & Cash Equivalents	764,716,677	762,045,814
	Closing Balance of Cash & Cash Equivalents	784,256,205	764,716,677
	Cash/ Cheques in hand	12,107,329	7,980,588
	Balance with Banks		
	In Current Accounts	62,962,402	1,936,150
	In Fixed Deposits*	709,186,474	754,799,939

* Includes ₹70,91,86,474 (Previous Year ₹ 74,99,68,828) held as margin money with Banks against limits & amount deposited as securities with Govt./Other authorities

As per our report of even date attached

For KARMV & Company
Chartered Accountants
(FRN No. 023022N)

Kailash Kumar
Partner
Membership No. 511322

Place: New Delhi
Date: 01/07/2016



For and on behalf of the Board of Directors

Pradeep Kumar Garg
Managing Director

Rakesh Kumar
Executive Director & CFO

Rakhi Singh
(M.No. ACS 31522)



NKG INFRASTRUCTURE LIMITED
NOTES FORMING PART OF THE ACCOUNTS

(Amount in ₹)

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	Amount	Number of shares	Amount
NOTE NO.2.1 - SHARE CAPITAL				
Equity Share Capital				
AUTHORISED				
Equity Shares of ₹ 10/- each.	60,462,012	604,620,120	60,462,012	604,620,120
Convertible Preference Shares of ₹ 10/- each	9,537,988	95,379,880	9,537,988	95,379,880
TOTAL		700,000,000		700,000,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP				
Equity Shares of ₹ 10/- each fully paid up	50,462,012	504,620,120	50,462,012	504,620,120
0% Convertible Preference Shares of ₹ 10/- each	6,247,000.00	62,470,000.00	6,038,000	60,380,000
TOTAL		567,090,120		565,000,120

Further Notes:

(a) Reconciliation of number of shares outstanding and amount of share capital is set out as follow:

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of Equity shares	Amount	Number of Equity shares	Amount
Opening Balance	50,462,012	504,620,120	50,462,012	504,620,120
Closing Balance	50,462,012	504,620,120	50,462,012	504,620,120
Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of 0% Convertible Preference shares	Amount	Number of 0% Convertible Preference shares	Amount
Opening Balance	6,038,000	60,380,000	5,998,000	59,980,000
Add: 0% Convertible Preference shares Issued during the year	209,000.00	2,090,000.00	40,000	400,000
Closing Balance	6,247,000	62,470,000	6,038,000	60,380,000

(b) Details of Shareholders who are holding more than 5% of Share Capital :

(i) Equity Shares

Name of Shareholders	As at 31 March, 2016		As at 31 March, 2015	
	Number of Equity shares	% Holding	Number of Equity shares	% Holding
Pradeep Kumar Garg	19,417,432	38.48	19,417,432	38.48
Archit Steels Pvt. Ltd.	15,129,664	29.98	15,129,664	29.98
Pradeep Sons Pvt. Ltd.	7,509,984	14.88	7,509,984	14.88
Aman Promoters Pvt. Ltd.	4,913,332	9.74	4,913,332	9.74
Total	46,970,412	93.08	46,970,412	93.08

(ii) 0% Convertible Preference Shares

Name of Shareholders	As at 31 March, 2016		As at 31 March, 2015	
	Number of Convertible Preference shares	% Holding	Number of Convertible Preference shares	% Holding
Navya Projects Pvt. Ltd.	2,175,000	34.82	2,175,000	36.02
Elegant Infraworld Pvt. Ltd.	1115000	17.85	1,475,000	24.43
Meenu Garg	360000	5.76		
Jai Shree Radhey Land & Estate Developers Pvt. Ltd.	750,000	12.01	750,000	12.42
NKG Infrastructure IT Ltd.	725,000	11.61	725,000	12.01
GNG Steels Pvt. Ltd.	873,000	13.97	873,000	14.46
Aashiana Rolling Mills	40,000	0.64	40,000	0.66
Pradeep Sons Pvt Ltd	209,000	3.35		
Total	6,247,000	100.00	6,038,000	100.00

(c) Bonus Shares for ₹ 37,84,65,090/- (3,78,46,509 no. of shares of Rs. 10/- each) have been issued on 4th June 2010 by way of Capitalization of Securities Premium account.

(d) The holders of equity shares are entited to receive dividends as declared from time to time and are entited to one vote per Share at the meetings of the Company

(e) Company had allotted 40,000 0 % Cumulative Preference Shares of ₹ 10/- each in the month of July 2015 at a premium of ₹ 90/- per share and Company also allotted 1,69,000 % Cumulative Preference Shares of ₹ 10/- each in the month of September 2015 at a premium of ₹ 90/- per share These shares are compulsorily convertible into equity shares at the premium of ₹ 90/- per share at the expiry of ten years pursuant to approval of shareholders at the Extra Ordinary General meetings of the Company.



NKG INFRASTRUCTURE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

(Amount in ₹)

PARTICULARS		AS At 31st March 2016		AS At 31st March 2015
NOTE NO.2.2 - RESERVES & SURPLUS				
General Reserve				
As at the beginning of the year	4,232,951,553		3,858,122,551	
Add Transfer from Surplus account	322,702,105	4,555,653,658	374,829,002	4,232,951,553
Securities Premium Reserve				
As at the beginning of the year	1,326,999,080		1,323,399,080	
Add: Premium on issue of 0% Preference Shares	18,810,000		3,600,000	
		1,345,809,080		1,326,999,080
Surplus (Balance in Statement of Profit & Loss)				
As at the beginning of the year			-	
Add : Amount of Profit for the year	322,702,105		374,829,002	
	322,702,105		374,829,002	
Less :				
: Bad Debts written off			-	
: Amount transferred to General Reserve	322,702,105	-	374,829,002	-
TOTAL		5,901,462,738		5,559,950,633
Note No. 2.3 - LONG TERM BORROWINGS				
Term Loans				
(a) Secured				
(i) From Banks		175,620,608		383,388,555
(Secured against hypothecation of specific Machineries, vehicles & equitable mortgage of Land of Solar Plant)				
(ii) From Others		486,828,099		666,070,768
(Secured against hypothecation of specific Machineries & vehicles/Other Assets)				
(b) Unsecured				
From Directors		26,060,636		28,501,032
Inter Corporate Loans		42,983,093		8,700,000
TOTAL		731,492,436		1,086,660,355
Note No. 2.4 - DEFERRED TAX LIABILITIES (NET)				
Deferred Tax Liability				
Difference on account of depreciation (a)		410,359,585		402,075,585
Deferred Tax Assets				
Expenditure disallowed under Income Tax Act allowable on payment basis (b)		10,509,725		6,825,725
TOTAL - Deferred Tax Liability (Net)- (a-b)		399,849,860		395,249,860

(i) During the year net increase in deferred tax liability of ₹46,00,000/- is being recognised in the Statement of Profit & Loss (Previous Year increase ₹3,84,00,000/)

(ii) Deferred tax liability is not being recognised for timing difference on account of depreciation in respect of Company's Solar Plant, which is eligible for deduction under section 80 I of Income Tax Act 1961 which will be reversed during the tax holiday period in terms of Accounting Standard Interpretation (ASI-3) issued for Accounting Standard (AS-22) " Accounting for Taxes on Income" notified under Companies Act, 2013.



NKG INFRASTRUCTURE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

(Amount in ₹)

PARTICULARS		AS At 31st March 2016	AS At 31st March 2015
<u>Note No. 2.5 - OTHER LONG TERM LIABILITIES</u>			
Mobilisation & Other Advances from Customers		1,952,990,564	2,075,407,307
Less: Amount reflected under Other Current Liabilities in Note No. 2.8		1,069,756,646	983,914,719
		883,233,918	1,091,492,588
Note : Mobilization and other advances received from customers are segregated between Long Term Liabilities and other Current Liabilities based on expected turnover in subsequent years for such contracts as evaluated by Management.			
TOTAL		883,233,918	1,091,492,588
<u>Note No. 2.6 - LONG TERM PROVISIONS</u>			
Employee Benefits		29,088,122	17,956,020
TOTAL		29,088,122	17,956,020
<u>Note No. 2.7 - SHORT TERM BORROWINGS</u>			
<u>Cash Credit</u>			
<u>(Secured)</u>			
<u>From Banks</u>			
(Secured by way of pari-passu first charge on the current assets and moveable fixed assets excluding those specifically charged to other bankers, equitable mortgage of immovable properties in the name of Company, directors/ relatives/ associate companies and by way of guarantees of directors/ relatives/ associate companies)		2,259,434,826	2,293,408,919
TOTAL		2,259,434,826	2,293,408,919



NKG INFRASTRUCTURE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
<u>NOTE NO.2.8 - OTHER CURRENT LIABILITIES</u>		
Current maturities of long term debts	540,295,353	439,725,382
Dues for Capital expenditure	-	66,683,416
<i>Mobilisation & Other Advances from customers:</i> (Due for recovery within 12 months)	1,069,756,646	983,914,719
Statutory Dues	24,101,867	14,234,162
Other Liabilities	143,863,624	35,651,815
Interest accrued but not due	7,658,135	77,516,269
TOTAL	1,785,675,625	1,617,725,763
<u>NOTE NO.2.9 - SHORT TERM PROVISIONS</u>		
Employee Benefits	-	390,801
TOTAL	-	390,801



NKG INFRASTRUCTURE LIMITED									
Statement of Fixed Assets As on 31.03.2016 (As per Companies Act 2013.)									
Note No. 2.10 - TANGIBLE/INTANGIBLE ASSETS									
Particulars	Gross Block			Depreciation			Net Block		
	Cost as on 01.04.2015	Additions during the year	Sale/Adjustment	Total as on 31.03.2016	As on 1.4.2015	During the Year	Sale/Adjustment	Total Depreciation	As on 31.03.2016
(Amount in ₹)									
A) CONST. DIV.									
TANGIBLE ASSETS:									
Freehold Land	594,750	-	-	594,750	-	-	-	-	594,750
Building	20,886,573	-	-	20,886,573	2,156,928	326,943	-	2,483,871	18,402,702
Plant & Machinery	3,188,309,471	511,664,752	-	3,699,974,223	506,222,777	238,009,332	-	744,231,429	2,955,740,276
Lab Equipment	6,922,368	205,701	-	7,128,069	2,549,854	1,023,126	-	3,572,981	3,555,088
Vehicles	113,300,967	3,374,914	-	116,675,881	46,291,983	14,012,003	-	60,303,986	56,371,895
Furniture & Fixtures	3,683,971	577,512	-	4,261,483	1,452,671	450,832	-	1,903,503	2,357,980
Office Equipment	7,357,040	218,816	-	7,575,856	4,314,625	936,545	-	5,251,170	2,324,687
Computer Hardware	11,797,523	1,457,528	-	13,255,051	9,750,933	1,143,766	-	10,894,699	2,360,352
Earth Moving Machine	433,657,690	530,400	-	434,188,090	285,843,073	36,264,266	-	322,107,339	112,080,751
Electrical Installations & Equipment	5,890,082	1,018,393	-	6,908,475	2,149,524	766,493	-	2,916,017	3,992,458
INTANGIBLE ASSETS:									
Software	2,000,000	12,058,500	-	14,058,500	1,143,416	1,232,215	-	2,375,632	11,682,868
TOTAL	3,794,400,435	531,106,516	-	4,325,506,951	861,875,784	294,165,522	-	1,156,040,626	3,169,463,808
B) SOLAR DIV.									
Gujarat Solar Power	1,449,850,069	407,227	-	1,450,257,296.18	222,382,136	96,869,029	-	319,251,165	1,131,007,964.91
Building	374,930	-	-	374,930	55,803	22,138	-	77,940	296,990
Office Equipment	660,120	-	-	660,120	320,803	159,264	-	480,067	180,053
Plant & Machinery	1,356,500	-	-	1,356,500	301,131	82,082	-	383,212	973,288
Leasehold Land	95,545,613	4,182,610	-	99,728,223	5,555,742	3,471,877	-	9,027,620	90,700,603
Total	1,547,787,232	4,589,837	-	1,552,377,069	228,615,615	100,604,390	-	329,220,005	1,223,158,898
Capital work in Progress	4,363,500	16,869,405	21,232,905	5,345,610	-	-	-	-	-
Grand Total	5,346,551,167	552,565,758	21,232,905	5,877,884,020	1,090,491,400	394,769,912	-	1,485,260,631	4,392,622,706
Previous Year	4,914,855,962	543,590,057	116,258,355	5,342,187,664	768,607,982	322,203,989	320,506	1,090,491,455	4,256,059,769



NKG INFRASTRUCTURE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

(Amount in ₹)

PARTICULARS		AS At 31st March 2016	AS At 31st March 2015
<u>NOTE NO.2.12 - LONG TERM LOANS AND ADVANCES</u> (Unsecured & Considered Good)			
Prepaid Expenses		941,268	17,861,813
Security Deposit / Retention Money		222,748,930	242,296,421
Advance Tax (Net of Provisions)		290,270,761	198,234,906
Mat Credit Entitelment		141,720,000	201,620,000
TOTAL		655,680,959	660,013,140
<u>NOTE NO.2.13 - CURRENT INVESTMENTS</u>			
<u>Current Investments</u>			
Equity Shares:			
Shares in Euphoria Sports City Private Limited		-	-
Nil (Previous year Nil) Equity Shares of ₹ 10/- each fully paid up		-	-
TOTAL			-
<u>NOTE NO.2.14 - INVENTORIES</u> (Refer Note No. 1 (8) for valuation of Inventory)			
As taken, valued and certified by Management of the Company- Including Goods in transit ₹ Nil (Previous Year ₹ 92,89,194/-)			
Work-In-Progress (Including stock at sites)		3,873,866,995	3,881,159,916
TOTAL		3,873,866,995	3,881,159,916



NKG INFRASTRUCTURE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

(Amount in ₹)

PARTICULARS		AS At 31st March 2016	AS At 31st March 2015
NOTE NO.2.15 - TRADE RECEIVABLES (Unsecured & Considered good)			
Debts outstanding for a period exceeding six months		72,392,714	55,671,625
Other Debts		1,685,715,881	1,741,122,718
TOTAL		1,758,108,595	1,796,794,343
NOTE NO.2.16 - CASH & BANK BALANCES			
Cash & Cash Equivalents:			
Cash in hand (Including Imprest Balances)		12,107,329	7,980,588
<i>Balance with Scheduled Banks :</i>			
In Current Accounts		62,962,402	1,936,150
Other Bank Balances:			
In Fixed Deposit Accounts (Including ₹ 70,91,86,474/- (Previous Year ₹ 74,99,68,828/-) pledged with Banks/ Govt. Deptts.)		709,186,474	754,799,939
TOTAL		784,256,205	764,716,677
NOTE NO. 2.17 -SHORT TERM LOANS & ADVANCES (Unsecured & Considered good)			
Advances recoverable in cash or in kind or for value to be received		430,642,924	551,205,177
Security deposits / Retention Money held with customers		1,725,816,023	1,766,243,836
Prepaid Expenses		28,586,513	72,362,066
Other recoverables		6,527,054	8,907,846
TOTAL		2,191,572,514	2,398,718,925
NOTE NO. 2.18 - OTHER CURRENT ASSETS			
Interest accrued but not due on fixed deposits		46,557,974	30,717,977
TOTAL		46,557,974	30,717,977



NKG INFRASTRUCTURE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

(Amount in ₹)

PARTICULARS		For Year ending 31st March 2016	For Year ending 31st March 2015
<u>NOTE NO.2.19 - REVENUE FROM OPERATIONS</u>			
Revenue from Construction Activities		14,319,181,098	16,067,535,870
Revenue from sale of electricity		261,066,735	260,754,945
Others		-	-
TOTAL		14,580,247,833	16,328,290,815
<u>NOTE NO.2.20 - OTHER INCOME</u>			
Interest received		54,917,631	72,514,397
Misc.Receipt		27,263	1,315,726
Profit on sale of shares		-	500,000
Amounts written back		-	-
TOTAL		54,944,894	74,330,123
<u>NOTE NO.2.21 - PURCHASES</u>			
Purchases (Including Job Work)		11,624,073,945	13,193,887,588
TOTAL		11,624,073,945	13,193,887,588



NKG INFRASTRUCTURE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

(Amount in ₹)

PARTICULARS	For Year ended 31st March 2016	For Year ended 31st March 2015
<u>NOTE NO.2.22 - CHANGE IN INVENTORIES</u>		
Opening Work-in Progress (Including stock at sites)	3,881,159,916	4,222,246,263
Less :Closing Work-in- progress (Including stock at sites)	3,873,866,995	3,881,159,916
Net (Accretion)/Decretion	7,292,921	341,086,347
<u>NOTE NO.2.23 - EMPLOYEE BENEFITS EXPENSE</u>		
Salary & other benefits	322,448,904	256,823,571
Contribution to Provident & Other Funds	5,668,808	2,983,102
Staff Welfare	9,098,224	13,488,738
TOTAL	337,215,936	273,295,411
<u>NOTE NO.2.24 - FINANCE COSTS</u>		
Interest on :		
Term Loans	160,382,787	148,504,542
Cash Credit and Short Term Loans	291,073,960	301,017,063
Others	188,150,677	187,785,953
TOTAL	639,607,424	637,307,558



NKG INFRASTRUCTURE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

(Amount in ₹)

PARTICULARS	For year ended 31st March 2016	For year ended 31st March 2015
Note No. 2.25 - Operating, Administration and Other Expenses		
Wages & Labour	75,730,245	49,774,100
Cartage & Hire charges	142,864,864	126,221,324
Contract Expenses	477,995,546	519,906,084
Rent, Rates & Taxes	8,489,801	8,940,757
Postage, Telephone & Telegram	2,327,074	6,114,023
Power, Electricity & Water charges	61,010,203	38,673,667
Travelling & Conveyance	5,159,071	10,409,780
Printing & Stationery	2,539,340	5,074,280
Repair & Maintenance	-	-
- Others	36,929,024	33,744,851
Insurance	20,797,002	19,493,388
Advertisement & Business Promotion	213,282	496,617
Legal & Professional charges	23,200,884	42,451,033
Service Tax	46,998,666	24,943,910
Auditors' Remuneration	900,000	900,000
Donation	1,196,000	1,116,300
Tender Expenses	173,561	1,316,885
Loss on sale/disposal of Fixed Assets	-	84,311
Loss on Sale of Investments	-	-
Bank & other finance charges	235,438,145	158,417,333
Miscellaneous expenses	467,776	7,232,400
TOTAL	1,142,430,484	1,055,311,043



NKG INFRASTRUCTURE LTD

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING POLICIES

1. Basis of Preparation:

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with the generally accepted accounting principles and relevant provisions of the Companies Act, 1956 (to the extent applicable) & the Companies Act, 2013 (to the extent notified) including Accounting Standards notified there under.

2. Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

3. Revenue Recognition:

- a) Contract revenue is recognized using the percentage completion method on the basis of physical measurement of work actually completed on the balance sheet date.
- b) Interest income is recognized on the time basis determined by the amount outstanding and rates applicable.

4. Operating Lease:

Leases where the lessor effectively retains substantially all the risks and benefit of ownership of the leased items are considered as operating lease. Operating lease payments are recognized as an expense in the profit and loss account on straight line basis over lease term.

5. Fixed Assets:

- (a) Fixed assets are carried at cost less depreciation / amortization and impairment loss, if any. The cost of fixed assets includes cost of acquisition and directly attributable cost for bringing the assets in an operational condition for their intended use including pre-operative expenditure till commencement of commercial production and other incidental expenses subsequent thereto up-to the date of stabilization of



production but excluding refundable taxes and duties thereon, if any.

- (b) An intangible asset is recognized where it is probable that the future economic benefit attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Such assets are stated at cost less accumulated amortization.
- (c) Machinery Spares / Standby Equipments which can be used only in connection with an item of Fixed Asset and whose use is expected to be irregular are capitalized.
- (d) Capital work- in-progress is carried at cost.

6. Investments:

- a) Long Term Investments are carried at cost. Provision is made for diminution, other than temporary, in the value of such Investments.
- b) Current Investments are valued at the lower of cost and fair value determined on an Individual Investment basis.

7. Depreciation/Amortisation on Fixed Assets:

Depreciation:

- (a) Depreciation on Fixed Assets has been provided on Straight Line Method, based on useful life as specified in Schedule II of the Companies Act, 2013..
- (b) Fixed Assets individually costing up to ₹ 5,000/- are being fully depreciated in the year of acquisition.
- (c) Depreciation on Machinery spares / Standby Equipments has been charged over the residual life of related Plant and Machinery.
- (d) Depreciation on assets discarded from active use and held for disposal is not being provided.

Amortization:

- (a) Value of Leasehold Land is amortized over the period of lease.
- (b) Intangible assets comprising of software licences are amortized on straight line method over a period of legal right or five years whichever is earlier on pro-rata basis.

8. Inventories:

- a) Raw material and stores are valued at lower of cost or net realizable value. The cost is arrived at by first in first out method.
- b) Work in progress is valued at Net realizable value determined on the basis of percentage of completion method.



9. Current Tax and Deferred Tax:

Tax expense for the period, comprising Current Tax and Deferred Tax is included in determining the Net Profit/ (Loss) for the year.

- a) Provision for Current Income Tax is made on the basis of assessable income as per Income Tax Act, 1961.
- b) Deferred Tax resulting from "timing differences" between taxable income and accounting income is determined by using the tax rates and the tax laws that have been enacted or substantively enacted as on the balance sheet date. Deferred tax assets are carried forward to the extent it is reasonably/ virtually certain that future taxable profit will be available against which such deferred tax assets can be realized.

10. Retirement Benefits:

Company's contribution to Provident fund is provided at actual. Liability for gratuity and leave encashment has been provided on the basis of actuarial valuation at the year-end.

11. Borrowing Cost:

Borrowing cost that is attributable to acquisition or construction of qualifying assets is capitalized as part of cost of such assets. Qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to revenue.

12. Provisions, Contingent Liabilities and Contingent Assets:

- a) Provisions are recognized for liabilities that can be measured by using a substantial degree of estimation, if:
 - i. The company has a present obligation as a result of a past event;
 - ii. A probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - iii. The amount of the obligation can be reliably estimated.
- b) Contingent liability is disclosed in case of:
 - i. A present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
 - ii. A possible obligation, unless the probability of outflow in settlement is remote.
- c) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- d) Contingent assets are neither recognized nor disclosed in the financial statements.



13. Foreign Currency Transactions:

Foreign currency transactions are recorded on initial recognition at the exchange rate prevailing on the date of the transaction.

Foreign currency monetary items remaining unsettled at the end of the year are reported at year-end rates. Non Monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Foreign Exchange Variation on the settlement / translation of monetary items are recognized in the Statement of Profit & Loss except for foreign exchange variation arising out of settlement / translation of long term monetary items related to fixed assets which is adjusted in the cost of related assets .

14. Impairment of Assets:

At each balance sheet date an assessment is made whether any indication exists that an asset has been impaired. If any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of account.

OTHER NOTES:

2.26 Contingent Liabilities :

- Disputed Income Tax & Service Tax Demands ₹ 87,66,449/- (Previous Year ₹1,11,45,116)

2.27 Segment Information:

a) Business Segments:

The Company's main business is construction activities and generation of solar electricity. Construction activities include supply of construction materials.

b) Segment Revenue and Expense:

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as Segment Expenses.

c) Segment Assets and Liabilities:

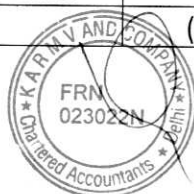
Segment assets include all operating assets in respective Segments comprising of net fixed assets and current assets, loans and advances. Segment liabilities include operating liabilities and provisions.



- d) Details of Segment Revenue and Expenditure, Operating results, Segment Assets & Liabilities and other information as required under AS-17 "Segment Reporting" are given as below:

(Amount in ₹)

	BUSINESS SEGMENTS		
	Construction	Power	Total
	Year ended 31.03.16	Year ended 31.03.16	Year ended 31.03.16
Revenue from Operations	1431,91,81,098 (1606,75,35,870)	26,10,66,735 (26,07,54,945)	1458,02,47,833 (16,32,82,90,8159)
Segment Results:	97,60,76,210 (103,98,83,861)	15,33,33,319 (20,15,10,498)	112,94,09,529 (124,13,94,359)
Unallocated Corporate expenses, Interest and finance charges			63,96,07,424 (66,18,65,357)
Profit before Tax			48,98,02,105 (57,95,29,002)
Income Tax (Net)			16,71,00,000 (20,47,00,000)
Profit after Tax			32,27,02,105 (37,48,29,002)
Other Information			
Segment Assets	1201,99,90,912 (1192,91,10,427)	125,06,84,275 (145,92,15,343)	1327,06,75,187 (1338,83,25,770)
Unallocated Corporate and other Assets			43,19,90,761 (39,98,54,907)
Total assets			1370,26,65,948 (1378,81,80,677)
Segment Liabilities	330,25,26,376 (337,78,71,615)	5,14,236 (1,20,99,048)	330,30,40,612 (338,99,70,663)



Unallocated Corporate and other Liabilities			393,10,72,475 (427,32,59,261)
Total Liabilities			723,41,13,087 (766,32,29,924)
Depreciation/ Amortisation	29,41,65,522 (26,94,52,377)	10,06,04,390 (5,27,51,612)	39,47,69,912 (32,22,03,989)
Capital Expenditure (Net)	52,67,43,016 (54,73,48,738)	45,89,837 (Nil)	53,13,32,853 (54,73,48,738)

Previous year's figures are given in brackets.

2.28 Earning Per Share:

The elements considered for calculation of Earning per Share (Basic & Diluted) are as under:-

Particulars	Current Year	Previous Year
Basic		
Net Profit after tax used as numerator	₹ 322702105	₹ 374829002
Weighted average number of equity shares used as denominator	₹ 50462012	₹ 50462012
Face Value per Share	₹ 10.00	₹ 10.00
Earning Per Share (Basic)	₹ 6.39	₹ 7.43
Diluted		
Net Profit after tax used as numerator	₹ 322702105	₹ 374829002
Weighted average number of diluted equity shares used as denominator	₹ 56617952	₹ 56494423
Face Value per Share	₹ 10.00	₹ 10.00
Earning Per Share (Diluted)	₹ 5.70	₹ 6.63



2.29 In terms of the disclosures required to be made under the Accounting Standard (AS) 7, the amounts considered in the financial statements up to the date of Balance Sheet are as follows:

Particulars	(Amount in ₹)	
	For the year ended 31.03.2016	For the year ended 31.03.2015
Contact revenue recognized as revenue for the year	547,32,33,815	857,72,65,241
Aggregate amount of contract cost incurred and recognized profits (less recognized losses) during the year for contracts in process as at the end of the financial year.	910,70,14,018	775,10,25,574
Amount of customer advances outstanding for contracts in process as at the end of the financial year.	195,29,90,564	207,54,07,307
Amount of retention due from customers for contracts in process as at the end of the financial year.	101,46,23,522	1,32,52,91,789

2.30 Related Parties Disclosure:

Information on Related Party Disclosures as per Accounting Standard (AS-18) on Related Party Disclosures is given below:

List of Related Parties

Key Management Personnel

- 1) Mr. Naresh Kumar Garg - Chairman
- 2) Mr. Pradeep Kumar Garg – Managing Director
- 3) Mr. Rakesh Kumar – Executive Director



Relatives of Key Management Personnel

- 1) Mrs. Meenu Garg
- 2) Mr. Archit Garg
- 3) Mrs. Shashi Rani Garg

Enterprises over which Key Management Personnel/Directors and their relatives are able to exercise significant influence

- 1) Aashiana Rolling Mills Ltd.
- 2) Aman Promoters Pvt. Ltd.
- 3) Expert Power System India Ltd.
- 4) Pradeep Kumar Garg (HUF)
- 5) Pradeep Sons Pvt Ltd

(Amount in ₹)			
A.	0 % Convertible Preference Shares Allotted on Premium	Current Year	Previous Year
(i)	Aashiana Rolling Mills Ltd.	Nil	40,00,000
(ii)	Pradeep Sons Pvt Ltd	2,09,00,000	Nil
	TOTAL	2,09,00,000	40,00,000
B.	Unsecured Loans		
(i)	Mr. Pradeep Kumar Garg		
	Closing Balance	2,60,60,636	2,85,01,032
(ii)	Mrs. Meenu Garg		
	Loan Received	Nil	44,50,000
	Loan Repaid	Nil	44,50,000
	Closing Balance	Nil	Nil
C.	Security Deposit Paid		
	Mrs. Meenu Garg	10,23,02,263	10,23,02,263
	Mrs. Shashi Garg	5,78,97,156	5,78,97,156
D.	Purchase/Contract/ Other Charges		
	Aashiana Rolling Mills Ltd.	1,33,045	76,749
	Expert Power System India Ltd.	2,67,330	Nil
	TOTAL	4,00,375	76,749
E.	Remuneration		



	Mr. Pradeep Kumar Garg	Nil	60,00,000
	Mr. Rakesh Kumar	15,00,000	15,00,000
	Mr. Archit Garg	40,00,000	10,00,000
	TOTAL	55,00,000	85,00,000
F.	Rent		
	Mr. Pradeep Kumar Garg	Nil	1,20,000
	Mrs. Meenu Garg	Nil	1,20,000
	Pradeep Kumar Garg (HUF)	12,00,000	12,00,000
	TOTAL	12,00,000	14,40,000
G.	Balances Payable:		
(i)	Pradeep Kumar Garg (HUF)	44,15,000	26,10,000
I.	Balance Receivable		
	NKG Infrastructure IT Ltd.	Nil	18,47,100

2.31 Employee Benefits:

The summarized position of Post-employment benefits and other long term employee benefits recognized in the Statement of Profit & Loss and the Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under

(a) Expenses recognized in Statement of Profit & Loss.

(Amount in ₹)

	Gratuity Unfunded		Leave Encashment Unfunded	
	31-03-2016	31-03-2015	31-03-2016	31-03-2015
Current Service Cost	70,22,067	48,34,694	22,99,792	11,48,240
Interest Cost	11,76,406	12,43,605	2,49,368	2,55,890
Expected return on Plan Assets	Nil	Nil	Nil	Nil
Net actuarial (Gain)/ Loss recognized in the year	16,93,362	(28,97,333)	8,54,056	(8,68,239)
Total expenses recognized in Profit & Loss Account	98,91,835	31,80,966	34,03,216	5,35,891



(b) Amount recognized in the Balance Sheet

(Amount in ₹)

	Gratuity Unfunded		Leave Encashment Unfunded	
	31-03-2016	31-03-2015	31-03-2016	31-03-2015
Estimated Present value of obligations as at end of the year	2,44,14,380	1,51,37,956	46,73,742	32,08,865
Fair value of Plan Assets as at the end of the year	Nil	Nil	Nil	Nil
Unfunded Net Asset /(Liability) recognized in Balance Sheet	(2,44,14,380)	(1,51,37,956)	(46,73,742)	(32,08,865)

(c) Change in the present value of obligations

(Amount in ₹)

	Gratuity Unfunded		Leave Encashment Unfunded	
	31-03-2016	31-03-2015	31-03-2016	31-03-2015
Present Value of obligation as at the beginning of the year	1,51,37,956	1,42,12,626	32,08,865	29,24,455
Interest Cost	11,76,406	12,43,605	2,49,368	2,55,890
Current service Cost	70,22,067	48,34,694	22,99,792	11,48,240
Benefits Paid	(6,15,411)	(22,55,636)	(19,38,339)	(2,51,481)
Actuarial loss/ (gain) on obligation	16,93,362	(28,97,333)	8,54,056	(8,68,239)
Present value of obligation at the end of the year	2,44,14,380	151,37,956	46,73,742	32,08,865

(d) Principal actuarial assumptions at the Balance Sheet Date

Method Used	Projected Unit Credit Method	
	2015-16	2014-15
Discount Rate	7.50%	7.75%
Expected rate of salary increase	5.00%	5.25%

Estimate of future salary increase takes into account inflation / seniority and other relevant factors.

(e) Contribution to Provident Fund for the year 2015-16 amounting to ₹ 44,58,871/- (Previous year ₹ 24,48,818/-) is recognized in the Statement of Profit & Loss.



2.32 Sales Tax / VAT deducted by the customers wherever Company has opted for composition scheme under VAT Act are recognized as expenses. Liability/ refund if any will be recognized in the year of assessment.

2.33 In the opinion of the Management, the value of any of the assets other than fixed assets and non-current investments on realization in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess/short of the amount considered reasonable & necessary.

2.34 Payment to Auditors
(Excluding Service Tax)

(Amount in ₹)

	Current Year	Previous Year
Audit Fee	7,50,000	7,50,000
Tax Audit Fee	1,50,000	1,50,000
Arrears of Fees		1,35,000
Other Charges		60,000

2.35 Security Deposit includes interest free deposits of ₹ 19,07,49,419/- given to certain parties, who have mortgaged their personal properties with the Company's bankers for the loans/ limits availed by the Company.

2.36 Foreign Exchange Variation :

(i) Foreign exchange loss capitalized during the year is ₹ 4,07,227/- (Previous year Foreign Exchange Loss ₹ 11,32,03,038/-)

(ii) Foreign Exchange Gain /Loss recognized in Statement of Profit & loss is Nil (Previous year Gain/Loss ₹ Nil)

2.37 Detail of expenditure incurred in foreign currency is given as under:

Interest on Term Loan ₹ 4,51,14,226/- (Previous year ₹ 5,45,98,172/-)

2.38 Earning in foreign currency Nil (Previous year Nil)

2.39 Employee Remuneration and Benefits includes remuneration paid to managing director and other directors amounting to Nil & ₹ 15,00,000 respectively (previous year ₹ 60,00,000 and ₹ 15,00,000)



- 2.40 Contract expenses include cost of materials provided by the customers.
- 2.41 Purchases are net of returns.
- 2.42 All amounts in the financial statements are presented in Rupees. Figures of previous year have been re-grouped / re-arranged, wherever considered necessary.

For and on behalf of the Board of Directors

Rakhi Singh
Company
Secretary
(M.No. ACS31522)

Rakesh Kumar
Executive
Director & CFO



Pradeep Kumar Garg
Managing Director

Place: New Delhi
Date: 01/07/2016

