



**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 Ind AS Financial Statements**

We have audited the accompanying Ind AS Financial Statements of **NKG Infrastructure Limited**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income) for the year then ended, Cash Flow Statement and the Statement of changes in equity for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information (herein after referred to as "Ind AS Financial Statements").

**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 Ind AS Financial Statements that give a true and fair view of the State of Affairs (Financial Position), Profit or Loss (Financial Performance including Other Comprehensive Income) and Cash Flows and changes in the equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 Ind AS Financial Statements in accordance with the Standards on Auditing 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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the over all presentation of the IndAS 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 Ind AS Financial Statements.

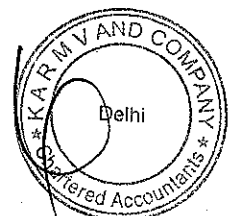
### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IndAS 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 including the IndAS, of the State of Affairs (Financial Position) of the company as at 31st March, 2018, its Profit (Financial Performance including Other Comprehensive Income), its Cash Flows and the statement of changes in equity for the year ended on that date.

Our opinion is not modified in respect of this matter.

### 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 and the Statement of Profit and Loss (including Other Comprehensive Income) and Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid IndAS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 **Annexure2**.
- (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 has disclosed the impact of pending litigations on its financial position in the Note No.29 (ii) of IndAS Financial Statements.
  - ii) The company does not have any foreseeable losses on long-term contracts including for derivative contracts, if any, in respect of which any provision is required to be made under the applicable law and Indian Accounting Standards.
  - iii) There were no amounts which were required to be transferred during the year to the Investor Education and Protection Fund by the company.

Place of Signature: New Delhi

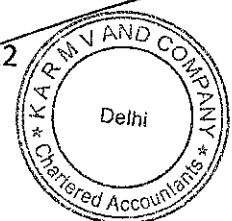
Date: 10/7/2018

For KARMV & Company  
Chartered Accountants  
FRN No.-023022N

(CA Kailash Kumar)

Partner

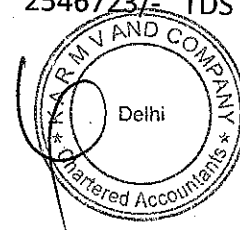
M. No.511322



## ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT

(Referred to in our Report of even date to the members of **NKG Infrastructure Limited**)

- I. Fixed Assets
  - (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.
- II. In our opinion, physical verification of inventory has been conducted by the management at reasonable intervals. As per the information and explanation given to us, 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 and 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 para 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. As per the information and explanation given to us, 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 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 & 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, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise duty, Cess and other statutory dues applicable to the company and that there are no undisputed statutory dues outstanding as on 31<sup>st</sup> March, 2018 for a period more than six months from the date they became payable except` 2546723/- TDS



outstanding for more than 6 months as on Balance sheet date out of which 677208/- deposited on 18.04.2018 & 11.06.2018.

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

Name of Statute	Amount (in Lac)	Period of which amount relates	Forum where dispute is pending
Finance Act 1994			
Service tax	132.72	FY 2013-14	Appellate Tribunal, Custom, Excise & Service tax

- VIII.** In our opinion, company has not defaulted in the repayment of loans or borrowings to financial institution, banks or government except loan Rs. 4,21,16,409/- was overdue as on balance sheet date, as per the information and explanation given to us, same has been deposited till the date of this report. Company has so far not issued any debentures.
- IX.** 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 & explanation given to us, on the overall basis, money raised by way of term loans have been applied for the purpose 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.** The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 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.



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.

XVI. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place of Signature: New Delhi

Date: 10/7/2018

For KARMV & Company  
Chartered Accountants  
FRN No.-023022N

(CA Kailash Kumar)

Partner

M. No. 511322



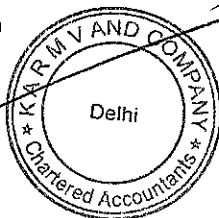
## BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	March-2018	(₹ in Lac) Mar-2017
<b>ASSETS</b>			
Non-current assets			
Property, Plant and Equipment	2	37,695.86	40,833.22
Intangible Assets	3	72.20	93.68
		<u>37,768.06</u>	<u>40,926.90</u>
Financial Assets			
Other Financial Assets	4	802.21	2,897.03
Income Tax Assets (Net)	5	1,336.04	1,250.26
Other Non-Current Assets	6	914.19	928.46
		<u>40,820.50</u>	<u>46,002.65</u>
Current assets			
Inventories	7	37,836.98	38,133.91
Financial Assets			
Trade Receivables	8	17,745.27	18,262.79
Cash and Cash Equivalents	9	956.39	247.32
Bank Balances other than above	10	5,541.08	7,258.96
Other Financial Assets	4	17,666.15	15,297.72
Other Current Assets	6	3,575.92	3,997.02
		<u>83,321.79</u>	<u>83,197.72</u>
<b>TOTAL</b>		<u><b>124,142.29</b></u>	<u><b>129,200.37</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share Capital	11	5,670.90	5,670.90
Other Equity	12	63,059.75	60,813.07
		<u>68,730.65</u>	<u>66,484.87</u>
<b>LIABILITIES</b>			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	4,361.34	5,240.24
Provisions	15	394.96	324.92
Deferred tax liabilities (Net)	16	3,104.67	2,723.12
Other non-current liabilities	17	3,421.60	5,035.80
		<u>11,282.57</u>	<u>13,324.08</u>
Current liabilities			
Financial Liabilities			
Borrowings	18	22,954.68	23,398.21
Trade payables	19	10,163.28	11,829.88
Other Financial Liabilities	14	2,418.19	4,539.28
Other Current Liabilities	17	8,517.19	9,567.41
Provisions	15	75.73	56.64
		<u>44,129.07</u>	<u>49,391.42</u>
<b>TOTAL</b>		<u><b>124,142.29</b></u>	<u><b>129,200.37</b></u>
Significant Accounting Policies, Estimates & Judgements	1		
Notes on Financial Statements	2-47		

For KARMV & Company  
Chartered Accountants  
FRN No.-023022N

CA Kailash Kumar  
Partner  
M No. 511322

Place of Signature : New Delhi  
Dated: 10/07/2018



For and on behalf of the Board of Directors

Pradeep Kr Garg  
Managing Director

Jitendra Kr Saini  
CFO

Naresh Kr Garg  
Chairman

Rakhi Singh  
Company Secretary



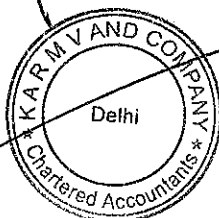
## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON MARCH 31, 2018

Particulars	Note No.	March 2018	(₹ in Lac) Mar-2017
I. Revenue From Operations	20	129,140.92	132,822.83
II. Other Income	21	535.82	550.10
III. Total Income (I+II)		<u>129,676.74</u>	<u>133,372.93</u>
IV. Expenses:			
Cost of Materials Consumed	22	105,637.60	108,498.86
Changes in Inventories of Work-In Progress	23	(68.19)	-2,241.30
Employee Benefits Expense	24	3,950.95	4,138.83
Finance Costs	25	4,228.24	5,806.09
Depreciation and Amortization on :			
a) Tangible Assets		3,496.59	3,563.34
b) Intangible Assets		<u>21.48</u>	<u>23.14</u>
Other Expenses	26	3,518.07	3,586.48
Total Expenses (IV)		<u>126,337.24</u>	<u>128,193.29</u>
Profit before Prior Periods, Exceptional Items and Tax		3,339.50	5,179.64
Income / (Expenses) pertaining to Prior Periods (Net)			
V. Profit before Exceptional Items and Tax (III-IV)		<u>3,339.50</u>	<u>5,179.64</u>
VI. Exceptional Items		-	-
VII. Profit before Tax (V+VI)		<u>3,339.50</u>	<u>5,179.64</u>
VIII. Tax Expense:			
Current Tax		579.76	1,068.76
Deferred Tax		496.38	198.00
Tax relating to earlier years		43.38	2,121.56
IX. Profit For The Year (VII-VIII)		<u>2,219.98</u>	<u>1,791.32</u>
X. Other Comprehensive Income:	27		
A (i) Items that will not be reclassified to profit or loss		39.46	12.27
A (ii) Income Tax relating to items that will not be reclassified to profit or loss		(13.66)	(4.24)
B (i) Items that will be reclassified to profit or loss		-	-
B (ii) Income Tax relating to items that will be reclassified to profit or loss		-	-
XI. Total Comprehensive Income for the Year (IX+X) (Comprising Profit/ (Loss) and Other Comprehensive Income for the Year)		<u>2,245.78</u>	<u>1,799.35</u>
XII. Earning per Equity Share (₹):	28		
(1) Basic		4.40	3.55
(2) Diluted		3.91	3.16
Face Value Per Equity Share (₹)		10.00	10.00
Significant Accounting Policies, Estimates & Judgements	1		
Notes on Financial Statements	2-47		

For KARMV & Company  
Chartered Accountants  
FRN No. 023022N

CA. Kailash Kumar  
Partner  
M No. 511322

Place of Signature : New Delhi  
Dated: 10/07/2018



For and on behalf of the Board of Directors

Pradeep Kr Garg  
Managing Director

Naresh Kr Garg  
Chairman

Jitendra Kr Saini  
CFO

Rakhi Singh  
Company Secretary





## **Corporate Information and Significant Accounting Policies**

### **1. CORPORATE INFORMATION**

NKG Infrastructure Limited is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The shares of the company are not listed. The registered office of the company is located at 6, Todar Mal Lane, Ground Floor, Near Bengali Market, New Delhi - 110001

The company is a construction company involved in the execution and construction of infrastructure projects which includes construction of roads, bridges, electrification network including erection of power substations, institutional and residential buildings, and potable water and drainage lines.

### **NOTE 1A: SIGNIFICANT ACCOUNTING POLICIES**

#### **1. Basis of Preparation of Financial Statements**

The Financial statements are prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standard) Rules, 2015.

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest Rupees in Lac only, except otherwise indicated.

#### **2. Revenue Recognition**

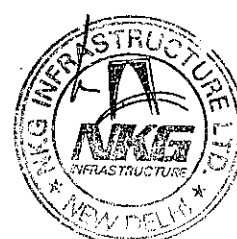
- a) Contract revenue is recognized using the percentage completion method on the basis of physical measurement of work actually completed on the balance sheet date.
- b) Interest income is recognized on the time basis taking into account the amount outstanding and rates applicable.

#### **3. 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.

#### **4. Fixed Assets**

- a) Property, Plant & Equipments 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.



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) Capital work- in-progress is carried at cost.

**5. 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 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 licenses are amortized on straight line method over a period of legal right or five years whichever is earlier on pro-rata basis.

**6. Inventories:**

a) Construction material and stores are valued at lower of cost or net realizable value.

b) Work in progress is valued at Net realizable value determined on the basis of percentage of completion method.

**7. 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.

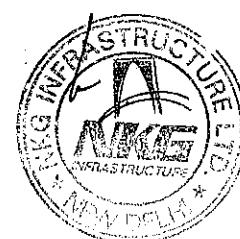
**8. Borrowing Cost:**

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.

**9. Provisions & Contingent Liabilities:**

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.

## **10. 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 .

## **11. Taxation**

### **(a) Current Tax**

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of Income Tax Act, 1961. However, where the tax is computed in accordance with the provisions of Section 115 JB of the Income Tax Act, 1961 as the Minimum Alternate Tax (MAT), it is charged off to the statement of Profit and Loss of the relevant year. However, credit of MAT would be taken within the permissible time period when the company's profits would be subject to normal income tax rates.

### **(b) Deferred Tax**

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.



## **12. 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.

## **13. Financial instruments**

### **(i) Financial assets:**

All financial assets are recognized initially at fair value and subsequently measured at amortised cost.

### **(ii) Financial Liabilities:**

All financial liabilities are recognized initially at fair value and subsequently measured at amortised cost.

### **(iii) De-recognition**

Financial assets is derecognized when right to receive cash flow from the assets expired or at transfer of the financial assets and transfer qualify for de-recognition.

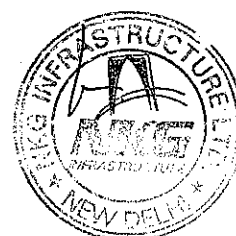
Financial liability is derecognized when the obligation under the liability is discharged or expires.

## **NOTE 1B: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. These include recognition and measurement of financial instruments, estimates of useful lives and residual value of Property, Plant and Equipment and intangible assets, valuation of inventories, measurement of recoverable amounts of cash-generating units, measurement of employee benefits, actuarial assumptions, provisions etc. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected.

### **1. JUDGEMENTS**

In the process of applying the company's accounting policies, management has made the following judgements, which have the significant effect on the amounts recognised in the financial statements:



**a) Lease classification in case of leasehold land**

The Company has obtained land from the governments for purpose of erecting solar plant. This land is having limited tenure and at the end of lease term, the lease could be extended for another term or the land could be returned to the government authority. Since land has an indefinite economic life, the management has considered 99 years and above cases for finance lease if at the inception of the lease, the present value of minimum lease payments are substantially equal to fair value of leased assets. Leases not meeting the finance lease criteria are classified under operating leases.

**b) Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events

**2. ESTIMATES AND ASSUMPTIONS**

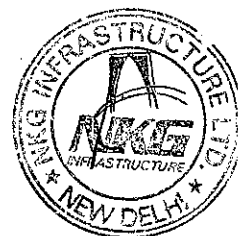
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

**a) Defined benefit plans / Other Long term employee benefits**

The cost of the defined benefit plans and other long term employee benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. The management considers the interest rates of government securities based on expected settlement period of various plans.

**b) Impairment of financial assets**

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history and other factors at the end of each reporting period.



**NKG INFRASTRUCTURE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018**

(₹ in Lac)

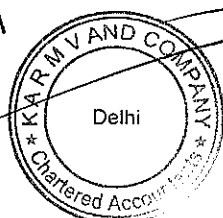
Sr. No.	Particulars	As at 31 st March 2018	As at 31 st March 2017
(A)	<b>CASH FLOW STATEMENT FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Taxation	3,339.50	5,179.64
	Adjustments for :-		
	Depreciation	3,518.07	3,586.48
	Finance Cost	4,228.24	5,806.09
	Other Comprehensive Income	25.80	8.03
	Interest Income	(535.82)	(550.10)
	<b>Operating Profit Before Working Capital Changes</b>	<b>10,575.79</b>	<b>14,030.14</b>
	Adjustments for :-		
	(Increase)/ Decrease in Trade Receivables	517.52	(681.70)
	(Increase)/ Decrease in Inventories	296.93	604.76
	(Increase)/ Decrease in Bank Balance	1,717.88	(167.10)
	(Increase)/ Decrease in Other Financial Assets & Other Assets	13.44	2,041.82
	Increase/(Decrease) in Liabilities & Provisions	(6,179.22)	(6,991.69)
	<b>Net Increase/(Decrease) in Working Capital</b>	<b>(3,633.45)</b>	<b>(5,193.91)</b>
	<b>Cash Generated from Operations</b>	<b>6,942.34</b>	<b>8,836.23</b>
	Direct Taxes Paid (Net of Refunds )	(823.75)	(1,594.05)
	<b>Total Cash Flow from Operation (A)</b>	<b>6,118.59</b>	<b>7,242.18</b>
(B)	<b>CASH FLOW FROM INVESTING ACTIVITIES (Cr.)</b>		
	Purchase of Fixed Assets	(408.10)	(1,494.16)
	Disposal of Fixed Assets	48.87	-
	Interest Received	684.13	556.80
	<b>Net Cash Used in Investing Activities (B)</b>	<b>324.90</b>	<b>(937.36)</b>
(C)	<b>CASH FLOW FROM FINANCING ACTIVITIES (Cr.)</b>		
	Long Term Borrowings	(878.90)	(2,074.68)
	Short Term Borrowings	(443.53)	803.86
	Interest Paid	(4,412.00)	(5,537.37)
	<b>Net Cash From Financing Activities (C)</b>	<b>(5,734.43)</b>	<b>(6,808.19)</b>
(D)	<b>Net Increase/ Decrease in Cash &amp; Cash Equivalents (A-B+C)</b>	<b>709.06</b>	<b>(503.37)</b>
	Opening Balance of Cash & Cash Equivalents	(247.32)	(750.69)
	<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>956.39</b>	<b>247.32</b>

As per our report of even date attached

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

Kailash Kumar  
Partner  
Membership No. 511322

Place of Signature : New Delhi  
Date : 10/07/2018



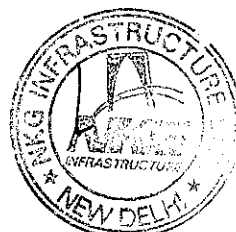
For and on behalf of the Board of Directors

Pradeep Kr Garg  
Managing Director

Naresh Kr Garg  
Chairman

Jitendra Kr Saini  
CFO

Rakhi Singh  
Company Secretary



**NKG INFRASTRUCTURE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018**

**a. Share Capital** (₹ in lakhs)

**i. Equity share capital**

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the reporting period	5,046.20	5,046.20
Changes in capital during the year	-	-
Balance at the end of the reporting period	5,046.20	5,046.20

**ii. Convertible Preference Shares of ₹ 10/- each**

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the reporting period	624.70	603.80
Changes in capital during the year	-	20.90
Balance at the end of the reporting period	624.70	624.70

**b. Other equity**

Particulars	Reserves & Surplus		Total
	Retained earnings	Security Premium	
Balance at March 31, 2017	47,355.88	13,458.09	60,813.97
Profit / (Loss) for the year	2,219.98	-	2,219.98
Security Premium Account	-	-	-
Other comprehensive income for the year	25.80	-	25.80
Balance at March 31, 2018	49,601.66	13,458.09	63,059.75

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

Kailash Kumar  
 Partner  
 Membership No. 511322

Place of Signature : New Delhi  
 Date : 10/07/2018



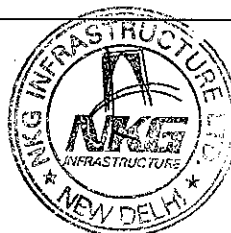
For and on behalf of Board of Directors

Pradeep Kr Garg  
 Managing Director

Naresh Kr Garg  
 Chairman

Atendra Kr Saini  
 CFO

Rakhi Singh  
 Company Secretary



FY 2017-18

(₹ in Lac)

Particulars	Cost as on 01.04.2017	Gross Block Additions during the year	Total as on 31.03.2018	Adjustment	Sale/ Disposal	Upto 31.03.2017	Depreciation/Amortisation During the Year	Sale/ Disposal	Adjustment	Total as on 31.03.2018	As on 31.03.2017	As on 31.03.2018
<b>(1) Tangible Assets</b>												
<b>(A) Construction Division</b>												
Land	5.95	-	5.95	-	-	-	-	-	-	-	-	-
Building *	187.30	-	187.30	-	-	6.54	3.27	-	-	9.81	177.49	180.76
Plant & Machinery	32,658.67	100.99	32,576.92	-	162.74	4,916.26	2,540.53	113.87	-	7,342.92	25,234.00	27,722.41
Lab Equipment	46.31	-	46.31	-	-	19.17	8.82	-	-	27.99	18.32	27.14
Vehicles	704.89	2.70	707.59	-	-	275.42	129.15	-	-	404.57	303.02	429.47
Furniture & Fixtures	34.83	0.19	35.02	-	-	11.00	4.92	-	-	15.92	19.10	23.83
Office Equipment	36.12	1.43	37.55	-	-	17.99	7.16	-	-	25.15	12.40	18.13
Computer Hardware	52.39	4.19	56.58	-	-	23.59	11.07	-	-	34.66	21.92	28.80
Earth Moving Machine	1,484.19	2.15	1,486.34	-	-	682.51	238.12	-	-	920.63	565.71	801.68
Electrical Installations & Equipment	51.36	1.63	52.99	-	-	15.70	7.58	-	-	23.28	29.71	35.66
<b>(B) Solar Division</b>												
Building	3.19	-	3.19	-	-	0.44	0.22	-	-	0.66	2.53	2.75
Gujiat Solar Power	13,038.10	294.82	13,332.92	-	-	1,490.70	544.93	-	-	2,035.63	11,297.29	11,547.40
Office Equipment	9.39	-	9.39	-	-	3.06	3.06	-	-	3.06	0.33	0.33
Plant & Machinery	10.55	-	10.55	-	-	1.64	0.82	-	-	2.46	8.09	8.91
<b>Total</b>	<b>48,297.24</b>	<b>408.10</b>	<b>48,542.80</b>	<b>-</b>	<b>162.74</b>	<b>7,484.02</b>	<b>3,496.59</b>	<b>113.87</b>	<b>-</b>	<b>10,846.74</b>	<b>37,595.86</b>	<b>40,833.22</b>
<b>NOTE NO. 3 - INTANGIBLE ASSETS</b>												
Software Licences	129.15	-	129.15	-	-	35.47	21.48	-	-	56.95	72.20	93.68

FY 2016-17

(₹ in Lac)

Particulars	Cost as on 01.04.2016	Gross Block Additions during the year	Total as on 31.03.2017	Adjustment	Sale/ Disposal	Upto 31.03.2016	Depreciation/Amortisation During the Year	Sale/ Disposal	Adjustment	Total as on 31.03.2017	As on 31.03.2017	As on 31.03.2016
<b>(1) Tangible Assets</b>												
<b>(A) Construction Division</b>												
Land	5.95	-	5.95	-	-	-	-	-	-	-	-	-
Building *	187.30	-	187.30	-	-	3.27	3.27	-	-	6.54	180.76	184.03
Plant & Machinery	31,937.51	701.62	32,638.67	0.47	-	2,380.09	2,536.62	-	0.45	4,916.26	27,722.40	29,557.42
Lab Equipment	45.78	0.52	46.31	-	-	10.23	8.94	-	-	19.17	27.14	35.55
Vehicles	703.84	1.05	704.89	-	-	140.12	135.30	-	-	275.42	429.47	563.72
Furniture & Fixtures	28.09	6.25	34.83	0.49	-	4.51	6.00	-	0.49	11.00	23.83	23.58
Office Equipment	32.61	3.51	36.12	-	-	9.37	8.62	-	-	17.99	18.13	23.25
Computer Hardware	35.04	17.35	52.39	-	-	11.44	12.15	-	-	23.59	28.80	23.60
Earth Moving Machine	1,483.45	0.74	1,484.19	-	-	362.64	319.87	-	-	682.51	801.68	1,120.81
Electrical Installations & Equipment	47.59	3.79	51.36	0.02	-	7.66	8.06	-	0.02	15.70	35.65	39.92
<b>(B) Solar Division</b>												
Building	3.19	-	3.19	-	-	0.22	0.22	-	-	0.44	2.75	2.97
Gujiat Solar Power	12,278.75	759.33	13,038.10	0.02	-	968.69	522.00	-	-	1,490.69	11,547.42	11,310.05
Office Equipment	3.39	-	3.39	-	-	1.59	1.47	-	-	3.06	0.33	1.80
Plant & Machinery	10.55	-	10.55	-	-	0.82	0.82	-	-	1.64	8.91	9.73
<b>Total</b>	<b>46,803.04</b>	<b>1,494.16</b>	<b>48,297.22</b>	<b>0.02</b>	<b>-</b>	<b>3,900.65</b>	<b>3,563.34</b>	<b>0.02</b>	<b>-</b>	<b>7,484.01</b>	<b>40,833.22</b>	<b>42,902.39</b>
<b>NOTE NO. 3 - INTANGIBLE ASSETS</b>												
Software Licences	129.15	-	129.15	-	-	12.32	23.14	-	-	35.47	93.68	116.63

\* Represent Capital expenditure incurred on properties acquired on lease basis



**NKG INFRASTRUCTURE LIMITED**

**NOTE - 4: OTHER FINANCIAL ASSETS**

(Unsecured, Considered Good at amortised cost)

Particulars	Non Current		Current	
	Mar-2018	Mar-2017	Mar-2018	Mar-2017
Interest Accrued on Bank Deposits	-	-	310.55	458.87
Security Deposits/ Retention Money	802.21	2,897.03	17,355.60	14,838.85
<b>TOTAL</b>	<b>802.21</b>	<b>2,897.03</b>	<b>17,666.15</b>	<b>15,297.72</b>

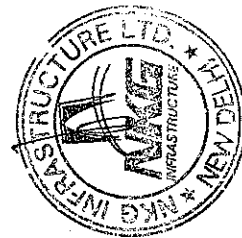
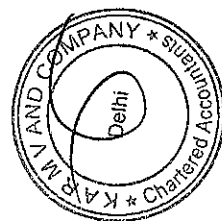
**NOTE - 5: INCOME TAX/CURRENT TAX ASSET - NET**

Particulars	Non Current		Current	
	Mar-2018	Mar-2017	Mar-2018	Mar-2017
Income Tax/Current Tax Asset - Net	1,336.04	1,250.26	-	-
<b>TOTAL</b>	<b>1,336.04</b>	<b>1,250.26</b>	<b>-</b>	<b>-</b>

**NOTE - 6: OTHER ASSETS**

(Unsecured, Considered Good)

Particulars	Non Current		Current	
	Mar-2018	Mar-2017	Mar-2018	Mar-2017
Advances Recoverable in cash or kind	-	-	1,258.41	3,187.67
Prepaid Expenses	112.82	91.88	622.47	583.98
GST / VAT Recoverable	-	-	1,659.83	190.16
Prepaid Rentals (Leasehold Land)	801.37	836.58	35.21	35.21
<b>TOTAL</b>	<b>914.19</b>	<b>928.46</b>	<b>3,575.92</b>	<b>3,997.02</b>



NOTE - 7: INVENTORIES

Particulars	March-2018	(₹ in Lac) Mar-2017
Construction Materials		
Work in Progress - Construction Projects	12,343.35	12,708.47
	25,493.63	25,425.44
<b>TOTAL</b>	<b>37,836.98</b>	<b>38,133.91</b>

A) Including construction materials in transit Rs. NIL ( 2017: Rs.100.75)

NOTE - 8: TRADE RECEIVABLES  
(Unsecured Considered Good - At amortised cost)

Particulars	March-2018	(₹ in Lac) Mar-2017
Trade Receivables	17,745.27	18,262.79
<b>TOTAL</b>	<b>17,745.27</b>	<b>18,262.79</b>

NOTE - 9: CASH AND CASH EQUIVALENTS

Particulars	March-2018	Mar-2017
Cash and Cash Equivalents		
Bank Balances with Scheduled Banks : Current Account	824.41	199.20
Cash Balances	131.98	48.12
<b>TOTAL</b>	<b>956.39</b>	<b>247.32</b>

NOTE - 10: BANK BALANCES OTHER THAN ABOVE

Particulars	March-2018	(₹ in Lac) Mar-2017
Fixed Deposits	5,541.08	7,258.96
<b>TOTAL</b>	<b>5,541.08</b>	<b>7,258.96</b>

Note:  
A) Pledged with Banks/ Govt. Depts.

NOTE - 12: OTHER EQUITY

Particulars	March-2018	(₹ in Lac) Mar-2017
General Reserve:		
As per last Account		
Add: Appropriation from Surplus	47,355.88	45,556.54
	2,245.78	1,799.34
Surplus (Balance in Statement of Profit and Loss):	49,601.66	47,355.88
Profit for the Year	2,219.98	1,791.32
Add: Other Comprehensive Income (Remeasurement of Defined Benefit Plans)	25.80	8.02
Less: Transfer to General Reserve	2,245.78	1,799.34
Balance carried forward to next year		
Securities Premium Account :	49,601.66	47,355.88
As per last Account	13,458.09	13,458.09
<b>TOTAL</b>	<b>63,059.75</b>	<b>60,813.97</b>



NKG INFRASTRUCTURE LIMITED  
NOTES FORMING PART OF THE ACCOUNTS  
**NOTE "11" - SHARE CAPITAL**

( < in Lac)

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	Amount	Number of shares	Amount
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
Equity Shares of ₹ 10/- each	60,462,012	6,046.20	60,462,012	6,046.20
Convertible Preference Shares of ₹ 10/- each	9,537,988	953.80	9,537,988	953.80
<b>TOTAL</b>		<b>7,000.00</b>		<b>7,000.00</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>				
Equity Shares of ₹ 10/- each fully paid up	50,462,012	5,046.20	50,462,012	5,046.20
0% Convertible Preference Shares of ₹ 10/- each	6,247,000	624.70	6,247,000	624.70
<b>TOTAL</b>		<b>5,670.90</b>		<b>5,670.90</b>

**Further Notes:**

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

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of Equity shares	Amount	Number of Equity shares	Amount
Opening Balance	50,462,012	5,046.20	50,462,012	5,046.20
Add: Addition During the year	-	-	-	-
<b>Closing Balance</b>	<b>50,462,012</b>	<b>5,046.20</b>	<b>50,462,012</b>	<b>5,046.20</b>
Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of 0% Convertible Preference shares	Amount	Number of 0% Convertible Preference shares	Amount
Opening Balance	6,247,000	624.70	6,038,000	603.80
Add: Addition During the year	-	-	209,000	20.90
<b>Closing Balance</b>	<b>6,247,000</b>	<b>624.70</b>	<b>6,247,000</b>	<b>624.70</b>

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

**(i) Equity Shares**

Name of Shareholders	As at 31 March, 2018		As at 31 March, 2017	
	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
<b>Total</b>	<b>46,970,412</b>	<b>93.08</b>	<b>46,970,412</b>	<b>93.08</b>

**(ii) 0% Convertible Preference Shares**

Name of Shareholders	As at 31 March, 2018		As at 31 March, 2017	
	Number of Convertible Preference shares	% Holding	Number of Convertible Preference shares	% Holding
Navya Projects Pvt. Ltd.	2,175,000	34.82	2,175,000	34.82
Elegant Infraworld Pvt. Ltd.	1,115,000	17.85	1,115,000	17.85
Meenu Garg	360,000	5.76	360,000	5.76
Jai Shree Radhey Land & Estate Developers Pvt. Ltd.	750,000	12.01	750,000	12.01
NKG Infrastructure IT Ltd.	725,000	11.61	725,000	11.61
GNG Steels Pvt. Ltd.	873,000	13.97	873,000	13.97
Aashiana Rolling Mills	40,000	0.64	40,000	0.64
Pradeep Sons Pvt Ltd	209,000	3.35	209,000	3.35
<b>Total</b>	<b>6,247,000</b>	<b>100.00</b>	<b>6,247,000</b>	<b>100.00</b>

(c) Bonus Shares for ₹ 3784.65 Lac ( 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 entitled to one vote per Share at the meetings of the Company

(e) 0% Convetible preference shares of Rs.10/- each issued at premium of Rs.90 per share and these shares are compulsory convertible into equity shares at expiry of ten years from the date of allotment.



**NKG INFRASTRUCTURE LIMITED**

**NOTE - 13: LONG TERM BORROWINGS**  
(At Amortised Cost)

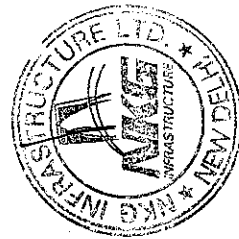
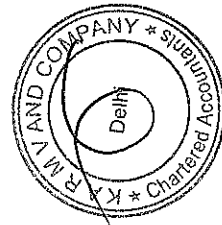
Particulars	(₹ in Lac)	
	Current Maturities*	Mar-2017
<b>SECURED LOANS</b>		
Term Loans:		
i) From Banks:		
ii) From Others		
	785.21	2,187.22
	714.78	1,505.01
	1,499.99	3,692.23
<b>UNSECURED LOANS</b>		
Loans from related parties		
Intercompany Loan		
	-	-
	-	-
	-	-
	1,499.99	3,692.23
<b>TOTAL LONG-TERM BORROWINGS</b>		

\* Current maturities (including Finance Lease Obligations) are carried to Note - 14: Other Financial Liabilities.

- A) Secured against hypothecation of specific Machineries, vehicles & equitable mortgage of Land of Solar Plant  
B) Secured against hypothecation of specific Machineries & vehicles/Other Assets

**NOTE - 14: OTHER FINANCIAL LIABILITIES**  
(At Amortised Cost)

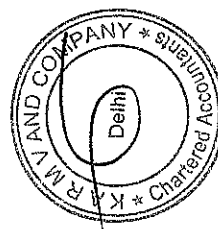
Particulars	(₹ in Lac)	
	Current	Mar-2017
Current maturities of long-term debt (Refer Note - 13)	1,499.99	3,692.23
Interest accrued but not due on loans / advances	161.55	345.31
Employee Liabilities	756.65	499.95
Others	-	1.79
<b>TOTAL</b>	<b>2,418.19</b>	<b>4,539.28</b>



Note No. 16 - DEFERRED TAX LIABILITIES (NET)			
PARTICULARS	AS At	(₹ in Lac)	
	31st March 2018	AS At	31st March 2017
<b>Deferred Tax Liability</b>			
Difference on account of depreciation (a)	4,892.60		4,474.60
<b>Deferred Tax Assets</b>			
Expenditure disallowed under Income Tax Act allowable on payment basis (b)	164.72		243.10
<b>TOTAL - Deferred Tax Liability (Net)- (a-b)</b>	<b>4,727.88</b>		<b>4,231.50</b>
Les: MAT Credit Entitlement	1,623.21		1,508.38
<b>Deferred Tax Liability (Net of MAT)</b>	<b>3,104.67</b>		<b>2,723.12</b>

Reconciliation between the average effective tax rate and the applicable tax rate is as below :

	Mar, 2018	Mar, 2017
	%	%
<b>Applicable tax rate</b>	34.61	34.61
Tax effect of income that are not taxable in determining taxable profit	(2.75)	(10.74)
Others	0.36	0.62
<b>Average Effective Tax Rate</b>	<b>32.22</b>	<b>24.49</b>



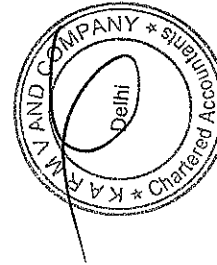
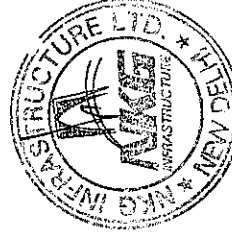
**NKG INFRASTRUCTURE LIMITED**

**NOTE - 15: PROVISIONS**

Particulars	Non Current		Current	
	Mar-2018	Mar-2017	Mar-2018	Mar-2017
Provision for Employee Benefits	394.96	324.92	75.73	56.64
<b>TOTAL</b>	<b>394.96</b>	<b>324.92</b>	<b>75.73</b>	<b>56.64</b>

**NOTE - 17: OTHER LIABILITIES**

Particulars	Non Current		Current	
	Mar-2018	Mar-2017	Mar-2018	Mar-2017
Statutory Liabilities	-	-	413.49	457.46
Mobilization/ Secured Advances	3,421.60	5,035.80	8,103.70	9,109.95
<b>TOTAL</b>	<b>3,421.60</b>	<b>5,035.80</b>	<b>8,517.19</b>	<b>9,567.41</b>



NOTE - 18: BORROWINGS - CURRENT

Particulars	Note No.	March-2018	(₹ in Lac) Mar-2017
<b>SECURED LOANS</b>			
Loans Repayable on Demand			
From Banks:			
Cash Credit	A	22,954.68	23,398.21
<b>TOTAL SHORT-TERM BORROWINGS</b>		<b>22,954.68</b>	<b>23,398.21</b>

A) 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

NOTE - 19: TRADE PAYABLES

Particulars	March-2018	(₹ in Lac) Mar-2017
Dues to Micro and Small Enterprises	-	-
Dues to others	10,163.28	11,829.88
<b>TOTAL</b>	<b>10,163.28</b>	<b>11,829.88</b>



## NOTE - 20: REVENUE FROM OPERATIONS

Particulars	(₹ in Lac)	
	March-2018	Mar-2017
Revenue from Construction Activities	126,771.43	130,270.88
Revenue from sale of electricity	2,369.49	2,551.95
<b>TOTAL</b>	<b>129,140.92</b>	<b>132,822.83</b>

## NOTE - 21: OTHER INCOME

Particulars	(₹ in Lac)	
	March-2018	Mar-2017
Interest on:		
Financial items:		
Fixed Deposits with Banks	468.82	501.94
Other Non Operative Income	67.00	48.16
<b>TOTAL</b>	<b>535.82</b>	<b>550.10</b>

## NOTE - 22: COST OF MATERIALS CONSUMED

Particulars	(₹ in Lac)	
	March-2018	Mar-2017
Construction Materials:		
Opening Stock	12,708.47	15,554.53
Add :		
Add: Purchases	105,272.48	105,652.80
Less: Closing Stock	12,343.35	12,708.47
<b>TOTAL</b>	<b>105,637.60</b>	<b>108,498.86</b>

## NOTE - 23: CHANGES IN INVENTORIES OF WORK-IN PROGRESS

Particulars	(₹ in Lac)	
	March-2018	Mar-2017
Closing Stock		
Work in Progress - Construction Projects	25,493.63	25,425.44
Less:		
Opening Stock		
Work in Progress - Construction Projects	25,425.44	23,184.14
<b>NET INCREASE / (DECREASE)</b>	<b>68.19</b>	<b>2,241.30</b>

## NOTE - 24: EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in Lac)	
	March-2018	Mar-2017
Salaries, Wages, Bonus etc	3,781.91	3,931.44
Contribution to Provident & Other Funds	21.22	40.50
Staff Welfare Expenses	147.82	166.89
<b>TOTAL</b>	<b>3,950.95</b>	<b>4,138.83</b>

## NOTE - 25: FINANCE COSTS

Particulars	(₹ in Lac)	
	March-2018	Mar-2017
Interest Payments on Financial items:		
Working Capital Loans:		
Banks	2,753.62	2,843.92
Other Loans:		
Banks	533.82	1,077.98
Others	940.80	1,884.19
<b>TOTAL</b>	<b>4,228.24</b>	<b>5,806.09</b>



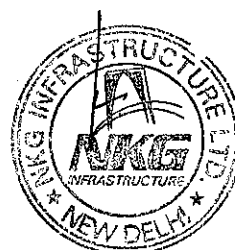
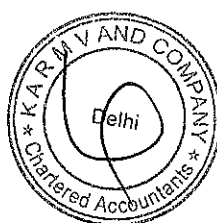


NOTE - 26: OTHER EXPENSES

Particulars	(₹ in Lac)	
	March-2018	Mar-2017
Rent	245.96	198.38
Insurance	155.58	401.48
Rates & Taxes	132.66	378.48
Donations	15.18	8.12
Payment to auditors Audit Fee	9.00	9.00
Travelling & Conveyance	120.24	132.46
Communication Expenses	29.00	55.76
Printing & Stationery	47.12	34.62
Electricity & Water	393.21	555.39
Bank Charges	1,426.75	1,289.50
Tender Expenses	11.67	10.83
Legal Expenses / Professional Charges	611.66	280.65
Advertisement and Publicity	1.41	2.52
Other Direct Expenses	3,367.55	3,547.02
Repairs and Maintenance	251.47	211.21
Freight	1,288.87	1,269.85
Miscellaneous Expenses	963.24	19.06
<b>TOTAL</b>	<b>9,070.57</b>	<b>8,404.33</b>

NOTE - 27: OTHER COMPREHENSIVE INCOME

Particulars	(₹ in Lac)	
	March-2018	Mar-2017
<b>Items that will not be reclassified to profit or loss:</b>		
Remeasurement of Defined Benefit Plans	39.46	12.27
<b>Income Tax relating to items that will not be reclassified to profit or loss:</b>		
Remeasurement of Defined Benefit Plans	-13.66	-4.24
<b>TOTAL</b>	<b>25.80</b>	<b>8.03</b>



## **OTHER NOTES:**

### **28. Disclosures of EPS under Indian Accounting Standards -33:**

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

Particulars	Current Year	Previous Year
<b>Basic</b>		
Net Profit after tax used as numerator (₹ in Lac)	2219.98	1791.32
Weighted average number of equity shares used as denominator	50462012	50462012
Face Value per Share	₹ 10.00	₹ 10.00
Earning Per Share (Basic)	₹ 4.40	₹ 3.55
<b>Diluted</b>		
Net Profit after tax used as numerator (₹ in Lac)	2219.98	1791.32
Weighted average number of diluted equity shares used as denominator	5,67,09,012	5,67,09,012
Face Value per Share	₹ 10.00	₹ 10.00
Earning Per Share (Diluted)	₹ 3.91	₹ 3.16

### **29. Commitments and Contingencies**

#### **i) Leases**

##### **Operating Lease - as lessee**

The company has taken certain assets (including lands, office/residential premises) on Operating Lease which are cancellable by giving appropriate notice as per the respective agreements. During the current year, ₹ NIL (2017: ₹ 163.17 Lac) has been paid towards cancellable Operating Leases.

#### **ii) Contingent Liabilities :**

Disputed Service Tax Demands ₹ 132.72 Lac ( Previous Year ₹ 132.72 Lac)

### **30. Segment Information:**

#### **a) Business Segments:**

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



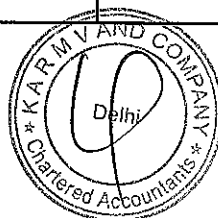
c) **Segment Assets and Liabilities:**

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 Ind AS-108 "Segment Reporting" are given as below:

(₹ in Lac)

	BUSINESS SEGMENTS		Total
	Construction	Power	
	Year ended 31.03.17	Year ended 31.03.17	
Revenue from Operations	126,771.43 (130,270.88)	2,369.49 (2,551.95)	129,140.92 (132,822.83)
Segment Results:	5850.11 (9,243.38)	1,717.63 (1,742.35)	7,567.74 (10,985.73)
Unallocated Corporate expenses, Interest and finance charges			4,228.24 (5,806.09)
Profit before Tax			3,339.50 (5,179.64)
Income Tax ( Net)			1,119.52 (3,388.32)
Profit after Tax			2,219.98 (1,791.32)
<b>Other Information</b>			
Segment Assets	109,733.52 (114,986.24)	13,072.73 (12,963.87)	122,806.25 (127,950.11)
Unallocated Corporate and other Assets			1,336.04 (1,250.26)
Total assets			124,142.29 (129,200.37)
Segment Liabilities	23,456.51 (27,651.67)	34.45 (10.03)	23,490.96 (27,661.70)
Unallocated Corporate and other Liabilities			31,920.68 (35,053.81)



Total Liabilities			55,411.64 (62,715.51)
Depreciation/ Amortisation	2,972.10 (3,061.97)	545.97 (524.51)	3,518.07 (3,586.48)
Capital Expenditure (Net)	113.28 (734.83)	294.82 (759.33)	408.10 (1,494.16)

Note:

- Previous year's figures are given in brackets.
- All operations are within India. Hence information with regards to geographical segments is not prepared.

31. In terms of the disclosures required to be made under the Indian Accounting Standard (Ind AS-11), the amounts considered in the financial statements up to the date of Balance Sheet are as follows:

		(₹ in Lac)
Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Contact revenue recognized as revenue for the year	3974.73	1193.08
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.	128392.68	129077.80
Amount of customer advances outstanding for contracts in process as at the end of the financial year.	11525.29	14145.75
Amount of retention due from customers for contracts in process as at the end of the financial year.	9606.87	9874.22

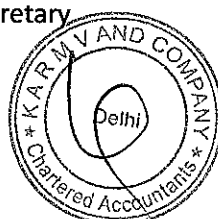
### 32. Related Parties Disclosure:

Information on Related Party Disclosures as per Indian Accounting Standard (Ind AS-24) on Related Party Disclosures is given below:

#### List of Related Parties

##### Key Management Personnel

- Mr. Naresh Kumar Garg - Chairman
- Mr. Pradeep Kumar Garg - Managing Director
- Mrs. Meenu Garg - Director
- Ms. Rakhi Singh - Company Secretary



- 5) Mr. Jitendra Kumar Saini - (CFO)
- 6) Mr. Ashutosh Gupta - Director
- 7) Mr. Umesh Aggarwal - Independent Director
- 8) Mr. Nikita Goel - Independent Director

**Relatives of Key Management Personnel**

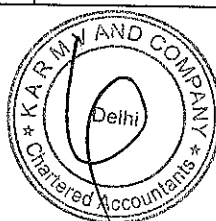
- 1) Mr. Archit Garg
- 2) Mrs. Shashi Rani Garg
- 3) Mr. Rakesh Kumar

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

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

( ₹ in Lac )

	Description	Current Year	Previous Year
<b>A.</b>	<b>Unsecured Loans</b>		
	Mr. Pradeep Kumar Garg	251.42	217.28
	Mrs. Meenu Garg	64.45	Nil
<b>B.</b>	<b>Security Deposit Paid</b>		
	Mrs. Meenu Garg	Nil	1023.02
	Mrs. Shashi Garg	Nil	578.97
<b>C.</b>	<b>Purchase/Contract/ Other Charges</b>		
	Aashiana Rolling Mills Ltd.	2.50	NIL
<b>D.</b>	<b>Remuneration/Consultancy</b>		
	Mrs. Meenu Garg	60.00	Nil
	Mr. Rakesh Kumar	18.00	11.49
	Mr. Archit Garg	60.00	60.00
	Ms. Rakhi Singh	4.64	4.31



	Mr. Jitendra Saini	12.60	0.95
	<b>TOTAL</b>	<b>155.24</b>	<b>81.25</b>
<b>E.</b>	<b>Rent</b>		
	Pradeep Kumar Garg ( HUF )	12.00	12.00

### 33. 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 Indian Accounting Standard (Ind As-19) are as under

**(a) Expenses recognized in Statement of Profit & Loss (Other Comprehensive Income).**

(₹ in Lac)

	Gratuity Unfunded		Leave Encashment Unfunded	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Current Service Cost	111.15	86.20	61.64	31.55
Interest Cost	24.79	18.31	4.08	3.51
Net actuarial (Gain)/ Loss recognized in the year	Nil	Nil	-31.69	-13.92
<b>Total expenses recognized in Profit &amp; Loss Account</b>	<b>135.93</b>	<b>104.51</b>	<b>34.03</b>	<b>21.13</b>
Net actuarial (Gain)/ Loss recognized in the year (OCI)	-39.46	-12.27	NIL	NIL

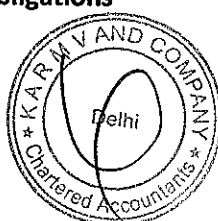
**(b) Amount recognized in the Balance Sheet**

(₹ in Lac)

	Gratuity Unfunded		Leave Encashment Unfunded	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Estimated Present value of obligations as at end of the year	395.59	320.71	75.11	60.85
Fair value of Plan Assets as at the end of the year	Nil	Nil	Nil	Nil
<b>Unfunded Net Asset /(Liability) recognized in Balance Sheet</b>	<b>(395.59)</b>	<b>(320.71)</b>	<b>(75.11)</b>	<b>(60.85)</b>

**(c) Change in the present value of obligations**

(₹ in Lac)



	Gratuity Unfunded		Leave Encashment Unfunded	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
Present Value of obligation as at the beginning of the year	320.71	244.14	60.85	46.74
Interest Cost	24.79	18.31	4.08	3.51
Current service Cost	111.15	86.20	61.64	31.55
Benefits Paid	(21.60)	(15.67)	(19.77)	(7.02)
Actuarial loss/ (gain) on obligation	(39.46)	(12.27)	(31.69)	(13.92)
<b>Present value of obligation at the end of the year</b>	<b>395.59</b>	<b>320.71</b>	<b>75.11</b>	<b>60.85</b>

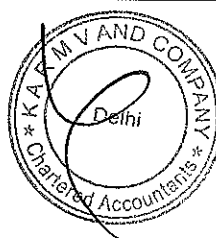
**(d) Sensitivity Analysis of the defined benefit obligation:**

(₹ in Lac)

	Gratuity Unfunded		Leave Encashment Unfunded	
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
a) Impact of the change in Discount rate				
Present Value of obligation as at the end of the year	395.59	320.71	75.11	60.85
i) Impact due to increase in 0.50%	-21.83	-26.23	-1.17	-0.50
ii) Impact due to decrease in 0.50%	26.49	23.42	1.26	0.50
b) Impact of the change in Salary				
Present Value of obligation as at the end of the year	395.59	320.71	75.11	60.85
i) Impact due to increase in 0.50%	24.81	24.05	1.27	0.51
ii) Impact due to decrease in 0.50%	-21.31	-26.93	-1.20	-0.52

**(e) Principal actuarial assumptions at the Balance Sheet Date**

Method Used	Projected Unit Credit Method	
	2017-18	2016-17
Discount Rate	7.72%	8.00%
Expected rate of salary increase	5.50%	5.50%



**Note No. 43 FINANCIAL INSTRUMENTS**

**Financial instruments by category**

- 1) The management assessed that Fair Value of Cash & Cash Equivalents, Other Bank Balances, Trade Receivables, Other Current Financial Assets, Trade Payables, Short Term Borrowings, Long Term Floating Rate Loans and Other Current Financial Liabilities approximate their carrying amounts.
- 2) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- 3) Considering above disclosure with regard to the Fair Value Hierarchy is not applicable.

**Note No. 44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is Interest Rate risk.

The Company's principal financial liabilities comprise trade and other payables, security deposits, employee liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, Other Financial Assets and cash / cash equivalents that derive directly from its operations.

Company is exposed to a number of any financial risks arising from natural business exposures as well as its use of financial instruments including market risk relating to interest rate, foreign currency exchange rates. Senior management oversees the management of these risks with appropriate financial risk governance framework for the Company.

**A Market risk**

Market risk is the risk where 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. Financial instruments affected by market risk include loans and borrowings. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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.

**1 Interest rate risk**

The Company is also exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows of a financial instrument, principally financial debt. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, with all other variables held constant, on floating rate borrowings is as follows:

Currency of Borrowings	Increase /Decrease in basis points	Effect on profit before tax (Rs in Lac)	Increase /Decrease in basis points	Effect on profit before tax (Rs in Lac)
	Mar, 2018		Mar, 2017	
INR	+50	113.8	+50	116.99
INR	-50	-113.8	-50	-116.99

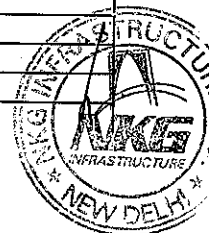
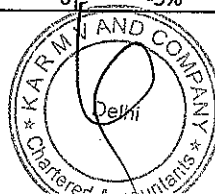
**2 Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and Borrowings.

The Company manages its foreign currency risk through combination of natural hedge, mandatory hedging and hedging undertaken on occurrence of pre-determined triggers. The hedging is mostly undertaken through forward contracts.

The sensitivity to a reasonably possible change in EUR/INR exchange rates, with all other variables held constant, the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives.

Currency	Increase /Decrease in basis points	Effect on profit before tax (Rs in Lac)	Increase /Decrease in basis points	Effect on profit before tax (Rs in Lac)
	Mar, 2018		Mar, 2017	
Other Exposure - EUR	+5%	0	+5%	79.39
Other Exposure - EUR	-5%	0	-5%	-79.39





**B Credit risk**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive analysis and outstanding customer receivables are regularly monitored.

**Ageing Analysis of Trade Receivables**

Particulars	As 31st March, 2018		As 31st March, 2017	
	Upto Six Months	More than Six Months	Upto Six Months	More than Six Months
Secured			-	-
Unsecured	17,745.27	191.12	18,262.79	303.61
<b>Total</b>	<b>17,745.27</b>	<b>191.12</b>	<b>18,262.79</b>	<b>303.61</b>

**C Liquidity risk**

Company monitors its risk of a shortage of funds diligently. The Company seeks to manage its liquidity requirement by maintaining access to short term borrowings against FDRs.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

Particulars	( ₹ in Lac)			
	Less than 1 year	1-2 years	2-4 years	More than 4 year
Borrowings	24,454.67	277.93	600.88	3,482.53
Trade payables	10,163.28	-	-	-
Other financial liabilities	918.20	-	-	-
<b>Total</b>	<b>35,536.15</b>	<b>277.93</b>	<b>600.88</b>	<b>3,482.53</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

Particulars	( ₹ in Lac)			
	Less than 1 year	1-2 years	2-4 years	More than 4 year
Borrowings	27,090.44	870.01	1,150.57	3,219.66
Trade payables	11,829.88	-	-	-
Other financial liabilities	847.05	-	-	-
<b>Total</b>	<b>39,767.37</b>	<b>870.01</b>	<b>1,150.57</b>	<b>3,219.66</b>

**Note No. 45 CAPITAL MANAGEMENT**

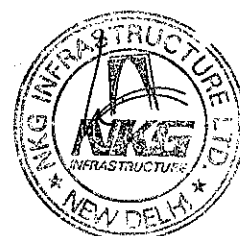
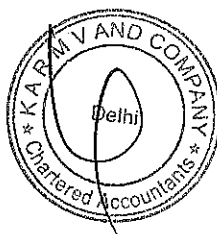
For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using debt equity ratio, which is borrowings divided by Equity. The Company's endeavour is to keep the debt equity ratio around 1:1

( ₹ in Lac)				
			Mar, 2018	Mar, 2017
<b>Borrowings</b>			<b>28,816.01</b>	<b>32,330.68</b>
Share Capital			5,670.90	5,670.90
Reserves and Surplus			63,059.75	60,813.97
<b>Equity</b>			<b>68,730.65</b>	<b>66,484.87</b>
<b>Debt Equity Ratio</b>			<b>0.42 : 1</b>	<b>0.49 : 1</b>

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

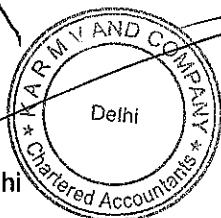


46. There are no significant subsequent events that would require adjustments or disclosures in the Financial Statements as on the Balance Sheet date.
47. All amounts in the financial statements are presented in Rupees in Lac. Figures of previous year have been re-grouped / re-arranged, wherever considered necessary.

For KARMV & Company  
Chartered Accountants  
FRN No.-023022N

CA Kailash Kumar  
Partner  
M No. 511322  
Place of Signature: New Delhi

Date: 10/07/2018



For and on behalf of the Board of Directors

Naresh Kr Garg

  
Chairman

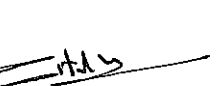
Pradeep Kr Garg

  
Managing Director

Rakhi Singh

  
Company Secretary

Jitendra Kr Saini

  
CFO

(M.No. ACS31522)

