NDPL INFRA LIMITED

Independent Auditor's Report

To the Members of NDPL Infra Limited

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
7th Floor, Plot No. 19A,
Sector 16A, Noida 201301
India

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Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of NDPL Infra Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the 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.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

   If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

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Responsibilities of Management for the Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

12. The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.

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

14. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:

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

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

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 17 April 2019 as per Annexure B expressed unmodified opinion;

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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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2019;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 17 April 2019

Annexure A to the Independent Auditor's Report of even date to the Members of NDPL Infra Limited, on the financial statements for the year ended 31 March 2019

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Annexure A to the Independent Auditor's Report of even date to the members of NDPL Infra Limited, on the financial statements for the year ended 31 March 2019 (continued)

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP ☆ CHARTERED ACCOUNTANTS ☆

Place: New Delhi
Date: 17 April 2019

Annexure B to the Independent Auditor's Report of even date to the Members of NDPL Infra Limited, on the financial statements for the year ended 31 March 2019

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of NDPL Infra Limited ("the Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 the Company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditor's Report of even date to the Members of NDPL Infra Limited, on the financial statements for the year ended 31 March 2019

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP ☆ CHARTERED ACCOUNTANTS ☆

Place: New Delhi
Date: 17 April 2019

NDPL INFRA LIMITED
BALANCE SHEET AS AT 31 MARCH, 2019

		Notes	As at 31.03.2019 ₹/'000s	As at 31.03.2018 ₹/'000s
	ASSETS			
(1)	**Non-current assets**			
	(a) Non-current tax assets (net)		18,537.87	13,548.77
	(b) Other non-current assets	4	15,492.43	14,754.76
	Total non-current assets		**34,030.30**	**28,303.53**
(2)	**Current assets**			
	(a) Financial assets			
	(i) Investments	5	1,74,123.00	1,25,472.47
	(ii) Trade receivables	6	15,561.27	13,850.22
	(iii) Cash and cash equivalents	7	16.10	19.79
	(b) Other current assets	8	4,846.62	708.77
	Total current assets		**1,94,546.99**	**1,40,051.25**
	TOTAL ASSETS		**2,28,577.29**	**1,68,354.78**
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity share capital	9	500.00	500.00
	(b) Other equity	10	2,11,944.40	1,55,492.57
	Total equity		**2,12,444.40**	**1,55,992.57**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Deferred tax liabilities (net)	16.5	4,080.99	1,328.97
	Total non-current liabilities		**4,080.99**	**1,328.97**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	11		
	- total outstanding dues of micro enterprises and small enterprises		-	-
	- total outstanding dues of creditors other than micro enterprises and small enterprises		10,866.41	9,957.65
	(b) Other current liabilities	12	1,185.49	1,075.59
	Total current liabilities		**12,051.90**	**11,033.24**
	Total liabilities		**16,132.89**	**12,362.21**
	TOTAL EQUITY AND LIABILITIES		**2,28,577.29**	**1,68,354.78**

See accompanying notes forming part of the financial statements 1 to 23

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

Place : New Delhi
Date : 17 April, 2019

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sanjay Kumar Banga
Director
DIN: 07785948

Hemant Goyal
Director
DIN: 08173633

Place : New Delhi
Date : 17 April, 2019

NDPL INFRA LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

		Notes	Year ended 31.03.2019 ₹/'000s	Year ended 31.03.2018 ₹/'000s
I	Revenue from operations			
	- Sale of services	13.2	1,05,137.15	96,738.60
II	Other income	13.3	12,539.67	7,264.44
III	**Total income (I + II)**		**1,17,676.82**	**1,04,003.04**
IV	**Expenses**			
	(1) Cost of outsourced services		35,316.57	34,790.89
	(2) Finance costs	14	477.78	655.42
	(3) Other expenses	15	8,055.07	8,813.42
	Total expenses (IV)		**43,849.42**	**44,259.73**
V	**Profit before tax (III - IV)**		**73,827.40**	**59,743.31**
VI	**Tax expense:**	16		
	(1) Current tax		14,623.55	15,990.96
	(2) Deferred tax		2,752.02	965.32
			17,375.57	**16,956.28**
VII	**Profit for the year (V - VI)**		**56,451.83**	**42,787.03**
VIII	**Other comprehensive income**		-	-
IX	**Total comprehensive income for the year (VII + VIII)**		**56,451.83**	**42,787.03**
	Earnings per equity share (face value of ₹ 10/- each)	19		
	(1) Basic (₹ / share)		1,129.04	855.74
	(2) Diluted (₹ / share)		1,129.04	855.74

See accompanying notes forming part of the financial statements — 1 to 23

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

Place : New Delhi
Date : 17 April, 2019

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sanjay Kumar Banga
Director
DIN: 07785948

Hemant Goyal
Director
DIN: 08173633

Place : New Delhi
Date : 17 April, 2019

NDPL INFRA LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

A. Equity share capital

₹/'000s

Balance at the beginning of 1 April, 2017	Changes in equity share capital during the year	Balance at the end of 31 March, 2018
500.00	-	500.00

₹/'000s

Balance at the beginning of 1 April, 2018	Changes in equity share capital during the year	Balance at the end of 31 March, 2019
500.00	-	500.00

B. Other equity

₹/'000s

Particulars	Reserves and surplus	Total
	Retained earnings	
Balance as at 1 April, 2017	**1,12,705.54**	**1,12,705.54**
Total comprehensive income for the year	42,787.03	42,787.03
Balance at the end of 31 March, 2018	**1,55,492.57**	**1,55,492.57**

₹/'000s

Particulars	Reserves and surplus	Total
	Retained earnings	
Balance as at 1 April, 2018	**1,55,492.57**	**1,55,492.57**
Total comprehensive income for the year	56,451.83	56,451.83
Balance at the end of 31 March, 2019	**2,11,944.40**	**2,11,944.40**

See accompanying notes forming part of the financial statements 1 to 23

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

Place : New Delhi
Date : 17 April, 2019

For and on behalf of the Board of Directors

Sanjay Kumar Banga
Director
DIN: 07785948

Hemant Goyal
Director
DIN: 08173633

Place : New Delhi
Date : 17 April, 2019

NDPL INFRA LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

		Year ended 31.03.2019 ₹/'000s	Year ended 31.03.2018 ₹/'000s
A. Cash flows from operating activities			
Profit for the year		56,451.83	42,787.03
Adjustments to reconcile profit for the year to net cash flows:			
Income tax expense		17,375.57	16,956.28
Interest income		(1,528.90)	-
Net gain on current investments in mutual funds		(10,776.95)	(7,264.44)
Finance cost		477.78	655.42
Net unrealised foreign exchange (gain) / loss		168.09	(32.61)
Operating profit before working capital changes		62,167.42	53,101.68
Movements in working capital :			
Adjustments for (increase) / decrease in assets:			
Other non-current assets		(737.67)	(4,540.25)
Trade receivables		(1,879.14)	(13,817.61)
Other financial assets		-	8,106.25
Other current assets		(4,137.85)	(654.89)
Adjustments for increase / (decrease) in liabilities:			
Trade payables		908.76	2,419.10
Other current liabilities		109.90	159.70
Cash generated from operations		56,431.42	44,773.98
Income taxes paid		(19,943.86)	(24,190.24)
Net cash from/ (used in) operating activities	(A)	**36,487.56**	**20,583.74**
B. Cash flows from investing activities			
Purchase of current investments in mutual funds		(80,566.00)	(1,71,740.44)
Proceeds from sale of current investments in mutual funds		42,692.42	1,51,118.27
Other interest received		1,528.90	-
Net cash from/ (used in) investing activities	(B)	**(36,344.68)**	**(20,622.17)**
C. Cash flow from financing activities			
Finance costs paid		(146.57)	-
Net cash flow from/ (used in) financing activities	(C)	**(146.57)**	**-**
Net increase/ (decrease) in cash and cash equivalents	(A+B+C)	**(3.69)**	**(38.43)**
Cash and cash equivalents at the beginning of the year		19.79	58.22
Cash and cash equivalents at the end of the year (Refer Note 7)		**16.10**	**19.79**
See accompanying notes forming part of the financial statements	1 to 23		

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

Place : New Delhi
Date : 17 April, 2019

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sanjay Kumar Banga
Director
DIN: 07785948

Hemant Goyal
Director
DIN: 08173633

Place : New Delhi
Date : 17 April, 2019

NOTE 1

GENERAL INFORMATION

NDPL INFRA LIMITED (herein after referred to as "the Company") is primarily engaged in the business of providing consultancy and other services in the infrastructure and power sector.

The Company is a public limited company incorporated on 23 August, 2011 and domiciled in India. The address of its registered office is Jeevan Bharati Tower #1, 10th Floor, 124, Connaught Circus, New Delhi - 110001, India. As at 31 March, 2019, the Company's 100% equity share capital is held by its parent, Tata Power Delhi Distribution Limited and its ultimate holding company is The Tata Power Company Limited.

NOTE 2

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

2.2 Basis of preparation and presentation

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- 'Level 3 inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTE 3
OTHER SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are set out along with respective explanatory notes where it specifically relates to such transactions or balances. Other significant accounting policies are are set out below:

3.1 Foreign currencies

These financial statements are presented in Indian rupees, which is the functional currency of the Company. The functional currency represents the currency of the primary economic environment in which the Company operates.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.2 Provisions, contingent liability and contingent asset

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contingent liability is disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote. A contingent asset is disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3.3 Current versus non-current classification

The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.4 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Except for trade receivables, financial assets and financial liabilities are initially measured at fair value. Trade receivables are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

3.5 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.5.1 Amortised cost

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:
- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3.5.2 Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognised in the Statement of Profit and Loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

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3.5.3 Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments.

A financial asset is held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the Statement of Profit and Loss are included in the 'Other income' line item.

3.5.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109 Financial Instruments.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

3.5.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.6 Financial liabilities and equity instruments

3.6.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.6.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.6.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

3.6.3.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant reporting period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.6.3.2 Derecoginition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.7 Changes in accounting policies and disclosures

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements.

3.7.1 New and amended standards and interpretations

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April, 2018. The nature and the impact of each amendment is described below:

Ind AS 115 - Revenue from contracts with customers

Ind AS 115 "Revenue from Contracts with Customers" supersedes Ind AS 11 "Construction Contracts", Ind AS 18 "Revenue" and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

The Company has adopted Ind AS 115 with a date of initial application of 1 April, 2018. As a result, the Company has changed its accounting policy for revenue recognition as detailed in Note 13.

The Company has applied Ind AS 115 using the cumulative cumulative catch-up method – i.e. by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at 1 April, 2018. Under this transition method, the Company elects to apply this Standard retrospectively only to contracts that are not completed contracts at the date of initial application. The comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.

Based on Company's assessment, no cumulative effect adjustments were required to made in the opening balance of retained earnings (or other component of equity, as appropriate) of the accounting period that includes the date of initial application.

3.8 Critical accounting estimates and judgements

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of current tax and deferred tax expense - Note 16

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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	As at 31.03.2019 ₹/'000s	As at 31.03.2018 ₹/'000s

NOTE 4

OTHER NON-CURRENT ASSETS

Unsecured and considered good		
- Balances with government authorities		
(a) Goods and services tax input credit receivable	9,506.40	8,197.98
(b) Goods and services tax refund receivable	5,602.85	-
(c) Service tax refund receivable	383.18	6,556.78
	15,492.43	14,754.76

NOTE 5

INVESTMENTS

Financial assets measured at fair value through profit or loss		
- Investments in mutual funds (unquoted)		
(a) Axis Liquid Fund - Direct Growth - CFDG (3.24 thousand units (as at 31 March, 2018 - NIL units) at face value of ₹ 1,000 each)	6,715.45	-
(b) DSP Low Duration Fund - Direct Plan - Growth (3,360.21 thousand units (as at 31 March, 2018 - 3,360.21 thousand units) at face value of ₹ 10 each)	46,290.94	42,843.36
(c) Invesco India Money Market Fund (Formerly Credit Opportunities Fund)- Direct Plan - Growth (16.03 thousand units (as at 31 March, 2018 - 16.03 thousand units) at face value of ₹ 1,000 each)	34,791.34	32,207.53
(d) Invesco India Liquid Fund - Direct Plan - Growth (16.67 thousand units (as at 31 March, 2018 - 21.08 thousand units) at face value of ₹ 1,000 each)	42,894.44	50,421.58
(e) LIC MF Liquid Fund - Direct Plan- Growth (2.24 thousand units (as at 31 March, 2018 - NIL units) at face value of ₹ 1,000 each)	7,588.74	-
(f) Sundaram Money Fund - Direct Plan - Growth (442.15 thousand units (as at 31 March, 2018 - NIL units) at face value of ₹ 10 each)	17,425.64	-
(g) Tata Liquid fund Direct Plan- Growth (6.25 thousand units (as at 31 March, 2018 - NIL units) at face value of ₹ 1,000 each)	18,416.45	-
	1,74,123.00	1,25,472.47
5.1 Aggregate purchase price of unquoted investments	1,59,453.71	1,20,695.44
5.2 Aggregate carrying value of unquoted investments	1,74,123.00	1,25,472.47

NOTE 6

TRADE RECEIVABLES

Financial assets measured at amortised cost		
- Debtors for rendering consultancy services (Refer Note 6.1 and Note 6.2)		
(i) Considered good - secured	-	-
(ii) Considered good - unsecured	15,561.27	13,850.22
(iii) Receivables having significant increase in credit risk	-	-
(iv) Credit impaired	-	-
	15,561.27	13,850.22

Note 6.1

The entire revenue from operations is from a single customer and thus trade receivable balance comprises of receivables in foreign currency (United States Dollars - USD) from VIPL Global Services Limited in the region of Nigeria. The credit period on sale of services is 10 days. Based on historical credit loss experience for the Company and considering forward looking information, there is no expected credit loss allowance on trade receivables. Also, the Company believes exposure to credit risk to be minimal.

Note 6.2

Age of receivables

₹/'000s

Particulars	**As at 31.03.2019**	**As at 31.03.2018**
(a) Within the credit period	7,780.64	7,332.47
(b) 1-30 days past due	7,780.63	6,517.75
(c) 31-90 days past due	-	-
(d) More than 90 days past due	-	-

NOTE 7

CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

	As at 31.03.2019 ₹/'000s	**As at 31.03.2018 ₹/'000s**
(a) Balances with Banks:		
- In current accounts	16.10	19.79

NOTE 8

OTHER CURRENT ASSETS
Unsecured and considered good

(a) Prepaid expenses	19.71	15.02
(b) Service tax refund receivable	4,826.91	693.75
	4,846.62	708.77

NOTE 9

EQUITY SHARE CAPITAL

(a) Authorised share capital 1,000 thousand (as at 31 March, 2018: 1,000 thousand) equity shares of ₹ 10 each with voting rights	10,000.00	10,000.00
(b) Issued, subscribed and fully paid up 50 thousand (as at 31 March, 2018: 50 thousand) equity shares of ₹ 10 each fully paid up with voting rights	500.00	500.00

Of the above:

9.1 50 thousand i.e. 100% (as at 31 March, 2018: 100%) equity shares of ₹ 10 each with voting rights are held by Tata Power Delhi Distribution Limited, the holding company.

9.2 The Company has one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share held.

9.3 In the event of liquidation, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

9.4 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	**Number of shares**	**Amount**
	In '000s	**₹/'000s**
Balance as at 1 April, 2018	50.00	500.00
Movement during the year	-	-
Balance as at 31 March, 2019	50.00	500.00

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	As at 31.03.2019 ₹/'000s	As at 31.03.2018 ₹/'000s
NOTE 10		
OTHER EQUITY		
Retained earnings		
(a) Opening balance	1,55,492.57	1,12,705.54
(b) Add: Total comprehensive income for the year	56,451.83	42,787.03
(c) Closing balance	2,11,944.40	1,55,492.57

Note 10.1

Nature and purpose of reserves:
Retained Earnings are the profits of the Company earned till date net of appropriations.

	As at 31.03.2019 ₹/'000s	As at 31.03.2018 ₹/'000s
NOTE 11		
TRADE PAYABLES		
Current		
Financial liabilities measured at amortised cost		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	10,866.41	9,957.65
	10,866.41	9,957.65

Note 11.1

Based on the information available with the Company, no amount is due to Micro and Small Enterprise as defined under the MSMED Act, 2006, and no interest during the reporting period has been paid or payable under the terms of the MSMED Act, 2006 or otherwise.

Note 11.2

The Company has significant transactions with its holding company and the Company obtains manpower and technical services from its holding company for various consultancy projects undertaken by the Company in the field of power distribution. The credit period for such services is 30 days.

	As at 31.03.2019 ₹/'000s	As at 31.03.2018 ₹/'000s
NOTE 12		
OTHER CURRENT LIABILITIES		
Statutory Dues		
(a) Tax deducted at source	1,185.49	1,064.79
(b) Goods and services tax payable	-	10.80
	1,185.49	1,075.59

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NOTE 13

REVENUE RECOGNITION

Accounting policy

Effective 1 April, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1 April, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted i.e. the comparative information continues to be reported under Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The adoption of the standard did not have any material impact on the financial statements of the Company. The details of accounting policies under Ind AS 18 and Ind AS 11 are disclosed separately if they are significantly different from those under Ind AS 115 and the impact of changes is disclosed in Note 3.7.1.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

Note 13.1

Rendering of Services

Service Revenue primarily includes rendering of services for providing project management, consultancy and supervision services and is recognised based on:
Output method : Direct measurements of value to the customer based on survey of performance completed to date.

If the Company has recognized revenue but not issued a bill, then the entitlement to consideration is recognized as a contract asset or unbilled revenue.

The Company receives payments from customers based on billing schedule established in contracts.

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

	Year ended 31.03.2019 ₹/'000s	Year ended 31.03.2018 ₹/'000s
NOTE 13.2		
Revenue from operations		
- Sale of services	1,05,137.15	96,738.60
NOTE 13.3		
Other income		
(a) Interest income	1,528.90	-
(b) Other non-operating income		
- Net gain on current investments in mutual funds	10,776.95	7,264.44
- Net gain on foreign currency transactions	233.82	-
	12,539.67	7,264.44

NOTE 13.4

Disaggregation of revenue

The Company drives its entire revenue from contracts with its only customer - VIPL Global Services Limited.

NOTE 13.5

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers :

₹/'000s

Particulars	As at 31.03.2019	As at 31.03.2018
Receivables		
- Trade receivables (Gross)	15,561.27	13,850.22
- Unbilled revenue for the passage of time	-	-
Net receivables	**15,561.27**	**13,850.22**
Contract assets	-	-
Contract liabilities	-	-
Total	**15,561.27**	**13,850.22**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied.

NOTE 13.6

Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations and adjustment for revenue that has not materialised.
The aggregate value of performance obligations that are completely or partially unsatisfied as on 31 March, 2019 is ₹ 51,870.90 thousands based on USD rates prevailing at year end. Out of this, the Company expects to recognise 100% revenue within next year.

		Year ended 31.03.2019 ₹/'000s	Year ended 31.03.2018 ₹/'000s
NOTE 14			
FINANCE COSTS			
	Interest on delayed payment of current tax	477.78	655.42
NOTE 15			
OTHER EXPENSES			
(a)	Professional charges	1,151.73	930.64
(b)	Travelling and conveyance	4,396.36	4,448.46
(c)	Rates and taxes	7.47	2.45
(d)	Bank charges	76.01	35.22
(e)	Insurance	438.21	437.84
(f)	Net loss on foreign currency transactions	-	1,101.11
(g)	Corporate social responsibility expense (excluding 5% administrative expense) (Refer Note 21)	1,214.28	1,216.31
(h)	Payment to statutory auditor (Refer Note 15.1)	426.53	617.22
(i)	Miscellaneous expenses	344.48	24.17
		8,055.07	8,813.42

Note 15.1

Auditors remuneration*

Payment to statutory auditors include:

₹/'000s

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Audit fee	325.00	325.00
Tax audit	75.00	157.50
Other services	-	115.15
Reimbursement of out-of-pocket expenses	26.53	19.57
Total	**426.53**	**617.22**

* Exclusive of GST/service tax, as applicable.

Note 15.1.1

Deloitte Haskins & Sells held the office of auditor upto 11 October, 2017. Upon resignation of Deloitte Haskins & Sells vide letter dated 12 October, 2017, Walker Chandiok & Co LLP were appointed as statutory auditors vide board resolution dated 24 October, 2017 and extraordinary general meeting resolution dated 17 January, 2018 to hold the office upto the conclusion of next general meeting.

NOTE 16

INCOME TAX

Accounting policy

Income tax expense represents the sum of the tax currently payable and deferred tax.

Note 16.1

Current Tax

The current tax payable is based on taxable profit for the reporting period.

Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are treated differently according to Income Tax Act, 1961. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.
Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

Note 16.2

Income tax expense recognised in the Statement of Profit and Loss consists of :

	Year ended 31.03.2019 ₹/'000s	Year ended 31.03.2018 ₹/'000s
a. Current tax relating to: (Refer note 16.4)		
- Current year	18,123.14	16,023.94
- Earlier years	(3,499.59)	(32.98)
	14,623.55	15,990.96
b. Deferred tax relating to: (Refer note 16.4)		
- Current year	2,752.02	965.32
Total income tax expense recognised during the year (a+b)	**17,375.57**	**16,956.28**

Note 16.3

The income tax expense for the year can be reconciled to the accounting profit as follows:

₹/'000s

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit before tax	73,827.40	59,743.31
Enacted income tax rate in India	27.8200%	27.5525%
Income tax expense calculated at 27.82% (2017-18: 27.5525%)	20,538.78	16,460.78
Effect of expenses not deductible in determining taxable profits	260.66	515.70
Effect of overseas taxes	75.72	-
Effect on deferred tax balances due to change in income tax rate from 27.5525% to 27.82%	-	12.78
	20,875.16	16,989.26
Adjustment recognised in the current year in relation to taxes of prior years	(3,499.59)	(32.98)
Income tax expense recognised in Statement of Profit and Loss (Refer Note 16.4)	**17,375.57**	**16,956.28**

Note 16.4

The tax rate used for the financial year 2018-19 and 2017-18 reconciliations above is the corporate tax rate of 27.82% & 27.5525% respectively, payable by corporate entities in India on taxable profits under the Indian tax law.

Overseas taxes include taxes paid in foreign jurisdiction, principally in Nigeria. 10% tax is deducted at source at the time of remittance received from customer located in Nigeria. Prior to the introduction of foreign tax credit (FTC) rules, the Company was claiming proportionate FTC relief and portion of tax which was not admissible as relief under Indian tax laws was included in current tax. However, after the clarifications on FTC rule, the Company is computing full FTC as per FTC rule 128(5)(i) i.e. lower of the tax payable under the Act on the income offered/ assessed to tax in India & the foreign tax paid on such income.

The provision for deferred tax has been worked upon at the rate of 27.82% (substantially enacted tax rate at balance sheet date) for the year ended 31 March, 2019 and 31 March, 2018.

Note 16.5

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, deferred tax is also recognised in other comprehensive income or directly in equity respectively.

	Year ended 31.03.2019 ₹/'000s	Year ended 31.03.2018 ₹/'000s
Note 16.5.1		
The analysis of deferred tax liabilities is as follows :		
- Deferred tax liabilities (net)	4,080.99	1,328.97

	Opening balance ₹/'000s	Recognised in profit or loss ₹/'000s	Closing balance ₹/'000s
Year ended 31 March, 2018:			
Deferred tax liabilities in relation to :			
- Investments in mutual funds	363.65	965.32	1,328.97
Year ended 31 March, 2019:			
Deferred tax liabilities in relation to :			
- Investments in mutual funds	1,328.97	2,752.02	4,080.99

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NOTE 17

FINANCIAL INSTRUMENTS

NOTE 17.1

Capital Management & Gearing Ratio

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company.

The capital structure of the Company consist of equity share capital and other equity. The Company has no external borrowings. Accordingly, the Company has zero gearing ratio.

The management reviews the capital structure on a quarterly basis. As part of this review, the management considers risks associated with the Company that could result in erosion of its total equity.

NOTE 17.2

Categories of financial instruments

₹/'000s

Particulars	Carrying Value		Fair Value	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Financial assets				
(A) Measured at fair value through profit or loss (FVTPL)				
- Mandatorily measured				
(a) Investments in mutual funds	1,59,453.71	1,20,695.44	1,74,123.00	1,25,472.47
(B) Measured at amortised cost				
(a) Trade receivables	15,561.27	13,850.22	15,561.27	13,850.22
(b) Cash and cash equivalents	16.10	19.79	16.10	19.79
Total financial assets	**1,75,031.08**	**1,34,565.45**	**1,89,700.37**	**1,39,342.48**
Financial liabilities				
(A) Measured at amortised cost				
(a) Trade payables	10,866.41	9,957.65	10,866.41	9,957.65
Total financial liabilities	**10,866.41**	**9,957.65**	**10,866.41**	**9,957.65**

NOTE 17.3

Fair value of financial assets and financial liabilities that are not measured at fair value

The Company consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

NOTE 17.4

Financial risk management

The Company's activities expose it to a variety of financial risk notably credit risk, market risks (including foreign exchange risk and other price risk) and liquidity risk.

The Company's focus is to ensure liquidity which is sufficient to meet Company's operational requirements. The Company monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The policies for managing each of these risks are summarised below:

NOTE 17.4.1

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Financial assets that potentially expose the Company to credit risks are listed below:

The maximum exposure to the credit risk at the reporting date is from trade receivables (including unbilled revenue) amounting to ₹ 15,561.27 thousand as at 31 March, 2019 and ₹ 13,850.22 thousand as at 31 March, 2018. Trade receivables and unbilled revenue are unsecured and are derived from revenue earned from a single customer- VIPL Global Services Ltd. located in the region of Nigeria. The Company believes exposure to credit risk to be minimal.

Bank balances are held with reputed and creditworthy banking institutions.

As per its investment policy, the Company invests only in debt based mutual funds and/or liquid funds with no exposure to equities or fixed term deposits with scheduled banks or in inter-corporate deposits of the Tata Group. Investments are normally made in debt/liquid/money market mutual funds of approved fund houses whose Quarterly Average AUM are in excess of ₹ 5000 Crore and CRISIL MF Ranking is between 1 to 3 at the time of investment. The aggregate amounts invested in debt based mutual funds and/or liquid funds with no exposure to equities and in inter-corporate deposits being in nature of investments shall not exceed ₹ 2,50,000.00 thousand (Rupees Twenty Five Crores only) at any point of time.

The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

NOTE 17.4.2

Market risk

Market risk is the risk that the expected cash flows or fair value of a financial instrument could change owing to changes in market prices. Market risks are primarily composed of foreign exchange risk and price risk.

(a) Foreign exchange risk management

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates.

The Company operates internationally and undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. The Company is exposed to foreign exchange risk through its consultancy services in Nigeria, services being billed in United States Dollar (USD).

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

'000s

Particulars		Currency	As at 31.03.2019		As at 31.03.2018	
			₹	Foreign Currency	₹	Foreign Currency
(a)	Trade receivables (includes unbilled revenue)	USD	15,561.27	225.00	13,850.22	212.50
(b)	Trade payables	USD	-	-	-	-

Foreign currency sensitivity analysis

For the year ended 31 March, 2019 and 31 March, 2018, every rupee 1 depreciation / appreciation in the exchange rate between the Indian rupee and USD, will affect the Company's profit before tax as given in below table:

₹/'000s

Particulars	As at 31.03.2019		As at 31.03.2018	
	Rupee depreciate by INR 1 against USD	Rupee appreciate by INR 1 against USD	Rupee depreciate by INR 1 against USD	Rupee appreciate by INR 1 against USD
Trade receivables (includes unbilled revenue)	(225.00)	225.00	(212.50)	212.50

(b) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net asset value (NAV) of the financial instruments held.
The Company's price risk is mainly generated with fair value in respect of the investments held in mutual funds. Investments primarily include investment in liquid debt based mutual fund units with high credit-ratings assigned by credit-rating agencies and are managed by asset management companies.
The carrying amount of the Company's investments designated as at fair value through profit or loss at the end of the reporting period are as follows:

₹/'000s

Particulars	As at 31.03.2019	As at 31.03.2018
Investments in mutual funds	1,74,123.00	1,25,472.47

Other price sensitivity analysis

For the year ended 31 March, 2019 and 31 March, 2018, every rupee 1 increase / decrease in the NAV of investments, will affect the Company's profit before tax as given in below table:

₹/'000s

Particulars	As at 31.03.2019		As at 31.03.2018	
	NAV depreciate by INR 1	NAV appreciate by INR 1	NAV depreciate by INR 1	NAV appreciate by INR 1
Investments in mutual funds	(3,846.80)	3,846.80	(3,397.32)	3,397.32

In Company's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk and price risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

NOTE 17.4.3

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company's principal sources of liquidity are cash and cash equivalents, liquid mutual fund investments and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements.

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment and realisation periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and realise.

₹/'000s

Particulars	Upto 1 year	1 to 5 years	5+ years	Total
As at 31 March, 2019				
Trade payables	10,843.91	22.50	-	10,866.41
As at 31 March, 2018				
Trade payables	9,957.65	-	-	9,957.65

NOTE 17.5

Fair value measurements

The Company's investments are measured at fair value at the end of each reporting period. The following table gives information on determination of its fair value, the valuation technique and inputs used.

₹/'000s

Particulars	Fair Value		Fair Value hierarchy
	As at 31.03.2019	As at 31.03.2018	
Investment in mutual funds mandatorily measured as at fair value through profit or loss	1,74,123.00	1,25,472.47	Level 1

NOTE 17.5.1

Valuation technique and key inputs

- Net asset value of mutual fund investments at reporting date.

NOTE 18

SEGMENT REPORTING

The Company is mainly engaged in the business of providing consultancy and other services in the infrastructure and power sector in the region of Nigeria. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments.

The Company derives its entire revenue from operations by rendering consultancy services to its only customer- VIPL Global Services Limited located in Nigeria.

NOTE 19

EARNINGS PER EQUITY SHARE (EPS)

Accounting policy

Basic earnings per equity share has been computed by dividing the net profit or loss for the reporting period attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period.

Diluted earnings per equity share is computed by dividing the net profit or loss for the period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

NOTE 19.1

Basic and diluted earnings per equity share

Particulars	Unit	Year ended 31.03.2019	Year ended 31.03.2018
Profit for the year	₹/'000s	56,451.83	42,787.03
Amount available for equity shareholders	₹/'000s	56,451.83	42,787.03
Weighted average number of equity shares outstanding	Nos./000s	50.00	50.00
Basic and diluted earnings per equity share	₹	1,129.04	855.74
Face value per equity share	₹	10.00	10.00

NOTE 19.2

The Company does not have any potential equity shares.

NOTE 20

RELATED PARTY TRANSACTIONS

NOTE 20.1

List of related parties and description of relationship:

(i) Ultimate holding company
- Tata Power Company Limited

(ii) Holding company
- Tata Power Delhi Distribution Limited (Tata Power-DDL)

(iii) Associate of ultimate holding company
- Tata Projects Limited (TPL)

(iv) Key managerial personnel
- Directors
  (a) Mr. Praveer Sinha (ceased w.e.f. 30 April, 2018)
  (b) Mr. Ajay Kapoor (ceased w.e.f. 10 May, 2018)
  (c) Mr. Puneet Munjal (ceased w.e.f. 22 October, 2018)
  (d) Mr. Sanjay Kumar Banga (appointed as non-executive director w.e.f. 23 April, 2018)
  (e) Mr. Arup Ghosh (appointed as non-executive director w.e.f. 23 April, 2018)
  (f) Mr. Hemant Goyal (appointed as additional director w.e.f. 21 August, 2018)

NOTE 20.2

Transactions during the year

₹/'000s

Particulars / Nature of transaction	Year ended 31.03.2019	Year ended 31.03.2018
- Tata Power-DDL		
(a) Cost of outsourced services	35,316.57	34,790.89
(b) Reimbursement of expenses paid	4,860.10	4,966.81
(c) Reimbursement of expenses received	20.85	95.33
- TPL		
(a) Corporate social responsibility expense	643.76	637.29

NOTE 20.3

Balance outstanding

₹/'000s

Particulars	As at 31.03.2019	As at 31.03.2018
- Tata Power-DDL		
(a) Trade payables	9,651.78	9,507.65

The amount outstanding with the related party is unsecured and will be settled in cash. No guarantees have been given or received.

NOTE 21

CORPORATE SOCIAL RESPONSIBILITY

As per the Companies Act, 2013 ('the Act'), a company meeting the eligibility criteria as stated in Section 135 (1) of the Act is required to spend in every financial year at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

(a) Gross amount required to be spent by the Company during the year is ₹ 1,213.50 thousand.
(b) Amount spent during the year on CSR (excluding 5% administrative expenses)

₹/'000s

S.No.	Particulars	In Cash	Yet to be paid in cash	Total
(a)	Construction / acquisition of any asset	-	-	-
(b)	On purposes other than (a) above	1,214.28	-	1,214.28

NOTE 22

EVENTS AFTER REPORTING PERIOD

In preparing these financial statements, the directors have evaluated that there are no material subsequent events that occur between the end of the reporting period and the date when the financials statements are approved by the Board of Directors, which require any adjustment or disclosure in the financial statements.

NOTE 23

APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised and approved for issue by the Board of Directors on 17 April, 2019.

In terms of our report attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

Place : New Delhi
Date : 17 April, 2019

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sanjay Kumar Banga
Director
DIN: 07785948

Hemant Goyal
Director
DIN: 08173633

Place : New Delhi
Date : 17 April, 2019