



MAHESHWARI & ASSOCIATES

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of CHAHEL INFRASTRUCTURES LIMITED,

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of CHAHEL INFRASTRUCTURES LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matters

We draw your attention to note 3 of the standalone financial statement with regard to appropriateness of going concern assumption, in view of the management's assertion. Our report is not qualified in respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.





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Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Standalone Financial Statements

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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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





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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 financial controls 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 expressing 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.
- 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. 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 appears from our examination of those books
 - c. the balance sheet, the statement of profit and loss including other comprehensive income, the cash flow statement and statements of changes in equity dealt with by this Report are in agreement with the books of accounts;





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- d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
 - e. On the basis of written representations received from the directors of the company as on 31st March 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019, 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 the financial reporting of the Company and the operating effectiveness of such controls, refer our separate report in Annexure 'A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the year. Accordingly the provisions of section 197 of the Act is not applicable.
 - h. 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 litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no items which were required to be transferred, to the Investor Education and Protection Fund by the Company.
2. 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 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Maheshwari & Associates

Chartered Accountants

Firm's Registration No.: 311008E



Sateesh Patil

Partner

Membership No.: 227311

Place: Bengaluru

Date: 18th May 2019



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Annexure - A to the Independent Auditors' Report

(Refer to in Paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of CHAHIL INFRASTRUCTURES LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of CHAHIL INFRASTRUCTURES LIMITED ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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





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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st 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 Maheshwari & Associates

Chartered Accountants

Firm's Registration No.: 311008E


Sateesh Patil
Partner

Membership No.: 227311



Place: Bengaluru

Date: 18th May 2019



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Annexure - B to the Independent Auditors' Report

Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" Section of our report to the members of CHAHEL INFRASTRUCTURES LIMITED of even date.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone 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, we report that:

- (i) The Company does not have any fixed asset as at the year ending 31st March 2019. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (ii) The Company does not have any inventory as at the year ending 31st March 2019. 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 and according to the information and explanations given to us, the Company has no transactions covered under provisions of section 185 and 186 of the Act, Accordingly, Paragraph 3(iv) of the Order is not applicable.
- (v) 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) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 140 of the Act, in respect of Company's products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income tax, Sales tax, Service tax, Value Added Tax, Goods and Service tax, Customs duty, Excise duty Cess and other material statutory dues in arrears as at 31st March 2019 for a period of more than six months from the date they become payable.
 - (c) There are no dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.





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- (viii) The Company does not have any loans or borrowings from any financial institution, banks, Government, or debenture holders during the year. Accordingly, Paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- (x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year. Accordingly, paragraph 3(xi) of the order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Maheshwari & Associates
Chartered Accountants
Firm's Registration No. 331008E



Sateesh Patil
Partner
Membership No.: 227311

Place: Bengaluru
Date: 18th May 2019

CHAHAL INFRASTRUCTURES LIMITED
Balance Sheet as at March 31, 2019

(Amount in Rs '000)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	-	27.69
		-	27.69
Current assets			
(a) Financial assets			
- Cash and Cash Equivalents	5	114.61	252.29
		114.61	252.29
TOTAL ASSETS		114.61	279.98
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	6	3,632.00	3,632.00
(b) Other Equity	7		
- Security Premium		90,828.00	90,828.00
- Equity Component of Interest free loan		44,653.84	44,553.84
- Retained earnings		(1,70,694.58)	(1,68,328.20)
Total equity		(31,580.74)	(29,314.36)
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
- Borrowings	8	22,360.85	19,519.48
(b) Deferred tax liabilities	9	9,209.00	9,928.96
		31,569.85	29,448.44
Current liabilities			
(a) Other current liabilities	10	125.50	145.90
		125.50	145.90
Total liabilities		31,695.35	29,594.34
TOTAL EQUITY AND LIABILITIES		114.61	279.98

The notes are an integral part of these financial statement

Summary of Significant accounting policies
Contingencies & Commitments

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As per our Report of even date.

For Maheshwari & Associates
Chartered Accountants
Firm Reg.No. 311008E

Sateesh Patil
Partner
Membership No. 227311



For and on behalf of the board

Pukhraj Jain
Director
DIN : 02671640

Vikas Kothari
Director
DIN : 00223868

Place: Bengaluru
Date : 18th May 2019

Place: Bengaluru
Date : 18th May 2019

CHAHAL INFRASTRUCTURES LIMITED
Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Notes	(Amount in Rs '000)	
		For the year ended 31st March 2019	For the year ended 31st March 2018
Income			
Other Income	11	-	166.97
Total Income		-	166.97
Expenses			
Finance Cost	12	2,869.64	2,554.42
Other Expenses	13	216.69	226.95
Total Expenses		3,086.33	2,781.37
Profit/(loss) before exceptional items and tax from continuing operations		(3,086.33)	(2,614.40)
Exceptional Items		-	-
Profit/(loss) before tax from continuing operations		(3,086.33)	(2,614.40)
Tax Expenses			
Current tax		-	-
Income tax for earlier year		-	-
Deferred tax		(719.95)	(601.68)
Income Tax Expense		(719.95)	(601.68)
Profit for the year from Continuing Operations		(2,366.38)	(2,012.72)
Other Comprehensive Income (OCI)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-Measurement gains on defined benefit plans		-	-
Income Tax effect		-	-
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		(2,366.38)	(2,012.72)
Earnings per share - Basic and Diluted (Nominal value Rs. 10 per share)	16	(6.52)	(5.54)

The notes are an integral part of these financial statement

Summary of Significant accounting policies

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As per our Report of even date.

For Maheshwari & Associates
Chartered Accountants
Firm Reg.No. 311008E

Sateesh Patil
Partner
Membership No. 227311



Place: Bengaluru
Date : 18th May 2019

For and on behalf of the board

(Signature)

Pukhraj Jain
Director
DIN : 02671640

(Signature)

Vikas Kothari
Director
DIN : 00223868

Place: Bengaluru
Date : 18th May 2019

CHAHEL INFRASTRUCTURES LIMITED
Statement of Cash flows for the year ended 31st March 2019

Particulars	(Amount in Rs '000)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Cash flow from operating activities		
Profit before tax from Continuing Operations	(3,086.33)	(2,614.40)
Adjustments to reconcile profit before tax to net cash flows:		
Finance Expenses	2,869.64	2,554.42
Interest Received	-	94.97
Working capital adjustments:		
(Decrease)/Increase in Trade & Other Receivables	-	294.60
(Decrease)/Increase in Trade & Other Payables	(20.40)	(441.44)
Income tax paid / (Refund)	(237.09)	(111.85)
Net cash flows from operating activities	(237.09)	(111.85)
Cash flow from investing activities		
Sale of Fixed Assets	27.68	-
Net cash flows used in investing activities	27.68	-
Cash flow from financing activities		
Movement Of Equity portion of Financial Liability	100.00	-
Long Term Borrowings	2,841.37	2,761.92
Interest Received	-	(94.97)
Finance Expense (Net)	(2,869.64)	(2,554.42)
Net cash flows from/(used in) financing activities	71.73	112.53
Net increase in cash and cash equivalents	(137.68)	0.68
Cash and cash equivalents at the beginning of the year	252.29	251.61
Cash and cash equivalents at the end of the year (refer note 5)	114.61	252.29

Changes in Liability arising from Financing activities for the year ended 31st March 2019

Particulars	1st April 2018	Proceeds	Repayment	Fair Value Changes	31st March 2019
Borrowings - Current (Refer Note-9)	19,519.48	100.00	-	2,741.37	22,360.85
	19,519.48	100.00	-	-	22,360.85

Changes in Liability arising from Financing activities for the year ended 31st March 2018

Particulars	1st April 2017	Proceeds	Repayment	Fair Value Changes	31st March 2018
Borrowings - Current (Refer Note-9)	16,981.45	223.88	-	2,314.16	19,519.49
	16,981.45	223.88	-	2,314.16	19,519.49

As per our Report of even date.

For Maheshwari & Associates

Chartered Accountants
Firm Reg.No. 311008E


Sateesh Patil
Partner
Membership No. 227311



For and on behalf of the board


Pukhraj Jain
Director
DIN : 02671640


Vikas Kothari
Director
DIN : 00223868

Place: Bengaluru
Date : 18th May 2019

Place: Bengaluru
Date : 18th May 2019

CHAHEL INFRASTRUCTURES LIMITED
Statement of Changes in Equity for the year ended March 31, 2019

A) Equity Share Capital

(Amount in Rs '000)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Equity shares of Re 1 each issued, subscribed and fully paid		
Balance at the beginning of the reporting period	3,632.00	3,632.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	3,632.00	3,632.00

B) Other Equity

For the year ended 31st March 2019

(Amount in Rs '000)

Particulars	Retained earnings	Security Premium	Equity Component of Interest free loan	Total
Balance as at 1st April 2018	(1,68,328.20)	90,828.00	44,553.84	(32,946.36)
Profit for the year	(2,366.38)	-	100.00	(2,266.38)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income	(2,366.38)	-	100.00	(2,266.38)
Balance as at 31st March 2019	(1,70,694.58)	90,828.00	44,653.84	(35,212.74)

For the year ended 31st March 2018

(Amount in Rs '000)

Particulars	Retained earnings	Security Premium	Equity Component of Interest free loan	Total
Balance as at 1st April 2017	(1,66,315.48)	90,828.00	44,329.96	(31,157.52)
Profit for the year	(2,012.72)	-	223.88	(1,788.84)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income	(2,012.72)	-	223.88	(1,788.84)
Balance as at 31st March 2018	(1,68,328.20)	90,828.00	44,553.84	(32,946.36)

The notes are an integral part of these financial statement

Summary of Significant accounting policies

2

As per our Report of even date.

For Maheshwari & Associates

Chartered Accountants

Firm Reg.No. 311008E

Sateesh Patil

Partner

Membership No. 227311

Place: Bengaluru

Date : 18th May 2019

For and on behalf of the board

Pukhraj Jain

Director

DIN : 02671640

Place: Bengaluru

Date : 18th May 2019

Vikas Kothari

Director

DIN : 00223868

1 Company background

The Company was incorporated to construct a multi purpose port at Puducherry, however currently the Company has abandoned the project and the matter is under arbitration.

2 Significant accounting policies

2.01 Basis of preparation and presentation

(a) Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and
- ii. Defined benefit and other long-term employee benefits.

(c) Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



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2.02 Property, plant and equipment.

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at their carrying value being the cost of acquisition or construction less accumulated depreciation.

The cost of property, plant and equipment includes freight, duties, taxes and other incidental expenses relating to the acquisition and installation of the respective assets. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Borrowing costs directly attributable to acquisition or construction of those assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Advance paid towards the acquisition of assets outstanding at each balance sheet are shown under capital advances. The cost of property, plant and equipment not ready for their intended use before such date, are disclosed as capital work in progress.

Depreciation methods, estimated useful lives and residual value:

The method of depreciation adopted and estimated useful life of fixed assets is enumerated below:

Asset Description	Method	Useful life adopted	Useful life as per Schedule II to the Companies Act, 2013
Vehicles	SLM	8 Years	8 Years

The management has identified useful life of the assets (tangible), based on the life as prescribed in Schedule II to the Companies Act, 2013. Further the residual value is estimated to be 5% of cost of asset.

2.03 Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets comprising a cash-generating unit may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.



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2.04 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, net of taxes or duties collected on behalf of the government. Further, the Company uses significant judgments while determining the transaction price allocated to performance obligations.

The specific recognition criteria described below must also be met before revenue is recognised.

Other income

Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.05 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

a) As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

2.06 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A Financial Assets

a) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.



CHAHAL INFRASTRUCTURES LIMITED

Notes to financial statements as at 31st March 2019

b) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

c) Subsequent measurement

Financial assets at fair value through other comprehensive income (FVTOCI): A financial asset is measured at FVTOCI, if it is held within a business model whose objective is achieved by both from collection of contractual cash flows and selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Further equity instruments where the company has made an irrevocable election based on its business model, to classify as instruments measured at FVTOCI, are measured subsequently at fair value through other comprehensive income.

Debt instruments - Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised. Interest income from these financial assets is included in other income using the effective interest rate method.

Equity instruments - Movements in the carrying amount are taken to OCI and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividend from such investments are recognised in profit or loss.

Financial assets at fair value through profit or loss (FVTPL): A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All gains and losses are recognised in profit or loss.

d) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the company applies the simplified approach specified by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

e) Derecognition of financial assets

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

B Financial liabilities

a) Classification

The company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

b) Initial recognition and measurement

The company recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit or loss are expensed in profit or loss.



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c) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Amortised cost: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

Derecognition of financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

C Financial guarantee contracts

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee or the estimated amount that would be payable to a third party for assuming the obligations.

(i) as Guarantor

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 and the amount initially recognised less cumulative amortisation, where appropriate.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(ii) as Beneficiary

Financial guarantee contracts are recognised as a financial asset at the time the guarantee is taken. The asset is initially measured at fair value and subsequently amortised over the guarantee period.

Where guarantees in relation to loans or other payables are provided by group companies for no compensation, the fair values are accounted for as contributions and recognised as part of equity.

D Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.



2.07 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.08 Borrowing costs

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

2.09 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax asset is defined in Ind AS 12 to include the carry forward of unused tax credits. MAT Credits are in the form of unused tax credits that are carried forward by the company for a specified period of time. Accordingly, MAT Credit Entitlement is grouped with Deferred Tax Asset (net) in the Balance Sheet.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

2.10 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

2.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet 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 flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.



2.12 Cash dividend and non-cash distribution to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

2.13 Earnings per share

The basic earnings per share is computed by dividing the net profit/ (loss) attributable to owner's of the company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

2.14 Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company performance and allocates resources based on an analysis of various performance indicators by business segments.

2.15 Recent Accounting pronouncements

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The effects of adoption of INDAS 116 would be insignificant in the standalone financial statements

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.



The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 12 - Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 - plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

3 GOING CONCERN ASSUMPTION

During the financial year 2013-2014 the company, in view of numerous litigations in the matter of statutory clearances from various authorities in relation to concession agreement dated 21st January 2006 with the Government of pondicherry (GOP), decided to terminate the project and file for mandatory arbitration by nominating the arbitrator. Pursuant to this an arbitration pannel has been constituted before which the company has made a claim among other things for reimbursement expenses incurred in relation to the project, compensation for abandonment etc. but the arbitration award was not in favour of the Company and thereafter the company pursues other infrastructure projects in the near to medium term. Hence, the management in spite of material uncertainties leading to significant doubts, is of the view that the going concern assumption is appropriate.



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4 PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs '000)

Particulars	Vehicles	Total
GROSS BLOCK		
As at April 1, 2017	27.69	27.69
Additions	-	-
Disposals	-	-
Exchange Difference	-	-
As at April 1, 2018	27.69	27.69
Additions	-	-
Disposals	27.69	27.69
Exchange Difference	-	-
As at March 31, 2019	-	-
ACCUMULATED DEPRECIATION		
As at April 1, 2017	-	-
Charge for the year	-	-
Impairment	-	-
Disposals	-	-
Exchange Difference	-	-
As at April 1, 2018	-	-
Charge for the year	-	-
Impairment	-	-
Disposals	-	-
Exchange Difference	-	-
As at March 31, 2019	-	-
NET BLOCK		
As at March 31, 2018	27.69	27.69
As at March 31, 2019	-	-



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5 CASH AND CASH EQUIVALENTS

(Amount in Rs '000)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balances with banks:		
On current accounts	114.59	252.27
Cash on hand	0.02	0.02
Total	114.61	252.29

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Break up of financial assets carried at amortised cost

(Amount in Rs '000)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents	114.61	252.29
Total financial assets carried at amortised cost	114.61	252.29



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6 SHARE CAPITAL

(Amount in Rs '000)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Amount (Rs)	Number	Amount (Rs)
Authorised				
Equity shares of Re.10/- each	10,00,000	10,000.00	10,00,000	10,000.00
	10,00,000	10,000	10,00,000	10,000
Issued, Subscribed & Paid-up				
Equity shares of Re. 10/- each, fully paid	3,63,200	3,632.00	3,63,200	3,632.00
Total	3,63,200	3,632.00	3,63,200	3,632.00

(a) Reconciliation of number of shares

Particulars	Equity Shares		Equity Shares	
	As at 31st March 2019		As at 31st March 2018	
	Number	Rs	Number	Rs
Shares outstanding at the beginning of the year	3,63,200	3,632.00	3,63,200	3,632.00
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,63,200	3,632.00	3,63,200	3,632.00

(b) Rights, preferences and restrictions attached to equity shares

Equity Shares: The company has one class of equity shares having paid-up value of Re.1 per share. Each shareholder is eligible for one vote per share held. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholder.

(c) Shares held by holding company and subsidiary of holding companies:

Name of Shareholder and Relationship with the company	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	Amount	No. of Shares held	Amount
Equity Shares				
Om Metals Infraprojects Ltd	3,43,092	3,430.92	3,43,092	3,430.92

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
SPML Infrastructure Limited	20,000	5.51%	20,000	5.51%
Om Metals Infraprojects Ltd	3,43,092	94.46%	3,43,092	94.46%

(e) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

(f) There are no unpaid calls from director & officers of the company
(g) There are no buy back of shares during the year by the company.



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7 OTHER EQUITY

Particulars	(Amount in Rs '000)	
	As at 31st March, 2019	As at 31st March, 2018
Security Premium		
Opening balance	90,828.00	90,828.00
(+) Additions	-	-
(-) Deductions	-	-
	90,828.00	90,828.00
Equity Component of Financial Liability		
Opening balance	44,553.84	44,329.96
(+) Additions	100.00	223.88
(-) Deletions	-	-
	44,653.84	44,553.84
Retained Earnings		
Opening balance	(1,68,328.20)	(1,66,315.48)
(+) Net Profit/(Net Loss) For the current year	(2,366.38)	(2,012.72)
	(1,70,694.58)	(1,68,328.20)
Total - Other equity	(35,212.74)	(32,946.36)

Nature and purpose of other reserves:

Securities premium reserve: Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the provision of sec 52(2) of Companies Act, 2013.

Equity Component of Financial Liability: The Company has obtained the interest free unsecured loan from SPML Infrastructure limited which has been fair valued as on transition date and the same has been classified into the equity component and the financial liability based on the terms of contract. The fresh loan received during the year has been considered as equity contribution during the year. The equity component has been shown under the head other equity.

Retained Earnings: Retained Earnings comprise of the company's accumulated undistributed earnings / (losses).

8 BORROWINGS

Particulars	(Amount in Rs '000)	
	As at 31st March, 2019	As at 31st March, 2018
Unsecured		
Loans from related party *	22,360.85	19,519.48
Total	22,360.85	19,519.48

* The interest free loan has been fair valued at 1st April 2016 and subsequently at each year end and accordingly the difference in liability have been accounted as finance cost in statement of profit and loss.



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CHAHAL INFRASTRUCTURES LIMITED

Notes to financial statements for the year ending march 31, 2019

(All amounts are in rupees thousands)

9 Components of deferred income tax assets and liabilities arising on account of Temporary differences are:

Particulars	(Amount in Rs '000)	
	As at 31st March, 2019	As at 31st March, 2018
Deferred income tax liability		
Timing difference on fair value of financial liability	9,209.00	9,928.96
Deferred income tax asset *	9,209.00	9,928.96
Timing difference on tangible and intangible assets depreciation and amortisation	-	-
MAT Credit entitlement	-	-
Total deferred tax liabilities/ (assets) (net)	9,209.00	9,928.96

* The Company has not recognised the deferred tax asset amounting to Rs. 12,993.54 as at 31st March 2019 (PY- Rs.12,804.32), on long term capital loss, considering the concept of prudence (Amount in '000).

Break up of financial liabilities carried at amortised cost

Particulars	(Amount in Rs '000)	
	As at 31st March, 2019	As at 31st March, 2018
Borrowings		
Total	22,360.85	19,519.48
	22,360.85	19,519.48

10 OTHER CURRENT LIABILITIES

Particulars	(Amount in Rs '000)	
	As at 31st March, 2019	As at 31st March, 2018
Audit Fees payable		
Other Payables	108.00	105.00
Tax deducted at source Payable	-	27.90
Total	17.50	13.00
	125.50	145.90



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CHAHEL INFRASTRUCTURES LIMITED

Notes to financial statements for the year ending march 31, 2019

11 OTHER INCOME

Particulars	(Amount in Rs '000)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Interest received	-	95.0
Provisions no longer required written back	-	72.0
Total	-	167.0

12 FINANCE COSTS

Particulars	(Amount in Rs '000)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Fair value changes on interest free loan	2,869.05	2,538.04
Interest on Statutory Dues	0.59	16.38
Total	2,869.64	2,554.42

13 OTHER EXPENSES

Particulars	(Amount in Rs '000)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Communication expenses	-	0.72
Consultancy and Professional Charges	77.00	61.50
Insurance	16.20	-
Advertisement	-	9.00
Rates & Taxes	1.07	37.17
Payments to Auditors *	118.00	115.00
Bank Charges	4.12	3.46
Miscellaneous Expenses	0.30	0.10
Total	216.69	226.95

* Payment to Auditors

Particulars	(Amount in Rs '000)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
As Auditors	-	-
- Audit fees (including indirect taxes)	118.00	115.00
Total	118.00	115.00



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14 CONTINGENT LIABILITIES

Particulars	(Amount in Rs '000)	
	As at 31st March, 2019	As at 31st March, 2018
Claims against Companies not acknowledged as debt	-	-
Disputed Demands	-	-
Performance bank guarantees given to various authorities	-	-

15 Capital and Other Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for: as at 31st March 2019 - Rs. Nil, as at 31st March 2018 - Rs. Nil.

16 Earning Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	(Amount in Rs '000)	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Net profit available for Equity Shareholders	(2,366.38)	(2,012.72)
Weighted Average number of Equity shares	363.20	363.20
Basic and Diluted Earnings Per Share	(6.52)	(5.54)

17 Significant accounting judgements, estimates and assumptions

The preparation of the 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. 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.

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

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. The company based its assumptions and estimates on parameters available when the financial statements were prepared. 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.

Impairment of non-financial assets: Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the company.



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Taxes: Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- 18 A disclosure with respect to segment reporting is not applicable, since the Company operates in the similar economic characteristics for both the sale of products and for the sale of services and does not have more than one reportable segment.
- 19 Foreign Currency Earnings And Outgo Rs. Nil, (PY - Rs. Nil)
- 20 There are no reported foreign currency exposures that have not been hedged by a derivative instrument or otherwise, hence the disclosure of the same is not made.
- 21 CIF value of imports Rs. Nil (PY - Rs. Nil).
- 22 The disclosures required under Accounting Standard 19 "Employee Benefits", is not provided as there are no employee on roll of the Company as at 31st March 2019, as at 31st March 2018 .



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CHAHAL INFRASTRUCTURES LIMITED
Notes to financial statements for the year ending march 3 , 2019

2.3 Related Party Disclosures:

Information given in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures:

A List of Related Parties with whom transactions have taken place during the year:

(i) Holding Company:
Om Metals Infraprojects Limited

(ii) Key Management Personnel;
Vikas Kothari

(iii) Enterprises in which KMP or their relatives having control or significant influence
SPML Infrastructure Limited

B Aggregate related parties disclosure:

SI No	Particulars	Transactions amount during the year ended 31st March 2019					Outstanding as on 31st March 2019	
		Loans & Advances Received	Share Application Received	Finance Cost	Sale of Fixed Assets	Reimbursement of Expenses	Debit Balance	Credit Balance
Enterprises in which KMP or their relatives having control or significant influence								
1	SPML Infrastructure Limited							
	As at 31st March 2019	100.00	-	2.86	(27.68)	-	-	22.36
	As at 31st March 2018	(223.88)	-	(2,538.03)	-	-	-	(19.51)

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



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24 Fair values

The carrying value and fair value of financial instruments by category:

Assets and liabilities carried at amortised cost

(Amount in Rs '000)

Particulars	Carrying Value		Fair Value	
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2019	As at 31st March 2018
Financial assets				
Cash and cash equivalents	114.61	252.29	114.61	252.29
Total	114.61	252.29	114.61	252.29
Financial liabilities				
Borrowings	22,360.85	19,519.48	22,360.85	19,519.48
Total	22,360.85	19,519.48	22,360.85	19,519.48

There are no assets and liabilities which have been carried at fair value through the profit and loss account

There are no assets and liabilities which have been carried at fair value through the other comprehensive income.

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own nonperformance risk as at 31 March 2019 was assessed to be insignificant.

25 Fair value hierarchy

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Significant observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Significant unobservable inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).



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26. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the company. The financial risk committee provides assurance to the company's senior management that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018 including the effect of hedge accounting.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and hedges of a net investment in a subsidiary at 31 March 2019 for the effects of the assumed changes of the underlying risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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 company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The company's policy is to keep between 40% and 60% of its borrowings at fixed rates of interest, excluding borrowings that relate to discontinued operations. To manage this, the company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and group company loans. The Company's policy is that not more than 25% of borrowings should mature in the next 12-month period. All the borrowings are from group companies and they are payable on demand. As on date no loan has been demanded for repayment, accordingly the % of borrowing to be repaid during the year has not been provided. The company assessed the concentration of risk with respect to refinancing its debt and concluded it to be medium.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Amount in Rs '000)

As at 31st March 2019	On Demand	Less than 3 months	Less than 3 months to 12 months	More than 1 year	Total
Borrowings	-	-	-	22,360.85	22,360.85
Other Current Liability	-	125.50	-	-	125.50

As at 31st March 2018	On Demand	Less than 3 months	Less than 3 months to 12 months	More than 1 year	Total
Borrowings	-	-	-	19,519.48	19,519.48
Other Current Liability	-	145.90	-	-	145.90



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Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Group to manage risk concentrations at both the relationship and industry levels.

27 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 of the parent. 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 the requirements of the financial covenants. 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 a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% and 50%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Particulars	(Amount in Rs '000)	
	As at 31st March 2019	As at 31st March 2018
Borrowings	22,360.85	19,519.48
Other current liability	125.50	145.90
Less: cash and cash equivalents	(114.61)	(252.29)
Net Debt	22,371.74	19,413.09
Equity	3,632.00	3,632.00
Security premium	90,828.00	90,828.00
Other equity	(1,70,694.58)	(1,68,328.20)
Total Equity	(76,234.58)	(73,868.20)
Gearing ratio	-0.42	-0.36

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.



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CHAHEL INFRASTRUCTURES LIMITED

Notes to financial statements for the year ending march 31, 2019

- 28 The amounts and disclosures included in the financial statements of the previous year have been reclassified and regrouped wherever necessary.

As per our Report of even date.

For and on behalf of the board

For Maheshwari & Associates
Chartered Accountants
Firm Reg.No. 311008E



Sateesh Patil
Partner
Membership No. 227311

Place: Bengaluru
Date : 18th May 2019

Pukhraj Jain
Director
DIN : 02671640

Place: Bengaluru
Date : 18th May 2019

Vikas Kothari
Director
DIN : 00223868