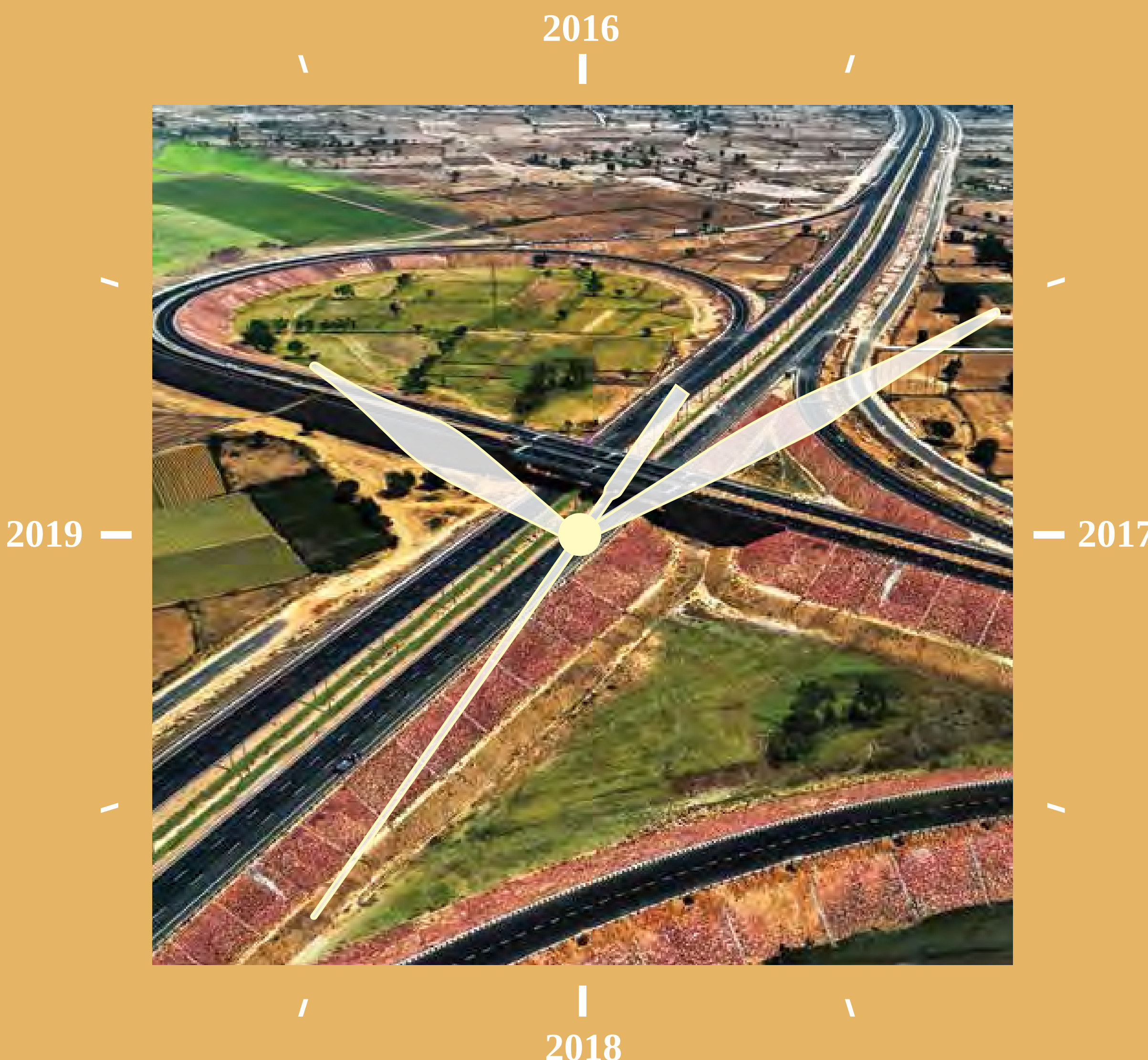
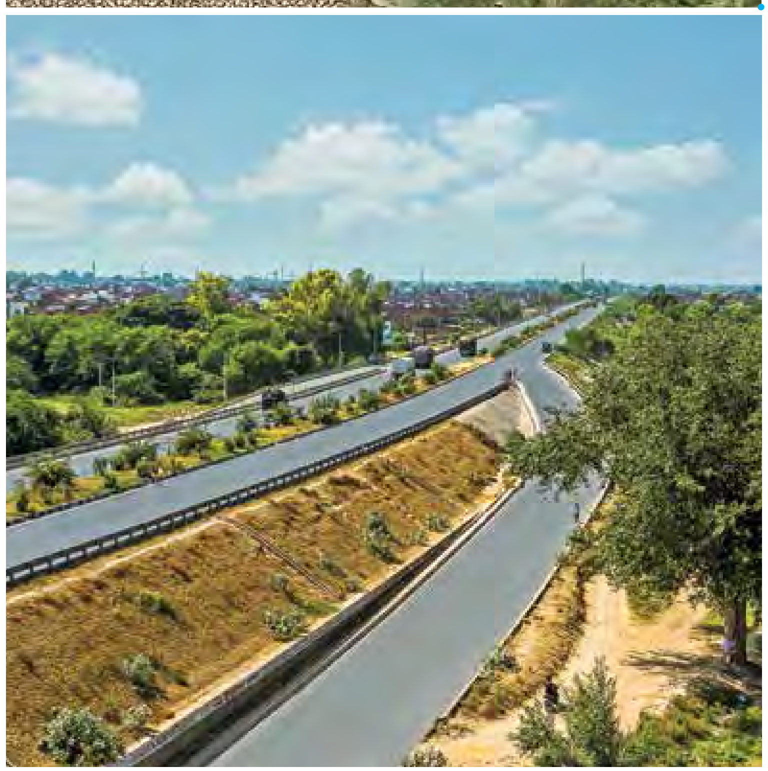



# TIMES CHANGE.
# PASSION DOESN'T.

**PNC INFRATECH LIMITED**
ANNUAL REPORT 2016-17

# CONTENT





# **TIMES CHANGE.** PASSION DOESN'T.

In the dynamic business environment full of uncertainties, change is the only certain. As times pass, the Indian infrastructure industry is witnessing multiple changes at a breakneck pace. With a resolve to accelerate creation and development of core infrastructure, the country is striving to remove both construction and operational bottlenecks with a sound resolve and objective policy framework.

Critical issues such as delay in land acquisition and environmental clearances need to be overcome at a faster pace. While doing our best in project execution as well as managing our annuity and BOT assets, we continue to shine through bolstering our order book, construction assets and technologies and health of our balance sheet. As a result, we grew our order book by 10% to take it to Rs. 5379 crore and improved our credit rating at the close of FY17. Not included in the order book are three more project wins worth Rs. 4154 crore, which will take our total project value to over Rs. 9000 crore, ensuring revenue visibility for well over three years. The four road projects awarded under Hybrid Annuity Model (HAM) till date have an aggregate bid project cost of Rs. 5035 crore.

The strength of our value proposition, proven expertise in road construction, relentless passion for timely execution, focus and fiscal prudence coupled with large pool of state-of-the-art construction machinery & logistic fleet, dedicated management & staff with proven credentials and a competent board with committed promoters has been helping us win confidence of our customers as well as lenders and investors. Not surprising, we had achieved financial closure of our HAM projects well before in time and are on our way to accomplish the same for the remaining three HAM projects within the given time.

Besides 17 ongoing EPC projects, we are also managing a sizeable portfolio of 8 BOT projects, all of which are operational with no further equity infusion requirement in any of these projects. Going forward, these projects are expected to strengthen our revenue visibility.

# ACCOLADES OVER THE YEARS


## 1999

**Incorporated** as PNC Construction Company Private Limited

## 2001

**Received** 'Super Special' class certification from Military Engineering Services

**Executed** first independent project with NHAI – fourlaning of the Agra-Gwalior section of National Highway#3 in Uttar Pradesh

## 2003

**Received** bonus from NHAI for ahead of scheduled four-laning completion of Agra Gwalior section on National Highway#3 in Uttar Pradesh

## 2004

**Bestowed** ISO 9001:2000 certification

## 2005

**Executed** the first international airport runway project for AAI in Kolkata

## 2006

**Crossed** ₹ 1,500 million in revenues

## 2007

**Awarded** BOT road project by Madhya Pradesh Road Development Corporation Limited

## 2008

**Commenced** construction of power transmission lines comprising the construction project of approximately 350 kilometres of 132/220 kv lines on a turnkey basis (excluding the supply of towers, conductors and earth wires for the Uttar Pradesh Power Transmission Corporation Limited)

## 2009

**Crossed** ₹ 5,000 million in revenues

**Received** a contract to improve the Gurgaon-Nuh-Rajasthan Border (State Highway 13) by four-laning, widening, strengthening, providing drains, widening bridges and culverts, retaining structures and other miscellaneous work by the Haryana State Roads and Bridges Development Corporation Limited – amounting to ₹ 3,380 million

## 2010

**Awarded** first independent BOT road project to improve the Gwalior-Bhind Madhya Pradesh/ Uttar Pradesh Border Road, a two laning project through two sections on National Highway#92

**Awarded** two-laning (with paved shoulders) contract of the Kanpur Kabrai section on National Highway#86 in Uttar Pradesh

**Awarded** project to construct 132 kilovolt S/C and 220 kilovolt D/C lines in Uttar Pradesh

## 2011

**Received** investment of ₹ 1,500 million from NYLIM Jacob Ballas who subscribed to 5,686,833 equity shares

**Executed** four-laning of the Jaora-Nayagaon section on State Highway#31 in Madhya Pradesh

## 2012

**Awarded** two-laning project with paved shoulders of Rae Bareli to Jaunpur Section of National Highway#231 in Uttar Pradesh under NHDP-IV

**Constructed** road over-bridge on Ajmer-Beawer Road, Old National Highway, including approaches at railway/ kilometre 306/8-9 on the Ajmer Saradhana section

## 2013

**Awarded** runway resurfacing project at Air Force Station, Gorakhpur

**Awarded** and commenced toll collection on OMT basis of the Kanpur-Lucknow section of National Highway#25, Lucknow bypass of National Highway#56A and National Highway#56B and Lucknow-Ayodhya section of National Highway#28 in Uttar Pradesh by NHAI for nine years from August 2013

## 2014

**Executed** a redevelopment and management project at Narela Industrial Estate ahead of schedule

**Awarded** EPC contract of Agra-Lucknow Expressway Package-I for ₹ 1,635 crores

**Entered** into a collaborative MoU with POSCO E&C

## 2015

**Was listed** on the NSE and BSE following the successful IPO

**Achieved** COD for three BOT-Toll projects (Ghaziabad Aligarh, Kanpur-Kabrai and Bareilly-Almora) and commenced toll operations.

## 2016

**In February** 2016, completed 166 km long Raebareli-Jaunpur highway project on BOT-Annuity project more than 3 months ahead of schedule

## 2017

**Won** 4 HAM projects with total bid project cost of Rs. 5,035 crores

**Dausa-Lalsot-Kauthun** Section HAM project achieved financial closure well before time

**Received** order for new EPC projects worth Rs. 493 crores

**PNC Infratech** assigned "Stable" outlook

**Credit** ratings upgraded to stable outlook for projects such as MP Highways Pvt. Ltd., and PNC Raebareli Highways Pvt. Ltd.

# PNC INFRATECH- A SNAPSHOT

PNC Infratech is one of the leading infrastructure construction, development and management companies in the country with hands-on experience and proven expertise in the execution of major infrastructure projects, including highways, bridges, flyovers, power transmission lines, airport runways, industrial area development and other infrastructure activities.

We provide end-to-end infrastructure implementation solutions that include engineering, procurement and construction ('EPC") services on a fixed-sum turnkey basis as well as on an item rate basis. We also execute and implement projects on a 'Design-Build- Finance-Operate-Transfer" ('DBFOT"), Operate-Maintain-Transfer ('OMT"), Hybrid Annuity Model ('HAM") and other PPP formats. In India, we are amongst the selected holistic infrastructure companies that have investment, development, construction, operation and management capabilities under one roof.

Our expertise lies in catering the most demanding customers with their presence spanned across geographies and cultures both in terms of construction speed & quality and operational efficiency.

## VISION 2020

Pursuant to the Vision 2020, PNC Infratech is focused to leverage the humongous growth opportunities particularly in roads and highway sector to secure its position among the top infrastructure development and construction solution providers in the country by year 2020. To meet this challenge, the company has robust order booking with diverse fund-based and non-fund based projects across states but with regional focus under various segments.

## MISSION

To become a spearheading force in development, construction and management of infrastructure projects by continually achieving excellence in all spheres of activities; maintaining our leadership in timely completion of projects and adopting state-of-the-art & sustainable technologies.

## CUSTOMER PORTFOLIO
(PRESENT & PAST)

- Ministry of Road Transport & Highways
- National Highways Authority of India
- Airports Authority of India
- RITES Limited
- Military Engineering Services, (GOI)
- Haryana State Roads & Bridges Development Corporation Limited
- Madhya Pradesh Road Development Corporation Limited
- P.W.D. UP (World Bank Aided & other Projects)
- UP Power Corporation Limited
- Delhi State Industrial & Infrastructure Development Corporation Limited
- Dedicated Freight Corridor Corporation of India Limited
- Uttar Preach State Highways Authority
- Uttar Pradesh Expressways Industrial Development Authority


Agra Bypass connecting NH 2 & NH 3

# COMPANY HIGHLIGHTS

Executed 59 major infrastructure projects spread across 13 states, of which 38 are road & highway projects

Currently executing 17 projects across states

Operating 6 BOT projects and 1 OMT project, comprising of both toll & annuity assets

4 HAM projects under-implementation

Strong credit rating of CARE AA- for Long Term, CARE A1+ for Short Term Loans, 'Stable' Outlook and CARE A1+ for Commercial Paper

# GEOGRAPHICAL PRESENCE

# OUR PERFORMANCE

## OPERATIONAL HIGHLIGHTS

We, through our subsidiaries & associates have total seven BOT/OMT projects; all seven are already in operation

Our six operational road projects have over 2400 lane-kilometers

Our ten toll plazas handle over one lakh vehicles in a day

## NEW BUSINESS SECURED

Won 4 HAM projects with an aggregate bid project cost of ₹ 5,035 crore

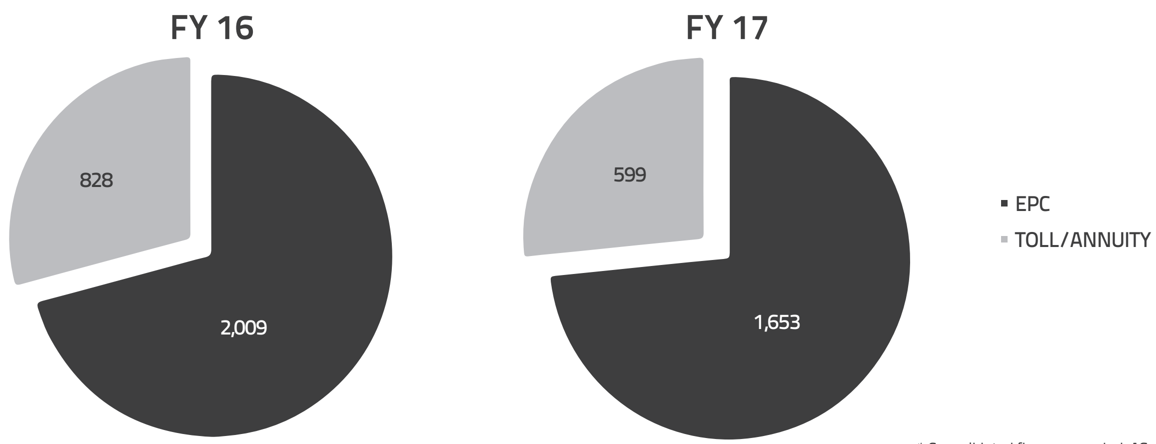
Received new project orders worth ₹ 5,035 crore from NHAI

Received new project orders worth ₹ 353 crore from UP Government

Received an airport runway project worth ₹ 140 crore from Military Engineering Services GoI

Dausa-Lalsot-Kauthun HAM project achieved financial closure before time

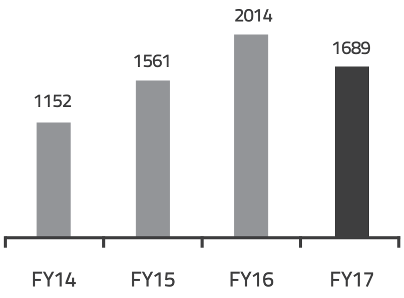
## SEGMENTAL REVENUE BREAK-UP



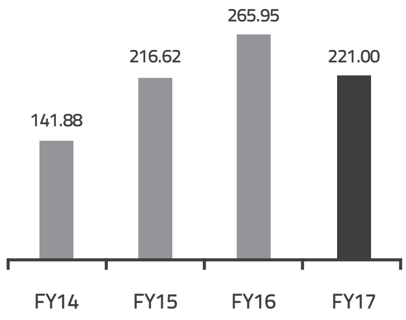

* Consolidated figure as per Ind-AS

# FINANCIAL HIGHLIGHTS*

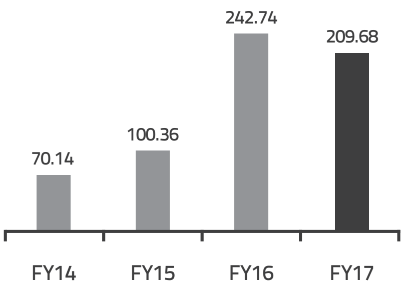
## Revenue
(IN ₹ CRORES)



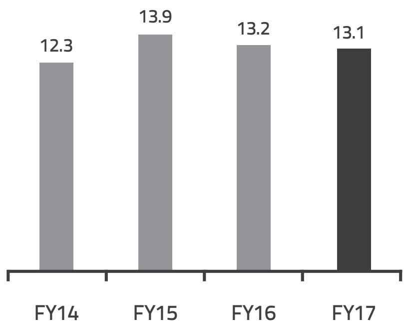

## EBITDA
(IN ₹ CRORES)



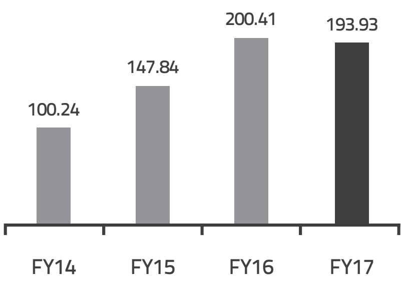

## PAT
(IN ₹ CRORES)



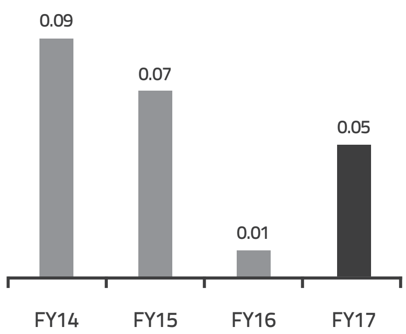

## EBITDA MARGIN
(IN %)




## PBT
(IN ₹ CRORES)




## DEBT-EQUITY RATIO
(IN ₹ CRORES)




* Standalone

# FROM THE DESK OF **THE CHAIRMAN**

**Dear Stakeholders,**

It gives me great pleasure to connect with you while highlighting your Company's performance during FY17. Over the years, your Company has carved its niche as a holistic infrastructure company with well-diversified interests in construction of roads, highways, airports, bridges, transmission lines and projects related to industrial area development. Your Company is one of the few infrastructure companies in India that has investment, development, construction, operation and management capabilities under one roof. Your Company is well placed to accomplish its goals and thereby create value for the esteemed shareholders.

FY17 was indeed a challenging year as the industry experienced multiple headwinds including actively prolonged monsoon in Q2 followed by the demonetization drive in Q3 and assembly elections in the states of Uttar Pradesh & Uttarakhand in Q4. The industry's performance was also impacted by slow pace of project awards by government proponents and persistent delays in land acquisition. These constraints and restraints wedged both commencement of new projects and execution of ongoing projects significantly and your Company was no exception.

## Business Snapshot

Your Company has a strong traction in the Northern region due to its long established set-up of multi-pronged project execution support system, which will continue to be our focus area going ahead. During the year, your Company has completed two very challenging projects namely four-laning of 10 km long Dholpur-Morena Section of NH-3 including a major bridge on river Chambal, one of the highest river bridges in the country and four laning of Agra bypass connecting NH-2 and NH-3 amid very challenging working conditions with very complex structures. Your Company, at present is simultaneously executing 17 EPC projects across various states. The diversified marquee clientele include central and state government authorities including MoRTH, NHAI, UPEIDA, UPSHA, DFCC, MES,

**A LARGE FLEET OF SOPHISTICATED EQUIPMENTS, VAST EXPERIENCED EMPLOYEE BASE AND A HIGHLY QUALIFIED MANAGEMENT TEAM WILL LEAD US TOWARDS SCALING NEW HEIGHTS.**

State Public Works Departments, etc. Currently, your Company has a balanced BOT portfolio including fully operational 4 Toll Projects, 2 Annuity Projects and 1 OMT Project. The revenue growth from these BOT assets (100% owned) was over 45% in FY17 as compared to FY16.

Your Company has a robust order book of over ₹ 5,300.0 crore as on 31st March, 2017, that includes one project of Dausa - Lalsot - Kauthun section of NH 11A on Hybrid Annuity Model (HAM), out of four HAM projects secured during the year of an aggregate bid project cost of ₹ 5,035.0 crore. With the all time high order book, your Company is aiming to scale new heights with long-term sustained revenue earnings in the coming years.

## Financial Snapshot

In FY17, your Company's standalone revenue was ₹ 1,689 crore as compared to ₹ 2,014 crore in FY16. Revenues were affected due to the multiple headwinds mentioned earlier and even progress of ongoing works also suffered on account of ban on inter-state transportation of minor minerals, sand mining etc. in the state of UP particularly during the second half of year. Nevertheless, your Company was able to achieve a decent EBITDA and PAT at ₹ 221 crore and ₹ 210 crore respectively on standalone basis. The Consolidated Revenue for FY17 was ₹ 2,252 crore as compared to ₹ 2,837 crore in FY16. The decline was a bit optical due to application of Indian Accounting Standards (Ind-AS) during the year, and were also significantly affected due to the demonetization drive in Q3 FY17. The Consolidated EBITDA for FY17 was ₹ 624 crore as compared to ₹ 622 crore in FY16, while PAT for FY17 was ₹ 118 crore as compared to ₹ 209 crore in FY16.

Your Company has been assigned stable outlook by CARE. Additionally, rating for long term bank facilities upgraded from 'CARE A+' to 'CARE AA-' and the short term bank facilities was reaffirmed as 'CARE A1+'.

## Future Outlook

The Union Budget 2017-18 has allocated ₹ 3.96 lakh crore to the infrastructure sector. The future of infrastructure industry particularly the sectors including roads, highways, expressways, bridges, dedicated rail freight corridors and airports is very bright. Looking at the multiple high value projects on the horizon and increased budgetary allocations and large investments including PPP initiatives by both central and state governments for the core infrastructure development coupled with enabling policies and reforms by the respective governments, there will be enormous business opportunities for your Company to harness.

Your Company is all set to reap the benefits through its proven project execution capabilities, integrated in-house design, engineering & project management expertise and strong techno-financial credentials for qualification. A large fleet of sophisticated equipments, vast experienced employee base and a highly qualified management team will also lead and guide your Company towards scaling new heights.

On behalf of the entire board, I would like to extend my sincere gratitude to all the stakeholders including banks, financial institutions, central & state governments, customers, vendors and business associates for their unremitting co-operation, support and encouragement. I would like to thank our valuable 'human capital' for their continued passion and dedication towards the Company. Finally, I would like to thank the Board for their valuable guidance and express my deepest gratitude to all the shareholders for their continued support and confidence in the Company.

Yours Truly,

**Pradeep Kumar Jain**
Chairman

# MANAGEMENT TEAM

**Mr. Pradeep Kumar Jain**
Chairman & Managing Director

Mr. Pradeep Kumar Jain holds a Bachelor's degree in Arts and has over 39 years of experience in the infrastructure and allied sectors. Before forming PNC Infratech, Mr. Jain was engaged in the business of providing integrated construction services for infrastructure sector through PNC Construction Company, a sole proprietorship firm at Agra. He has been on the Board of Directors since incorporation. His current responsibilities include overall administration and monitoring of projects and liaisoning with the Government and non-Government agencies.

**Mr. Naveen Kumar Jain**
Whole-time Director & Promoter

Mr. Naveen Kumar Jain holds a Bachelor's degree in Arts and has over 30 years of experience in the construction, cold storage operations, plant & machineries and transport operations. He has been on the Board of Directors since February 2006. His current responsibilities include overall supervision of administration, human resources development, legal and logistics-related functions of the company.

**Mr. Yogesh Kumar Jain**
Managing Director & Promoter

Mr. Yogesh Kumar Jain holds a bachelor's degree in Civil Engineering and has 24 years of experience in business strategy, planning, investment, bidding, development, procurement, execution, operation and management of infrastructure projects across sectors including highways, bridges, flyovers, airport runways, development of industrial areas, track construction for rail freight corridors and others. He has been on the Board of Directors since inception. His expertise lies in business development, relationship management, contract administration and project implementation from concept to commissioning.

**Mr. Chakresh Kumar Jain**
Managing Director & Promoter

Mr. Chakresh Kumar Jain holds a Bachelor's degree in Arts and Law. His experience spans over 29 years with expertise in development of infrastructure sector, such as construction of highways, airports, rail over bridges among others. He has been on the Board of Directors since inception and was appointed for a term of five years with effect from October 1, 2011 and last reappointed pursuant to retirement by rotation at annual general meeting dated September 11, 2014. His current responsibilities include overall administration of procurement, finance & accounts, plant & equipment and relationship management activities of the company.

**Mr. Anil Kumar Rao**
Whole-time Director

Mr. Anil Kumar Rao holds a bachelor's degree in Civil Engineering and a master's degree in Construction Technology & Management. He has over 30 years of experience in Implementation and Operation & Management of infrastructure projects in array of sectors, which include highways, bridges, airport pavements, rail track construction, heavy industrial structures and industrial area development etc across geographies and cultures. Prior to joining PNC Infratech in the year 1999, he had worked with Progressive Constructions, Gulfar Engineering & Contracting, Oman, IRCON International, Somdatt Builders in various senior positions. He is also a member of Indian Roads Congress and Institution of Engineers India. He has been a Director on our Board since November 17, 2000. His current responsibilities include overall monitoring, execution and O&M of projects.

## Mr. Subhash Chander Kalia
Independent Director

Mr. Subhash Chander Kalia holds a bachelor's degree in Arts and a master's degree in Political Science. He has over 40 years of experience in the banking and finance sector and served on critical positions in various banks such as Vijaya Bank, Bank of Baroda, Union Bank of India as well as Chairman of Regional Rural Bank, Pratapgarh. Post retirement, he has worked as advisor and head of debt market cell constituted by the GoI under the India Infrastructure Finance Company Limited as well as advisor to the Spice Group of Companies in respect of their banking license application. Presently, he is also serving as an external member of the Empowered Committee of the Reserve Bank of India on External Commercial Borrowing, as a member of the Governing Council of Bankers, Institute of Rural Development, Lucknow and as a member of Banking and Finance Committee of the Indian Merchant's Chamber, Mumbai. He has been serving as the Director on Company's Board since June 30, 2014.

## Mr. Ashok Kumar Gupta
Independent Director

Mr. Ashok Kumar Gupta holds a bachelor's degree in Medicine and a master's degree in Surgery. His professional experience includes serving as professor in S.N. Medical College, Agra along with rich experience in business and management. He is serving on the board of Directors since October 25, 2009.

## Ms. Deepika Mittal
Independent Director

Ms. Deepika Mittal holds a bachelor's degree in Commerce and Law. She is also a qualified Chartered Accountant. Her professional experience of 15 years includes financial management and taxation and audit activities. She is also a designated partner at M/s. PMA & Co., Chartered Accountants, Agra. She is serving as a Director on company's Board since September 8, 2014.

## Mr. Rakesh Kumar Gupta
Independent Director

Mr. Rakesh Kumar Gupta holds a bachelor's degree in Engineering. He has over 35 years of experience in the State and National Highway projects and infrastructure projects sector. Previously, he has held positions of General Manager cadre in Uttar Pradesh Bridge Corporation Limited and Engineering in Chief of Public Works Department, state government of Uttar Pradesh. He has been serving as the Director on Company's Board since August 20, 2014.

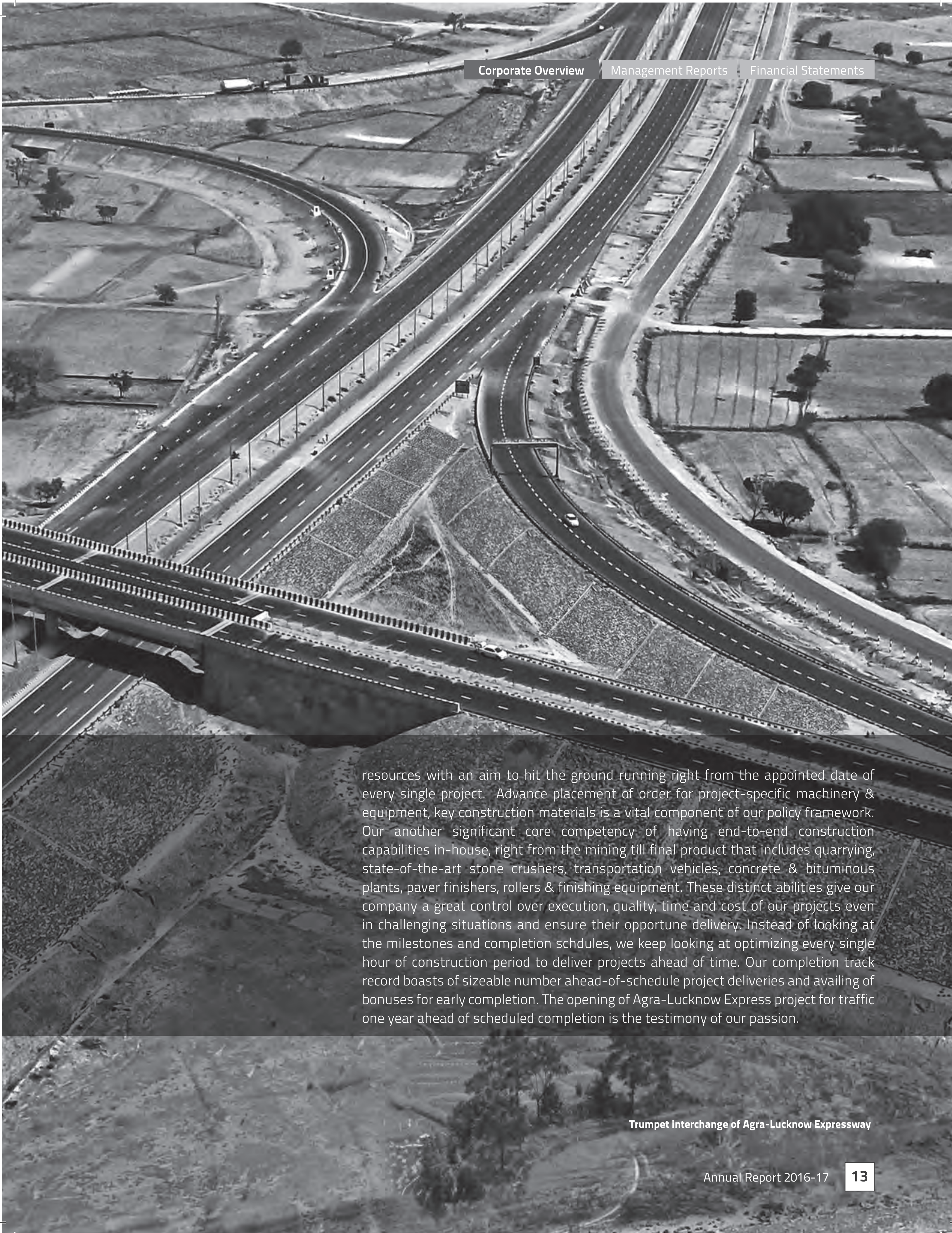
## Mr. Chhotu Ram Sharma
Independent Director

Mr. Chhotu Ram Sharma holds a bachelor's degree in Arts and is presently engaged in managing his own consultancy besides being an Independent Director in some listed and unlisted companies. He has around 40 years of experience of serving on critical positions in foreign, public and private sector banks such as Centurion Bank of Punjab, Bank of Punjab, Andhra Bank, Citibank and Oriental Bank of Commerce. He is serving on the Board of Directors since October 25, 2007.

# PASSION FOR TIMELY EXECUTION & DELIVERY

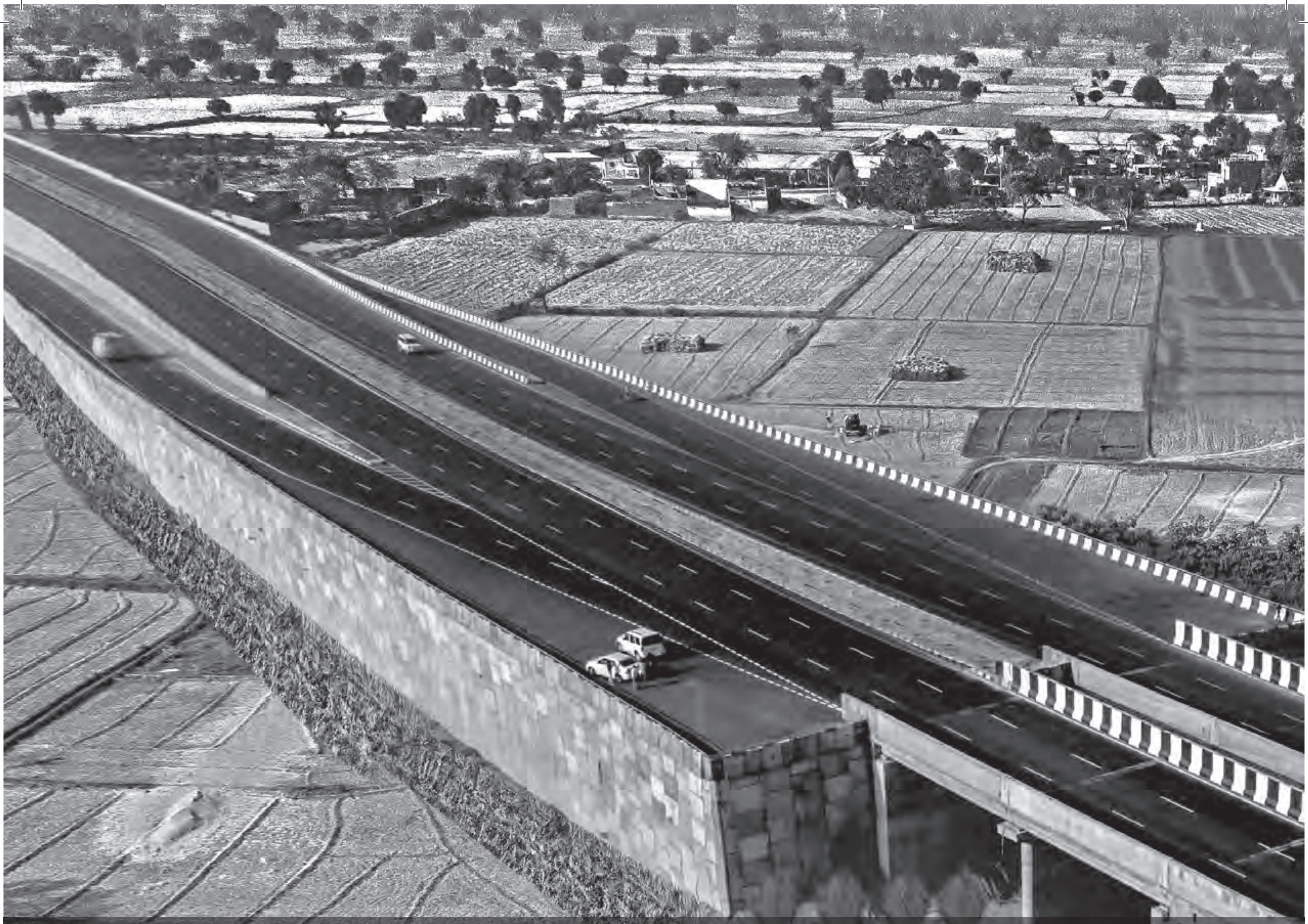
The country needs rapid creation and development up of infrastructure across roads, bridges, airports, ports and railways among others. It is pertinent for all stakeholders including government, regulators, designers, construction companies, investors & lenders, manufacturers and vendors to come together and play their respective roles diligently in speeding up infrastructure creation. At PNC Infratech, our passion for speed is as intense as our passion for quality construction and committed delivery. Successful execution of 59 major infrastructure projects across 13 states of India in a short span of just 18 years is an accomplishment that testifies our passion for timely delivery.

Being aware that these projects cross through many a time consuming aspects such as land acquisition and regulatory clearances, we complete our due diligence beforehand. Upon award of project we swiftly move ahead to mobilize adequate



resources with an aim to hit the ground running right from the appointed date of every single project. Advance placement of order for project-specific machinery & equipment, key construction materials is a vital component of our policy framework. Our another significant core competency of having end-to-end construction capabilities in-house, right from the mining till final product that includes quarrying, state-of-the-art stone crushers, transportation vehicles, concrete & bituminous plants, paver finishers, rollers & finishing equipment. These distinct abilities give our company a great control over execution, quality, time and cost of our projects even in challenging situations and ensure their opportune delivery. Instead of looking at the milestones and completion schdules, we keep looking at optimizing every single hour of construction period to deliver projects ahead of time. Our completion track record boasts of sizeable number ahead-of-schedule project deliveries and availing of bonuses for early completion. The opening of Agra-Lucknow Express project for traffic one year ahead of scheduled completion is the testimony of our passion.

**Trumpet interchange of Agra-Lucknow Expressway**



# PASSION FOR FOCUS

The country needs a wide array of infrastructure and the demand spreads across the sectors, geographies and segments. The customer base essentially includes various central and state government project proponents. In such a panorama of opportunities, selecting the most appropriate sector, geography and segment needs a focused approach and stance.

At PNC Infratech, we typically don't get digressed from the above focussed approach until unless there are strategic requirements. The roads & highway sector has traditionally been our focused sector where our core competency lies and it also makes major contribution to our revenue. Having delivered large number of major road, highway and bridge projects, we have significantly strengthened our techno-financial qualification credentials for pitching the larger projects including expressways. With our historic count of over 6000 lane-kms highway development and construction, we have emerged as a leading national player in the sector.

Northern region, more particularly 500 km radius of our base (Delhi/Agra) will continue to be our focused region for projects, which has been our area of strength since inception.

Similarly EPC segment, in which we have proven expertise and established proficiency, will remain our focused implementation model. Our expertise in the EPC segment spans construction of new roads & bridges as well as widening & upgrading of existing.

# ORDER BOOK HIGHLIGHTS

## HAM PROJECTS- AGGREGATED VALUE ₹ 5,035 crores

- Won 4 HAM projects with total bid cost of ₹ 5,035 crores
- Dausa-Lalsot-Kauthun section of NH-11 (Extension) in Rajasthan under NHDP IV with a bid project cost of ₹ 881 crore
- 6 lane Chitradurga-Davangere worth ₹ 1,434 crores of including Chitradurga bypass received from NHAI in Karnataka
- 4 lane Jhansi-Khajuraho section (Packagae I) worth ₹ 1,410 crores received from NHAI in the states of UP & MP
- 4 lane Jhansi-Khajuraho section (Package II) worth ₹ 1,310 crores received from NHAI in UP & MP

## EPC PROJECTS- AGGREGATED VALUE ₹ 493 crores

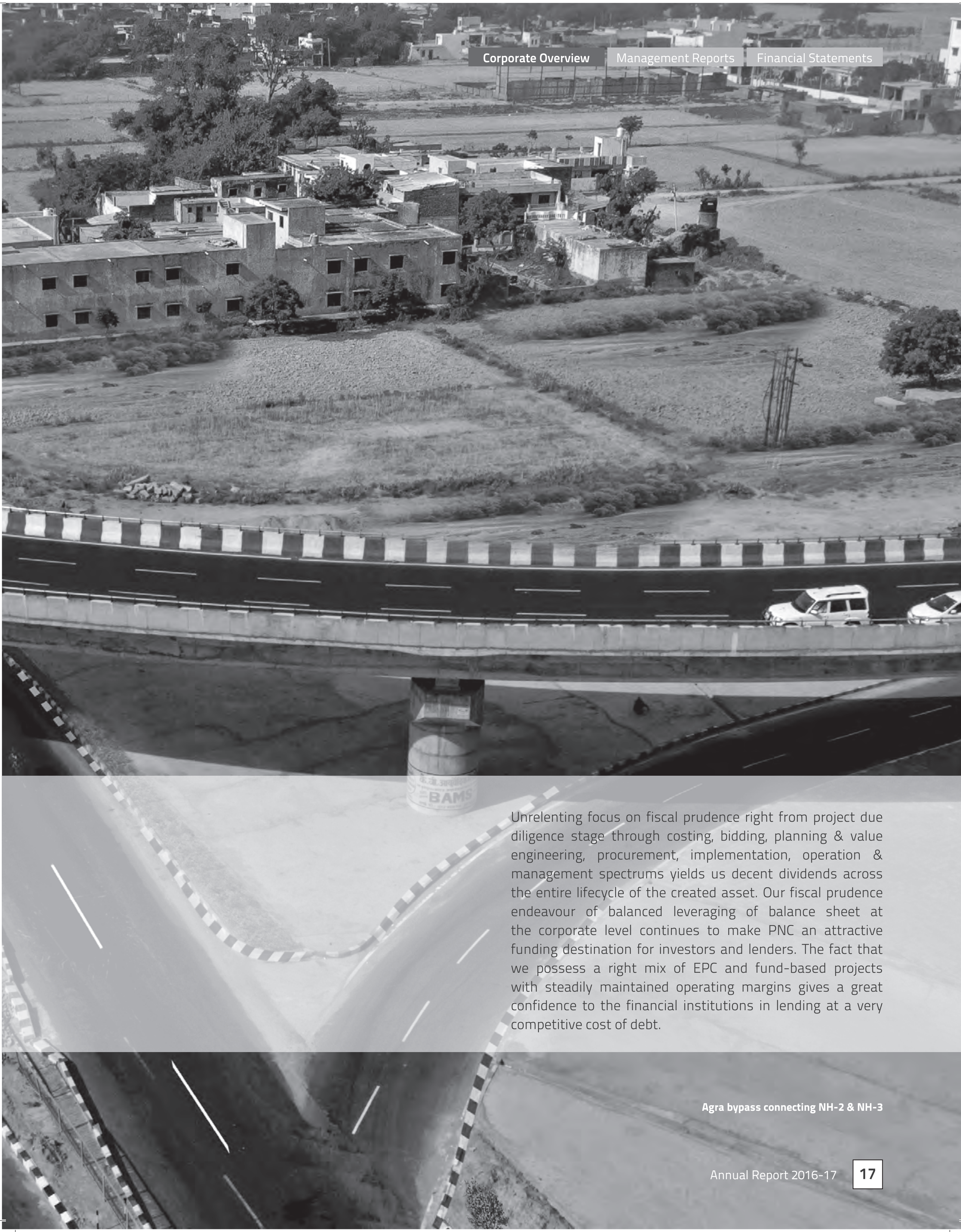
- ADB funded PWD road project in UP (up-gradation of Nanau-Dodon section in the district of Aligarh) wort ₹ 120 crores
- 4 laning of Etah to Kasganj worth ₹ 233 crores received from UPPWD
- Extension and resurfacing of runway at Air Force Station, Baksi Ka Talab , near Lucknow worth ₹ 140 crores.

**ROB at Agra bypass project connecting NH-2 & NH-3**

# PASSION FOR FISCAL PRUDENCE

The landscape of infrastructure development is fast expanding. Urgency towards large-scale creation of infrastructure is marked with significant opportunities and challenges. While the proponents are coming up with newer models to spur greater collaboration among public & private enterprises and also the financial community, the competitiveness is increasing, in both fund based and non-fund based opportunities.

In the midst of inevitable competitive scenario, the chances of margin erosions and picking up of projects at narrowly viable terms remain high. At PNC Infratech, while our brand equity remains of paramount importance, we remain extra careful that every project that we bid for should give us decent returns that enhance stakeholders' value sustainably.



Unrelenting focus on fiscal prudence right from project due diligence stage through costing, bidding, planning & value engineering, procurement, implementation, operation & management spectrums yields us decent dividends across the entire lifecycle of the created asset. Our fiscal prudence endeavour of balanced leveraging of balance sheet at the corporate level continues to make PNC an attractive funding destination for investors and lenders. The fact that we possess a right mix of EPC and fund-based projects with steadily maintained operating margins gives a great confidence to the financial institutions in lending at a very competitive cost of debt.

**Agra bypass connecting NH-2 & NH-3**

# MANAGEMENT DISCUSSION AND ANALYSIS

## Global economic overview

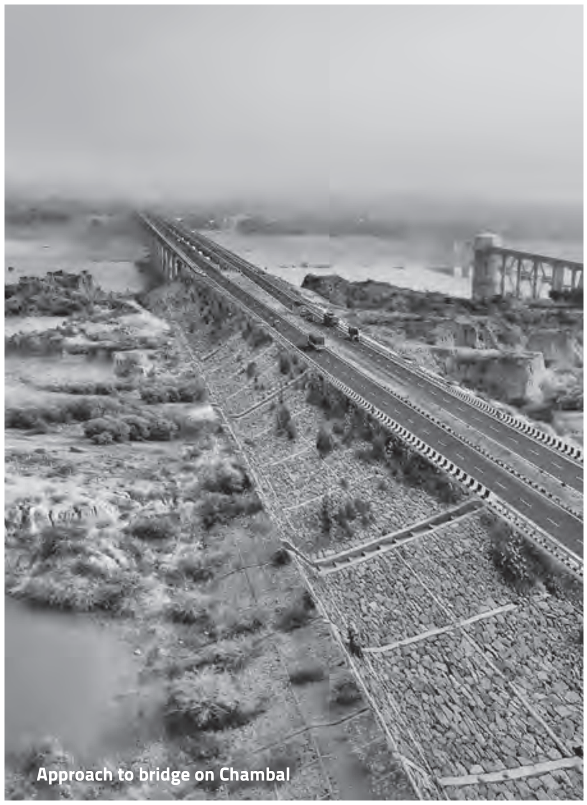
The global economy has picked up pace, thanks to the recovery in industrial activity, increasing consumer confidence, constantly low oil prices and benign interest rates. Global trade is also picking up after two years of marked weakness. As per the estimation of World Bank's June 2017 Global Economic Prospects, global growth is projected to be 2.7% in 2017 and 2.9% in 2018 &19. The growth of advanced economies is forecasted to increase by 1.9% in 2017 and 1.8% in 2018 while the emerging markets and developing economies (EMDEs) are expected to record growth of 4.1 % in 2017 and 4.5 % in 2018. Among the advanced economies, United States will be leading the growth followed by European Countries and Japan. Investment across advanced economies has firmed and domestic demand and exports have also strengthened. Among EMDEs, South Asian countries and East Asia and Pacific countries will be recording the highest growth. India and China would continue to grow at a much higher rate of 7.2% and 6.5% in 2017 respectively. EMDEs are benefitting from robust capital inflows in the first half of 2017. However, gradual tightening of monetary policies worldwide may weigh on capital flows in future.

## Indian economic overview

Indian economy has undergone series of structural reforms that are being undertaken by the present government. The passage of important legislations like GST, Bankruptcy Bill etc. have boosted the confidence in Indian economy. According to Moody's, 'GST will support higher government revenue generation through improved tax compliance and administration. Both will be positive for India's credit profile, which is constrained by a relatively low revenue base". Last year, the government announced demonetisation of high value old currencies to tab black money operations, encourage digitalisation as well as to control tax evasion. Although demonetisation may have caused some temporary headwinds, it is believed that it would prove beneficial in the long-term. These efforts will likely boost the overall growth of the Indian economy. As per the estimation of CSO, Indian economy will grow by 7.1% during the current fiscal. The recent economic indicators are also pointing to recovery in the Indian economy as inflation and interest rates have come down, manufacturing activity and ease of doing business has improved and fiscal deficit is also under control. IMD's rainfall forecasts are also above normal for this year which will in turn boost the agriculture income and overall consumer consumption especially in the rural economies.

### Infrastructure

Infrastructure is a major sector that propels overall development of the Indian economy. The broad categories under the core infrastructure space are power, railways, bridges, roads, ports and urban infrastructure. Over the next 5 years, the country's total investment requirement into infrastructures sector will be approximately ₹ 43 trillion of which it is expected that approximately 70% will be towards Power, Roads and Urban Infrastructure Sectors. Allocation in infrastructure has increased by 25% in the Budget 2017, reflecting the government's focus on infrastructure development. In case of Transportation

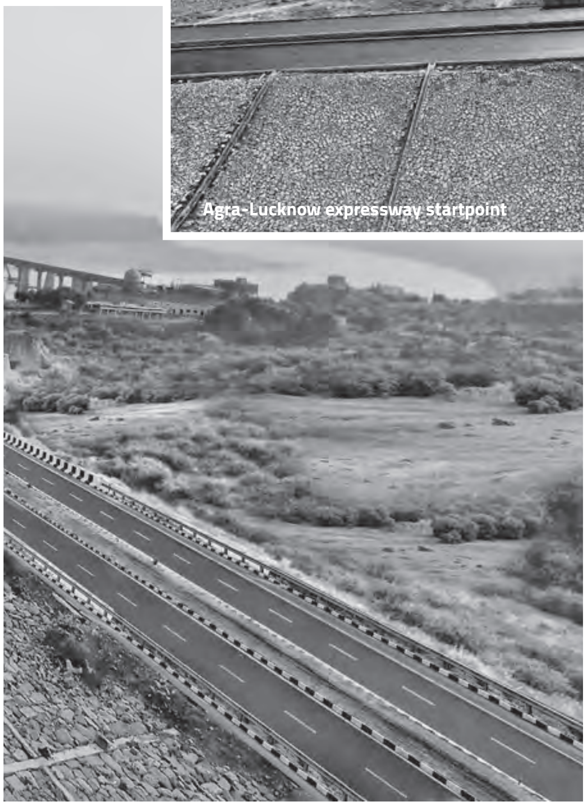

Approach to bridge on Chambal

Infrastructure, the key focus will be on railways, roads, shipping and airports.

## Roads, Highways, Flyovers and Bridges

India has the second-largest road network in the world with 5.5 million km of roads transporting over 70% of goods traffic and 85% of the total passenger traffic. In term of network coverage, National Highways account for over 2% of the network (while carrying about 40% of the total road traffic), state highways account for over 3%, while major district roads and another roads account for 95%. Uttar Pradesh, Rajasthan and

Agra-Lucknow expressway startpoint



Maharashtra are the top three states having highest length of National Highways. In the 2017-18 Union Budget, the Central Government has allocated a total of ₹ 91,000 crores of which approximately 70% i.e. ₹ 64,000 crores have been allocated to NHAI and balance 30% i.e. ₹ 27,000 crores for development of Rural Roads under Pradhan Mantri Gram Sadak Yojana (PMGSY). Alongside, new 2,000 kms of coastal connectivity roads have been identified for construction and development.

In the last three-years, government has awarded highway projects aggregating to 34,000 kms. In FY2016, the Ministry (MoRTH) had set a target of awarding ~10000 kms, but awarded ~8200 kms. However, in FY17, Ministry had set an ambitious target of awarding 25,000 kms of stretches under highway projects, but managed to award only ~16,27`1 kms, of which 8,321 kms were constructed against the target of constructing ~15,000 kms. Out of ~16,271 kms of roads, NHAI awarded ~4,337 kms (~27%) and MoRTH and other entities like NHIDCL (National Highways and Infrastructure Development Corporation) awarded ~11,934 kms (~73%) in FY17, which is much higher than ~4,368 kms and ~3,927 kms awarded by NHAI and MoRTH in FY16.

For awarding projects, more focus has been made on HAM and EPC and significant reduction has been seen in awarding projects on BOT Toll basis. In FY17, NHAI awarded ~56% of the projects under HAM, ~35% under EPC and ~10% under BOT. National Highways construction progress was ~23 kms/day in FY17 against the target of 40 kms/day, compared to 17 kms/day in FY16. In first quarter of FY18 it was ~25 kms/day. This shows the increase in the construction speed. Presently, 92 road projects having total Investment of ~₹ 62,647 crore covering length of ~5,427 kms are under execution, of which Eastern Peripheral Expressway (Kundli-Ghaziabad-Palwal) project is one of the biggest projects.

According to the Ministry of Rural Development, Government of India, in FY17, under Pradhan Mantri Gram Sadak Yojna (PMGSY) ~47,350 kms roads were constructed which is the highest during the last 7 years. On an average, 130 kms roads/per day were constructed in FY17 under PMGSY, while in 2014-16 on an average it was ~100 kms per day and during 2011-14 it was just ~73kms per/day. Under PMGSY, encouragement has been made for the usage of 'Green Technologies' and non-conventional materials like waste plastic, cold mix, geo-textiles, fly-ash, iron and copper slag etc. during the construction of rural roads. In FY17, about ~4,113kms of PMGSY roads were constructed using the 'Green Technologies' which is substantially higher as compared to previous years.

In FY17, almost 56% of the projects have been awarded under HAM. Approximately, 22 out of the 43 HAM projects awarded by NHAI have achieved financial closure. Till now, ~ ₹ 42,980 crore value of projects are awarded under HAM. In HAM model, 40% of the bid project cost is given as a grant from NHAI, while the concessionaire's equity contribution is around 15% of the remaining 60% of the project cost, which is effectively just 9%.

## Fund Raising

Government is actively considering for leasing out of existing airports, ports and roads and other infrastructure assets to private operators to attract investments and free up funds to step up public investments in Greenfield projects. Toll – Operate – Transfer (TOT) Model, a new Model developed by MoRTH will be granted the rights for collection of Toll Fees for operational public funded NH projects to concessionaires against upfront payment of a lump-sum amount for a pre-determined concession period of 30 years. O&M obligations of such projects shall be with the concessionaire till the completion of concession period.

Almost 75 public funded National Highways projects of approximately 4,500 kms aggregate length with annual toll revenue collection potential of around ₹ 2,700 crore have been identified for building under this model. As per CRISIL, upon monetisation, these 75 TOT projects will fetch around ₹ 40,000 crore of funds on upfront basis.

To fund its projects, NHAI has sold 30 year bonds worth ₹ 5,000 crore to LIC. Recently, NHAI issued Masala Bonds of value ₹ 3000 crore at the London Stock Exchange. Also, Ministry of Road Transport & Highways (MoRTH), Government of India is in talks with the Japanese funding agencies for ₹ 2 trillion soft loan. Further, about investments of ₹ 3.0 trillion is planned to develop 40 economic corridors spanning across the country comprising of 21, 000 km length of roads.

## Government initiatives

For promoting digitalisation, initiatives like implementation of e-payment system and online direct payment procedure at Regional Offices are taken. Web-based monitoring of National Highway Projects will result into real-time inspection and acceleration of work in the projects. MoRTH has asked the National Highways Authority of India (NHAI) and all private operators to equip all the lanes at toll plazas with electronic toll collection system by March of the next year.

MoRTH has launched an online platform 'INAM PRO+", an upgraded version of INAM PRO, for infra raw materials, which will act as a repository of all raw material suppliers, vendors and manufacturers in the country from where consumers and construction companies, along with public sector companies, can buy construction materials at competitive rates. Over the last 2 years, more than 700 construction companies have used the INAM PRO portal. The portal has 37 cement companies registered on it which makes it easier for companies to compare prices, availability and make it convenient for buyers to procure cement at reasonable prices and in a transparent manner.

An Expert panel has been set up by NHAI to solve disputes between NHAI and contractors. This will help to solve nearly 280 pending cases with claims of value ~₹ 43,000 crore and future cases. The decision by expert panels will be binding on both NHAI and the contractors.

According to ICRA, highway sector is heading for consolidation and M&A activities are picking up. Developers are seeking to divest some of the projects to reduce debt and free up equity for redeployment into new projects. Sponsors in 17 projects, involving a total value of ~₹ 9,800 crore, have monetised their assets. These include 10 National Highway toll projects, 4 national highways annuity and three State toll road projects. 16 construction companies have a combined business of ~₹ 80,000 crore of road construction, with a visibility of projects for 3-3.5 years.

The Government is planning to venture into execution of International projects in Roads and Highways sector. With a view to take up projects, the Ministry of Roads & Highways is planning to setup a new company, NHAI International which could take up projects particularly in South Asia. India is looking to participate in various road projects in neighboring countries like Nepal, Bhutan, Bangladesh, Myanmar, Sri Lanka etc. through joint venture route.

## Railway

Railway contributes hugely to economy with its mammoth country-wide network. It runs 21,000 trains everyday to transport around 23 million passengers and 3 million tons of freight. The total capital and development expenditure on railway infrastructure rose to ~₹ 1.21 lakh crore in FY17 from ~₹ 54,000 crore in FY15. As per the Ministry of Railways, for FY18 it is expected to further increase the expenditure to ~₹ 1.31 lakh crores, in which government's contribution will be of ₹ 55,000 crore. Railway has raised it's target for commissioning of railway lines from 2,800 kms in FY17 to 3,500 kms in FY18. In total, 25 stations are expected to be awarded for redevelopment in FY18. The Indian Railways plans to set up a US$ 5 billion 'Railways of India Development Fund' (RIDF) for investment in its projects. It will raise ₹ 35,000 crores for the fund with the assistance of the World Bank for development of Railway Sector.

Recently, the Cabinet Committee of Economic Affairs (CCEA) has approved construction worth of ~₹ 10,700 crore for six railway lines and bridges. This will help to meet the growing needs of transportation of passengers and freight across several parts of India. For the modernisation of Indian Railways, the government of India will be spending ~₹ 850,000 crore over the next five years. The Cabinet also cleared funds of ₹ 82,000 crore towards two 'dedicated freight corridors" (Eastern & Western)

for decongesting existing network. For expansion of railway network and connectivity, CCEA has approved nine projects worth ~₹ 24,375 crore.

To increase the freight capacity, Government is working on three more dedicated freight corridors. The Railways Minister Mr. Suresh Prabhu made a proposal to lay separate rail lines for freight trains and a move to lay at least 10 kms track per day. The Railway has allotted ~₹ 20,000 crore to high density routes like Delhi-Mumbai and Delhi-Howrah. 16% of the railway network including the Delhi-Mumbai and Mumbai-Chennai segments takes 65% load of the traffic.

Seven new railway lines have been sanctioned in Maharashtra including the Chhatrapati Shivaji Terminus (CST)-Panvel fast elevated corridor, collectively worth ~₹ 31,196 crore and will be of 3,123 kms length. In April 2017, the government announced plans to develop 180 Kms Delhi-Rewari-Alwar Regional Rapid Transport System, enabling passengers to travel from Delhi to Alwar in just 104 mins.

The Dedicated Freight Corridor Corporation of India (DFCCIL), a special purpose vehicle of the Indian Railways, has been mandated to develop six DFCs in India, of which the Eastern DFC and the Western DFC are currently under construction and simultaneously are receiving funding assistance from the World Bank and Japan International Cooperation Agency. The total track length of the two DFCs is around 3,300 kms. The surveys of the other four DFCs are also done, however the work is yet to be started. The first stretch of the Western DFC is likely to be operational by March next year.

## Brief on EDFC & WDFC

As on January 2017, the total length of Eastern and Western DFC was around 3,360 kms out of which 538 kms are under PPP. Excluding PPP, total length of Eastern and Western DFC are 1,318 kms and 1,504 kms respectively. In EDFC, 83% of civil contracts have already been awarded while in WDFC it is 100%. Total estimated cost of DFC is approximately ₹ 81,459 crore while expenditure of ₹ 28,388 crore has been done till 31st December 2016.


Trace construction at Eastern Dedicated Freight Corridor

## Airports

India is the 9th largest civil aviation market in the world. In FY17, civil aviation sector witnessed a growth rate of around 22% (provisional) in domestic air passenger traffic. As per IBEF's report, June 2017 on Airports, it is estimated that there will be total 95 new operational airports in India by FY 2020. In the next 5 years, investments worth USD 6 billion are expected in the country's airport sector. The success of PPP model will raise investment in existing & greenfield airports. The Government of India has accorded approval for setting up of 18 Greenfield airports in the country. By 2020, the Airports Authority of India (AAI) aims to bring around 250 airports under its operation across the country.

The Cabinet Committee on Economic Affairs has approved the proposal for revival of 50 un-served/under-served airports/airstrips of the state governments, AAI and Civil Enclaves over the next three years. The total estimated project cost is ₹ 4,500 crores. Over the next 3 years, around 35 airports/airstrips would be revived. This will enable better connectivity to small cities and towns, once the operation of flights is commenced.

The Government's targeted focus to improve roads, railways and airports through various measures are quite encouraging and will benefit the overall infrastructure sector.

## Key competitive advantages

The core focus of the Company has always been to complete the projects before the stipulated time and well within the cost to its business. Timely completion of the project is one of the key strengths of the Company. It has proven expertise and experience in efficient project management, which has

resulted into sustainably strong growth over the years. With robust order book and diversified portfolio of both fund-based and non-fund based projects, the company possesses strong financial performance and credit profile. Due to its integrated business model through in-house design, engineering, construction, operation and management coupled with large equipment bank, strategic initiatives of raw material sourcing, long-established relationships with various clients and multi-state presence with regional focus, the Company has now evolved into one of the leading highway development, construction and management companies in India.

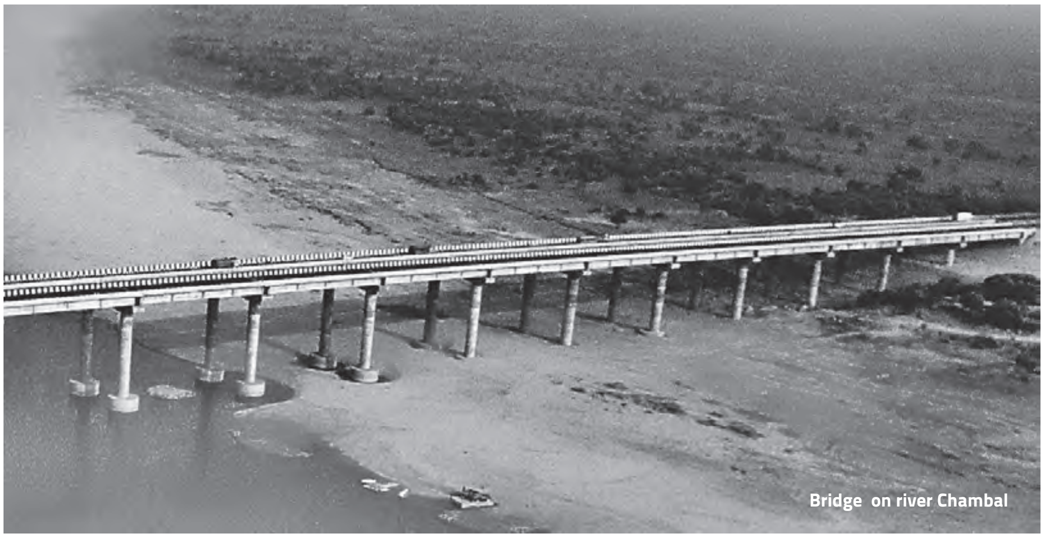
### In-house design, engineering, construction, operation and management & Large and modern equipment bank

Our in-house design, engineering, construction, operation and management teams, control the entire process from procurement of raw materials to completion of the projects including their operation and management in case of BOT project, which helps in providing customised solutions as per the clients' specific requirements ensuring timely completion of projects thereby reducing reliance on third parties and lowering costs. Through in-house state-of-the-art equipment bank and highly qualified management team, we have established proven track record in executing large projects in sectors like roads & highways, bridges, airport runways as well as redevelopment of industrial areas among others. The ownership of a large fleet of modern equipments enables quick mobilisation besides ensuring continuous availability of critical equipments, thereby reducing costs and also efficient execution of construction operations through enhanced control.

### Established relationship with public sector clientele and excellent pre-qualification credentials

With government's current focus on EPC and HAM model projects, our focus has also been on both EPC as well as HAM projects from State, Central and other Government Authorities. We have a balanced portfolio of EPC and HAM projects. Diversifying our client base is helping de-risking our business and lowering the receivable/payment risks. We have executed infra projects offered by the Central, State and Local Government authorities like NHAI, MoRTH, Airports Authority of India, Military Engineering Services, Delhi State Industrial and Infrastructure Development Corporation Limited, Haryana State Roads and Bridges Development Corporation Limited, Madhya Pradesh Road Development Corporation Limited, Uttar Pradesh State Highways Authority, State PWDs, Dedicated Freight Corridor Corporation of India Limited, among others. Our focus on reasonably higher margin projects have enabled in an efficient working capital management. We have deleveraged the risk of a long working capital cycle with increased interest costs.

CARE has upgraded our long-term credit rating from 'CARE A+ (Single A Plus)" to 'CARE AA- (Double AA Minus)" and short-term credit rating is reaffirmed at 'CARE A1+ (A One Plus)". We have developed excellent working relationships with all the project sponsoring authorities. We have the technical and financial qualifications to bid for a single project up to a ticket size of Rs. 3,000 crore. We fulfill the criteria to qualify for the bidding of such projects. These qualifications are based on past experience of successful execution of large size projects and sound financials. We have also forged strong relationship with all our vendors and suppliers to procure critical materials such as petroleum products, diesel, steel, cement, machinery and machinery spare parts, among others at competitive rates with lesser lead time. We mobilise and redeploy the resources



Bridge on river Chambal

between our various projects, efficiently, even at short notices. We pool our resources to swap our machinery over sites in nearby geographies.

### Multi-state presence with regional focus

Since inception, we have executed 59 major infrastructure projects spread across 13 states in India including execution of 38 highway projects, 19 airport runway projects and 232/220 kv transmission line projects. Currently, we are operating 6 BOT projects and 1 OMT project, comprising both toll and annuity assets. We have developed expertise in efficient project execution in radius of ~500 kms of Delhi spanning over states of UP, Rajasthan, Haryana, Punjab and Uttarakhand.

## Opportunities & Threats

For the past few years, the Government's focus has been to upgrade, augment and improve the transport infrastructure as it helps in fast tracking economic development. The Government has taken a series of initiatives like faster project awards and project execution, enabling the stakeholders in the sector to access various means of finances to fund these projects to attract significant investor interest. As part of long-term goal to increase the length of National Highways network to 200,000 Kms, the Government is planning to build 50,000 Kms by 2020.

Under the Bharatmala Pariyojana being implemented through the Ministry of Road Transport and Highways, the Government plans to improve road connectivity across the nation. The plan is to improve the road connectivity to coastal & border areas, backward areas, religious and tourist destinations as well as construction, rehabilitation and widening of about 1,500 major bridges and 200 Railway Over Bridges (ROBs) and Railway Under Bridges (RUBs) on NHs. Under Phase 1, a total of 24,800 kms will be constructed. The sector has seen increased participation of the private sector through Public-Private Partnership mode on back of clear policy framework.

Due to low entry barriers, the sector has witnessed entry of many large and small players which on one hand created a healthy competitive scenario however on the other hand, in the phase of low projects being awarded, it has becomes fiercely competitive which creates difficult operating environment. There are few macro risks like commodity price increase, increase in rate of interest, funding constraints, low profitability etc. which can impact the sector.

To mitigate the risks, your Company has over a period of time developed an integrated business model with expertise in project execution supported by a large fleet of owned machinery and equipments. The Company's strategy of been cautious in bidding for projects has also helped to keep the balance sheet strong thereby weathering the difficult operating environment.

## Financial Overview

The Consolidated Revenue of the Company for FY17 is ₹ 2,252 crores as compared to ₹ 2,837 crores in FY16. The Revenue decline is mainly due to application of Indian Accounting Standards (Ind-As) and were also significantly affected by demonetization drive by the Government of India. The Consolidated Operating Profit (i.e. Earnings Before Interest, Tax, Depreciation and Amortization) for FY17 is ₹ 624 crores as compared to ₹ 622 crores in FY16. The Consolidated Profit Before Tax for FY17 is ₹ 113 crores as compared to ₹ 177 crores in FY16. The Consolidated Profit After Tax, Minority Interest and Share in Profit / Loss of Associate for FY17 is ₹ 118 crores as compared to ₹ 209 crores in FY16. The Consolidated Profit After Tax, Minority Interest and Share in Profit / Loss of Associate was higher than Profit Before Tax as there was MAT Credit Entitlement and Tax refunds.

On Consolidated basis the Company's Networth as on March 31, 2017 is ₹ 1,461 crores whereas total debt is ₹ 1,908 crores. Net debt to equity on consolidated basis comes at 1.3 times.

During the year CARE Ratings Limited has reassigned 'Stable" Outlook to the rating assigned for the Long Term Facilities and Reaffirmed the Long Term Rating at 'CARE AA- (Double A Minus)' and Short Term Rating at 'CARE A1+ (A One Plus)' of the Company. The CARE Ratings Ltd. has also assigned 'CARE A1+ (A One Plus)" rating on Commercial

Paper (CP) issue for a limit of ₹ 100 crore with a maturity not exceeding one year of the Company during the year.

## Outlook

The outlook of road sector is encouraging and strong, supported by government's concentration on the development of Transportation Infrastructure in country as it acts as a catalyst for socio-economic development. With established relationships with public sector clientele and excellent pre-qualification credentials the Company is very well-placed to take the benefit of government's focus on infrastructure development in the country.

The year gone by has strengthened management's capability to steer the Company through difficult operating environment for the sector. The Company with its in-house design & engineering capability support by in-house construction and equipment bank provides an execution edge. The robust order book backed by superior execution capabilities and strong balance sheet will help Company to outperform in the upcoming years. The Infrastructure development thrust of the Government will help the industry to move forward with a renewed vigor and as a key industry participant your Company is expected to maximize every stakeholder's value.

## RISKS AND MITIGATION

**Competition risk**

Our Company may face risk of competition as the sector grows and more players may get qualified to bid given projects.

**Mitigation**

We have to operate at the maximum efficiency and strive to execute the maximum number of projects before their scheduled time and within the budgeted cost. This will enable us to earn maximum amount of bonus for early completion from clients, in project where such provision exists. This bonus will directly add up to the income thus giving a positive impetus to the margins so that the Company would be able to bid more competitively. However, the Company will continue to bid for the new projects keeping in mind the threshold profitability margins amid competition, as the opportunities are immense.

Mr. Anil Rao, Director receiving Construction World's Top Challenger Award for 2016

**Capital-intensive business risk**

Infrastructure business is capital-intensive by nature. Availability of sufficient funds is critical for bidding of projects, particularly fund-based projects such as BOT-toll, HAM and TOT model.

**Mitigation**

We operate our working capital cycle in a highly optimized manner. We pool our assets and resources to be used on various projects within geographical proximity. Our high credit rating also helps us in getting loan facilities easily at highly competitive rates of interest. Our debt-equity ratio on consolidated basis has gone down significantly indicating optimum utilization of internal accruals and growth in toll revenues. As on 31st March 2017, there was no working capital loan in the Company's books, which is a rare feat in infra sector.

**Traffic growth risk in BOT projects**

In BOT-toll projects, revenue stream has continuous risk of traffic not growing on the project roads and toll rates are not increased as estimated in the projections at the time of bidding.

**Mitigation**

We have a diligent process of detailed traffic studies, robust estimation of traffic, analysis and making projections of the growth in traffic and their validation before tendering of a project. We maintain the quality standards of the roads with periodic maintenance and prompt repairs as and when needed to keep the project roads travel worthy for users and minimize major maintenance costs. Also, as part of our policy, we continue to diversify our fund-based portfolio with mix of projects on BOT-toll, BOT-annuity and hybrid annuity models so that traffic revenue risks are mitigated.

**Input cost risk**

The availability of the right quality and quantity of resources is critical for the timely completion of infrastructure projects. Any unexpected increase in the input costs will have direct impact on margins.

**Mitigation**

The Company controls its projects directly with no sub-contracting of core construction activities, deploys and uses the equipment in optimal manner and also has its own mines and crushers to meet the requirement of stone aggregates. The other key raw materials are procured directly from leading manufacturers to ensure best prices, quality and timely supply. The contracts we ink with government clients are generally with relevant cost escalation provisions that protect our margins in case of fluctuation of prices during execution.

**Labour risk**

People represent as the most valuable asset in the construction business. Undue attrition could lead to loss of competitive edge as it may lead to project delays. Recruitment and retention of trained and talented professionals is an industry-wide problem.

**Mitigation**

The working environment of the Company is cordial and employee-friendly. We follow an open door policy for all employees to reduce the hierarchical strain in the organization. The remunerations are at par with the best industry standards. Periodical training and team building activities are conducted to reduce the stress among employees.

## Human Resource Management

The total employee strength of the Company was over 3,700 as on 31st March, 2017. The Company has built a team of professionals within specific domain knowledge in the areas, where the company operates. As the Company is growing at a faster rate, the management is now emphasizing more on honing the skills of young construction professionals and managers to lead the future growth. The Company ensures that proper encouragement both moral and financial is extended to employees to keep them motivated.

## Internal Control Systems

The Company has adequate internal control systems that are commensurate with the size and nature of its business which ensures that all the assets are acquired in an economical manner and are safeguarded against loss from unauthorised use or disposition and all transactions are authorised, recorded and reported correctly. The internal control system is supplemented by well-documented policies, guidelines and procedures and reviews carried out by the Company's internal audit department. Audits of various departments are conducted as per the annual audit plan through internal auditors, who submit reports to the management and the Audit Committee of the Board from time to time. The views of the statutory auditors and ISO auditors are also considered to ascertain the adequacy and efficacy of the internal control system and measures. The project sites of the company are covered through extensive CCTV surveillance system and SAP ERP system. All these measures are continuously reviewed by the management and as and when necessary, required improvements are made.

Corporate Headquarters, Agra

## Cautionary Statement

In this annual report, we have disclosed forward-looking statements and information to enable investors to know our growth prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. Forward-looking statements are based on certain assumptions and expectations of future events. The achievement of such results is subject to risks, uncertainties and even less than assumptions. Market data and information gathered from various published and unpublished reports and sources, their accuracy, reliability and completeness cannot be assured. We do not undertake to make any announcement in case any of economic scenarios, industry developments and the forward looking statements become materially incorrect in future or update any development and forward looking statements made from time to time by or on behalf of the Company.

# Boards' Report

To the Members,

On behalf of the Board of Directors, it is our pleasure to present the 18th Annual Report on the business and operations of your Company together with the Audited Financial Statement of **PNC Infratech Limited** ("the Company" or "PNCIL") for the financial year ended March 31, 2017.

## 1. RESULTS OF OUR OPERATIONS

The summarized standalone and consolidated financial results of the Company are given below:

₹ in Lakhs (except EPS)

| Particulars | Standalone Results For the year ended as at | | Consolidated Results For the year ended as at | |
|---|---|---|---|---|
| | 31st March, 2017 | 31st March, 2016 | 31st March, 2017 | 31st March, 2016 |
| Total Revenue | 1,73,566.87 | 20,3949.74 | 2,29,292.77 | 2,86,153.06 |
| Total Expenses | 1,54,173.96 | 18,4512.25 | 2,18,001.52 | 2,68,457.79 |
| Add/(Less): Share in profit/(loss) of Associates | - | - | (2,072.54) | (1,256.82) |
| Profit/(Loss) before tax & prior period expenses | 19,392.91 | 19,437.49 | 9,218.71 | 16,438.45 |
| Prior period expense (Net)/Exceptional Item | - | - | - | - |
| Profit/(Loss) Before Tax | 19,392.91 | 19,437.49 | 9,218.71 | 16,438.45 |
| Tax Expense (Net) | 1,575.69 | 4,019.29 | 2,609.10 | 4,427.90 |
| Profit /(Loss) After Tax | 20,968.60 | 23,456.78 | 11,827.81 | 20,866.35 |
| Earnings Per Share (Basic & Diluted) | 8.17 | 9.43 | 4.62 | 8.13 |

## 2. Transition To Indian Accounting Standards

The Ministry of Corporate Affairs ('MCA') has issued 'the Companies (Indian Accounting Standards) Rules, 2015' ("Ind AS") vide notification dated February 16, 2015. For the PNC Group, Ind AS is applicable with effect from April 01, 2016. Accordingly, Financial Statements for the financial year ended March 31, 2016 have been restated to conform to Ind AS. Notes to the financial statements provide further explanation on the transition to Ind AS.

## 3. Financial Performance

On a standalone basis, revenue of the Company for FY17 Rs. 168911.41 lakhs as compared to Rs. 201416.09 lakhs in FY16. The Operating Profit (i.e. Earnings Before Interest, Tax, Depreciation and Amortization) for FY17 is Rs. 22101.90 Lakh as compared to Rs. 26602.24 Lakh in FY16. The Profit Before Tax for FY17 is Rs. 19392.91 Lakh as compared to Rs. 19437.49 Lakh in FY16. The Profit After Tax for FY17 is Rs. 20968.60 Lakh as compared to Rs. 23456.78 Lakh in FY16.

The Consolidated Revenue of the Company for FY17 is Rs. 225233.20 Lakh as compared to Rs. 283678.42 Lakhs in FY16. The Consolidated Operating Profit (i.e. Earnings Before Interest, Tax, Depreciation and Amortization) for FY17 is Rs. 62407.62 Lakh as compared to Rs. 62233.49 Lakh in FY16. The Consolidated Profit Before Tax for FY17 is Rs. 11291.25 Lakh as compared to Rs. 17695.27 Lakh in FY16. The Consolidated Profit After Tax, Minority Interest and Share in Profit / Loss of Associate for FY17 is Rs. 11827.81 Lakh as compared to Rs. 20866.35 Lakh in FY16.

## 4. State of Affairs & Future Outlook

During the year and up to the date of this Report, the Company has bid for and has been awarded/become L1 for the following projects:

1. Up-gradation of MDR No. 82W, Nanau-Dodon Section from km 0.000 to km 30.000 in the district of Aligarh, Uttar Pradesh. The bid amount for this ADB funded, UP Public Works Department (PWD) project is Rs. 119.9 Crores.
2. Extension and resurfacing of runway at Air Force Station, Bakshi Ka Talab near Lucknow. The bid amount for this project of Military Engineering Services, Government of India is Rs. 140.6 Crores.
3. Four laning/two laning with paved shoulders from 0.00 km to 83.453 km of Dausa-Lalsot-Kauthun Section of NH-11 A (Extension) in the State of Rajasthan under NHDP IV, on Hybrid Annuity Model for a bid project cost of Rs. 881.0 Crores.
4. Four laning of Etah to Kasganj road in Uttar Pradesh for a contract value of Rs. 232.91 Crore.
5. Four laning of Jhansi-Khajuraho section (Pkg-I) from km 0.00 to km 76.3 (existing Km. 106.300 of NH-25 Kanpur - Jhansi Section to km.82.10) of NH-75/76 in the State of UP/MP under NHDP Phase-III on Hybrid Annuity Mode for a Bid Project Cost of ₹ 1410 Crores.

6. Jhansi-Khajuraho section (Pkg-II) of NH-75/76 from design chainage km 76.3 (existing chainage 82.10) near village Chhatipahari to Design Chainage km. 161.7 (Existing Chainage Km. 57.9) near Bamitha town in the state of U.P. & M.P. under NHDP (Phase III) on Hybrid Annuity Mode for a Bid Project Cost of ₹ 1310 Crores.

7. Six laning of Chitradurga – Davengere including Chitradurga bypass (km 189+000 to km 260+000 of NH-48 (Old NH-4) in the State of Karnataka to be executed on Hybrid Mode under NHDP Phase-V for a Bid Project Cost of ₹ 1434 Crores.

In financial year 2016-17, Company has been awarded with projects of over ₹ 5500.00 Crore which is the **highest awarded projects in any single Financial Year** and expect to receive more contracts in the current financial year.

Agra-Firozabad road project was inaugurated by Hon'ble Chief Minister on November 21, 2016 and open to start for public from february 23, 2017..

PNC Raebareli Highways Private Limited, a wholly owned subsidiary of PNC Infratech Limited, has successfully commissioned the project more than 3 months ahead of schedule and received its first semi-annual annuity of ₹ 64.30 Crore on December 5, 2016 and is entitled to receive annuity for every half year during the remaining 15 years of the concession period, including proportionate amount of bonus for early completion in terms of the concession agreement amounting to ₹ 35.00 Crore.

PNC Rajasthan Highways Private Limited, a wholly owned subsidiary of PNC Infratech Limited has signed Concession agreement on November 7, 2016 for the project Dausa Lalsot Hybrid Annuity Projects of NHAI and achieved financial closure within the stipulated time. The Project is started and is expected to be completed before the stipulated time

The total outstanding contract value pending execution was over ₹ 5,300 Crores as on March 31, 2017.

The Company is presently executing the following major projects:

| Highways | | |
|---|---|---|
| **Sr.** | **Category** | **Name of the Project** |
| 1 | State Highways | Development of **Agra to Firozabad** (Village Gurha) (Km. 2.634 to 0.000 to 53.500) Access Controlled Expressway (Green Field) Project in the state of Uttar Pradesh on EPC mode. |
| 2 | Highways | EPC Contract for-Design, Engineering, Finance, Construction, Operation and Maintenance of **Ghaziabad-Aligarh** Section of NH-91 from Km. 23.600 to km. 140.200 in the State of Uttar Pradesh Under NHDP Phase III on Design, Build, Finance, Operate and Transfer (the "DBFOT") basis. |
| 3 | State Highways | Rehabilitation and upgradation of **Sonauli to Gorakhpur** section (Km. 0+000 to Km. 80+000) of NH-29E in Uttar Pradesh to two lane with paved shoulders on EPC mode under NHDP Phase-IV. |
| 4 | State Highways | Rehabilitation and upgradation of **Barabanki-Jarwal** section of NH-28C (Km. 0.000 to Km. 43.000) in the state of Uttar Pradesh under NHDP-IV on EPC Basis |
| 5 | Highways | Four laning of **Koilwar to Bhojpur** Section, design Chainage from 33.250 to 77.100 (NH-30 & 84) in the state of Bihar under NHDP Phase-III on EPC mode. |
| 6 | Highways | Four laning of **Bhojpur to Buxar** Section, design Chainage from 77.100 to 125.00 (NH-84) in the state of Bihar under NHDP Phase-III on EPC mode. |
| 7 | Highways | Up-gradation of **Aligarh Moradabad** section of NH-93 to 2-Lane with paved shoulders from km. 85.650 (existing 85.650) to km. 232.020 (existing km.232.000) in the State of Uttar Pradesh under NHDP Phase-IV on EPC mode. |
| 8 | Highways | 4-Laning of **Varanasi Gorakhpur** Section of NH-29 from km.12.000 (Design chainage km. 12.010) to km.88.000 (Design chainage km. 84.160) [Package-II from Sandah to Birnon] in the State of Uttar Pradesh under NHDP Phase-IV on EPC Mode. |
| **Sr.** | **Category** | **Name of the Project** |
| 9 | Highways | 4-Laning of **Nagina-Kashipur** section of NH-74 from km. 71.614 (existing km. 73.000) to km. 170.407 (existing km.175.000) in the States of Uttarakhand and Uttar Pradesh under NHDP Phase-IV on EPC Mode. |
| 10 | State Highways | Construction of 3 Lane Road on both side of **Sharda Sahayak Feeder** Canal from Lucknow-Faizabad Road to Lucknow-Sultapur Road. |
| 11 | State Highways | Widening & Strengthening of Etah-Kasganj Road, O.D.R. Chainage 0.00 to 24.30 Km. and Bareilly-Mathura Road, SH-33 Chainage 161.50 to 145.00 Km.) Total length 40.800 Km. (Distt. Etah: 20.00 Km. & Distt. Kasganj: 20.80 Km.) |
| **Power Transmission & Distribution** | | |
| 12 | Power | Supply & Installation of 132 KV & 220 KV T/L in various part of U.P. |
| **Railway** | | |
| 13 | DFCCI | Design, procurement, construction of Track and track related works and it's testing & commissioning for double track electrified railway line on a Design Build Lump Sum Basis from New Karwandiya (Rly. Km.564) to Durgawati (Rly. Km. 630) approx. 66 Kames on Mughalsarai - Sonnagar Section of Eastern Dedicated Freight Corridor |

| Airport Runways | | |
|---|---|---|
| 14 | Airport Runways | Resurfacing/strengthening of Runway at **AF station Kanpur** |
| 15 | Airport Runways | Extension and Resurfacing of Runway at **AF station Bakshi ka Talab** (BKT), Lucknow |

## 5. Dividend

Keeping in view the continued good performance, future funds requirements of the Company and Dividend policy of the Company for rewarding shareholders, your Directors are pleased to recommend a dividend of 25%, i.e. ₹ 0.50 per equity share of face value of ₹ 2/- each, on 25,65,39,165 no. of equity shares, amounting to ₹ 1,282.70 Lakhs for the financial year ended 31st March, 2017. For the financial year 2015-16, the Company had paid a dividend of ₹ 2.50 per share of ₹ 10/- each, on 5,13, 07,833 no. of equity shares.

The dividend, if approved by the members, shall be subject to tax on dividend to be paid by the Company but will be tax-free in the hands of the members. The dividend together with the dividend distribution tax will entail a cash outflow of ₹ 1610.58 Lakhs (previous year ₹ 1610.58 Lakhs).

## 6. Transfer To Reserves

The Directors do not propose to transfer any amount to Reserves.

## 7. Subsidiaries, Joint Ventures And Associate Companies

The Company has one unlisted material subsidiary, one direct subsidiary, eight step-down subsidiaries and one associate company as on March 31, 2017. There are no joint ventures of the Company. In accordance with Sec 129(3) of the Companies Act, 2013 (Act), the consolidated financial statements ('CFS') of the Company forms part of this Annual Report. Also, a statement containing the salient features of the financial statement of the subsidiaries and associates in prescribed format AOC-1 is provided as an **Annexure** to the CFS.

Restructuring of unlisted subsidiaries:-

1. PNC Power Private Limited could not have any business activity over a good period of more than 4 years. Therefore, the Company sold its investment in equity shares of said subsidiary Hence, PNC Power Private Limited ceased to be a subsidiary of the Company w.e.f. March 10, 2017;
2. The Company was declared L1 (lowest) bidder for the project of Four laning / Two laning with paved shoulder from Km. 0.000 to Km. 83.453 of Dausa – Lalsot – Kauthun Section of NH-11A (Extension) in the State of Rajasthan by National Highways Authority of India. To implement the said Project, 'PNC Rajasthan Highways Private Limited', a Special Purpose Vehicle was incorporated on August 22, 2016 by the Company. PNC Rajasthan Highways Private Limited' is the newly incorporated step – down subsidiary of PNCIL.
3. The Company was declared L1 (lowest) bidder for the project of Six Laning of Chitradurga-Davengere including Chitradurga bypass (Km 189+000 to Km 260+000 of NH-48 (Old NH-4)) in the State of Karnataka on Hybrid Annuity Mode under NHDP Phase–V. To implement the said Project, 'PNC Chitradurga Highways Private Limited, a Special Purpose Vehicle was incorporated on April 20, 2017 by the Company. PNC Chitradurga Highways Private Limited' is the newly incorporated step – down subsidiary of PNCIL.
4. The Company was declared L1 (lowest) bidder for the project of Four Laning of Jhansi-Khajuraho section (Package-II) of NH – 75/76 from Design Chainage Km 76.3 (Existing Chainage 82.100) near village Chhatipahari to Design chainage Km 161.7 (Existing Chainage Km 57.9) near Bamitha town in the State of UP & MP under NHDP Phase-III on Hybrid Annuity Mode. To implement the said Project, 'PNC Khajuraho Highways Private Limited, a Special Purpose Vehicle was incorporated on April 20, 2017 by the Company. PNC Khajuraho Highways Private Limited' is the newly incorporated step – down subsidiary of PNCIL.
5. The Company was declared L1 (lowest) bidder for the project of Four Laning of Jhansi - Khajuraho section (Package- I) from Km 0.00 to Km 76.3 (existing Km 106.300 of NH-25 Kanpur–Jhansi Section to Km 82.10) of NH -75/76 in the State of UP/MP under NHDP Phase–III on Hybrid Annuity Mode. To implement the said Project, 'PNC Bundelkhand Highways Private Limited, a Special Purpose Vehicle was incorporated on April 21, 2017 by the Company. PNC Bundelkhand Highways Private Limited is the newly incorporated step – down subsidiary of PNCIL.

Further, pursuant to the provisions of Section 136 of the Act, the audited financial statements including the consolidated financial statements along with relevant documents, and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

PNC Infra Holdings Limited is the unlisted material subsidiary of the Company. Company's Policy on Material Subsidiaries is placed on the website of the Company at http://www.pncinfratech.com/pdfs/policy-on-material-subsidiaries-pnc-infratech-limited.pdf

## 8. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
d. the directors had prepared the annual accounts on a going concern basis;
e. the directors had laid down internal financial controls which are followed by the Company and that such financial controls are adequate and are operating effectively; and
f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws are in place and such systems are adequate and operating effectively.

## 9. Corporate Governance

The Company continues to place greater emphasis on managing its affairs with diligence, transparency, responsibility and accountability and is committed to adopting and adhering to best Corporate Governance practices.

The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company has set itself the objective of expanding its capacities. As a part of its growth strategy, it is committed to high levels of ethics and integrity in all its business dealings that avoid conflicts of interest. In order to conduct business with these principles, the Company has created a corporate structure based on business needs and maintains a high degree of transparency through regular disclosures with a focus on adequate control systems.

In compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') a separate report on corporate governance along with a certificate from the M/s DR Associates, Company Secretaries, on its compliance, forms an integral part of annual report.

## 10. Risk Management

The Company recognizes that risk is an integral part of business and is committed to manage the risk in a proactive and efficient manner. The Company has Risk Management Policy in place. The Policy provides for a risk management framework to identify and assess risk such as operational, strategic, resources, security, industry, regulatory & compliance and other risk and put in place an adequate risk management infrastructure capable of addressing these risks. The Board periodically reviews the risk, if any, and ensures to take steps for its mitigation.

As per the Regulation 21 of SEBI Listing Regulations the requirement to formulate a separate risk management committee applies only to top 100 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year. Therefore, this requirement is not applicable to us.

## 11. Contracts And Arrangements With Related Parties

During the financial year 2016-17, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, rules issued there under and in compliance of the Related Party Policy of the Company and in accordance with Regulation 23 of the SEBI Listing Regulations. During the financial year 2016-17, the Company did not enter into materially significant transactions with Promoters, Key Managerial Personnel or other related parties. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable. The details of the related party transactions as required under AS - 18 are set out in Notes to the standalone financial statements forming part of this Annual Report.

The policy on Related Party Transactions as approved by the Board may be accessed on the Company's website at the link: http://www.pncinfratech.com/pdfs/policy-on-relatedparty-transactions-pnc-infratech-limited.pdf

## 12. Corporate Social Responsibility (CSR)

The Company continues to believe in operating and growing its business in a socially responsible way. This belief forms the core of the CSR policy of the Company that drives it to focus on holistic development of its host community and immediate social and environmental surroundings qualitatively. Hence in accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee ("CSR Committee"). The composition and terms of reference of the CSR Committee are provided in Corporate Governance Report. The Company has framed Corporate Social Responsibility policy which is available on link at http://www.pncinfratech.com/pdfs/pnc-csr-policy.pdf. Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as **Annexure I** to this report.

## 13. Internal Financial Control

The Company has an internal financial control system commensurate with the size and scale of its operations and the same has been operating effectively. The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations, if any and corrective actions thereon are presented to the Audit Committee of the Board.

The policies to ensure uniform accounting treatment are extended to the subsidiaries of the Company. The accounts of the subsidiary companies are audited and certified by their respective Auditors for consolidation.

The Management periodically reviews the financial performance of the Company against the approved plans across various parameters and takes necessary action, wherever necessary. Internal Auditors have been appointed who report on quarterly basis on the processes and system of accounting of the Company. The observations, if any, of the Internal Auditors, are resolved to their satisfaction and are implemented across all the sites. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

## 14. Directors And Key Managerial Personnel

Mr. Naveen Kumar Jain (DIN – 00086841) and Mr. Anil Kumar Rao (DIN – 01224525), Whole time Director(s) of the Company are liable to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, and being eligible has offered themselves for re-appointment. The brief resume of Mr. Naveen Kumar Jain and Mr. Anil Kumar Rao and other information under Regulation 36 of SEBI Listing Regulations and as per Secretarial Standard 1 with respect to the Director seeking "re-appointment" has been provided in the Notice convening 18th AGM. Your Directors recommend their re-appointment.

Mr. Naveen Kumar Jain, Whole time Director (WTD) holds the office of WTD upto September 30, 2017. The Board of Directors on the recommendation of the Nomination and Remuneration Committee and considering the contributions made by Mr. Naveen Kumar Jain re-appointed him as Whole – time Director to hold office for a further period of five consecutive years w.e.f. October 01, 2017. The resolution pertaining to confirmation of re-appointment of Mr. Naveen Kumar Jain as Whole time Director of the Company w.e.f. October 01, 2017 is placed before the members for their approval in the Notice convening the ensuring Annual General Meeting of the Company.

Mr. Sunil Chawla (DIN – 00865320), Nominee director and Mr. Dharam Veer Sharma (DIN – 01363759), Non-Executive Independent Director of the Company resigned from the Board of Directors and Committees thereof with effect from December 08, 2016. The Board places on record its appreciation for the contributions made by them in the deliberations of the Board and its committees thereof.

Mr. Tapan Jain (ICSI M.No. - A22603) was appointed as Company Secretary of the Company w.e.f. January 20, 2017

As on March 31, 2017, Mr. Pradeep Kumar Jain, Chairman & Managing Director, Mr. Chakresh Kumar Jain & Mr. Yogesh Kumar Jain, Managing Directors, Mr. Naveen Kumar Jain & Mr. Anil Kumar Rao, Whole time Directors, Mr. Devendra Kumar Agarwal, Chief Financial Officer and Mr. Tapan Jain, Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Also, during the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

## 15. Declaration By Independent Directors

In accordance with the Section 149(7) of the Act, each Independent Director has given a written declaration to the Company at the time of their appointment and at the first meeting of the Board of Directors in every financial year confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an independent director during the year.

## 16. Board Evaluation And Remuneration Policy

Pursuant to the provisions of the Act and SEBI Listing Regulations, the annual performance evaluation of the Board of Directors, the Committees of the Board and every Director individually for the Financial Year 2016-17 is carried out by the Nomination and Remuneration Committee and Board of Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors. A separate exercise was carried out to evaluate the performance of the individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The Independent Director in their meeting has reviewed the performance of non independent directors and the Board as a whole, and also reviewed the performance of the Chairman after considering the views of Executive and Non executive directors. The Board of Directors has expressed its satisfaction with the evaluation process.

The composition, and terms of reference along with attendance details of the Nomination and Remuneration Committee are provided in Corporate Governance Report. The Nomination and Remuneration Policy of the Company is attached herewith marked as **Annexure -II** and also placed on its website at web link http://www.pncinfratech.com/pdfs/nomination-and-remuneration-policy-pnc-infratech-limited.pdf.

## 17. Familiarization Programme For Independent Directors

The Company has conducted various training and Familiarization Programmes about the business model of the Company, nature of industry in which Company operates, roles, rights and responsibilities of the Independent Directors. The details of training and Familiarization Programme are provided in Corporate Governance Report which forms part of this annual Report.

## 18. Human Resources

The Company treats its "Human Resources" as one of its most important assets. The Company continuously invests in attraction, retention and development of talent on an ongoing basis. The Company believes in the promotion of talent internally through job rotation and job enlargement.

## 19. Share Capital

The Board of Directors at their meeting held on May 27, 2016 approved the proposal to split one equity share of face value of ₹ 10/- each into five equity shares of ₹ 2/- each to improve market liquidity and also to make the shares more affordable to small investors. The said split of equity share was approved by the Shareholders through postal ballot dated July 19, 2016.

Hence, as on March 31, 2017, the Company has one class of share – equity shares of par value of ₹ 2/- each. Our authorised share capital is ₹ 55 crore, divided into 27,50,00,000 equity shares of ₹ 2 each. The issued, subscribed and paid – up capital stood at ₹ 51,30,78,330 /- divided into 25,65,39,165 Equity Share of ₹ 2/- each

Also, during the year under review, the Company has not issued any shares with differential voting rights.

## 20. Auditors And Auditors' Report

### Statutory Auditors

M/s. Purushottam Agrawal & Co., Chartered Accountants (Firm Reg. no. 000731C) and M/s S.S Kothari Mehta & Co., Chartered Accountants (Firm Reg. no. 000756N), hold office till the conclusion of the ensuing Annual General Meeting. M/s. Purushottam Agrawal & Co., Chartered Accountants are not eligible for re-appointment in terms of Section 139 (2) of the Act.

The Board has recommended the appointment of M/s S.S Kothari Mehta & Co. Chartered Accountants as the statutory auditors of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting of the Company subject to annual ratification by shareholders of the Company, based on the recommendation of the Audit Committee.

M/s S.S Kothari Mehta & Co. have confirmed their eligibility and willingness to be re-appointed. The Company has received a certificate from them to the effect that their appointment, if made, would be within the limits prescribed under section 141 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of the said section.

Further, the Auditors Report does not have any qualifications or adverse remarks.

### Cost Auditors

The Board had appointed M/s. R K G & Associates, Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for the financial year 2016-17 and necessary application for their appointment was filed by the Company with the Ministry of Corporate Affairs. The said Auditors have conducted the audit of

Cost records for the year ended 31st March 2017 and have submitted their report, which is self explanatory and do not call for any further comments.

The Company shall submit the Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

The Board has also appointed M/s. R K G & Associates, Cost Accountants, as Cost Auditors to conduct Cost Audit for the financial year 2017-18 and their remuneration has also been recommended for the ratification and approval of the Shareholders.

**Secretarial Auditors**

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. DR Associates, Company Secretaries were appointed as Secretarial Auditors for the financial year 2016-17. The Secretarial Audit Report for the financial year ended on March 31, 2017 is annexed herewith marked as **Annexure-III** to this Report. There are no qualifications or adverse remark in their Report.

The Board has also appointed M/s. DR Associates, Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for the financial year 2017-18

## 21. Management Discussion & Analysis

The Management Discussion and Analysis forms an integral part of Annual Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company' business.

## 22. Disclosures

**Audit Committee**

The Audit Committee of the Board of Directors of the Company is duly constituted in accordance with the provisions of Sections 177 of the Act read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2013 and Regulation 18 of SEBI Listing Regulations which consists of the following Members namely Mr. C R Sharma, Independent Director (Chairman), Mr. Subhash Chander Kalia, Independent Director and Mr. Ashok Kumar Gupta, Independent Director as other members. The scope, their attendance and terms of reference of Audit Committee is mentioned in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

**Vigil Mechanism**

The Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy in compliance with the provisions of Section 177 (9) & (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations. The policy has been annexed to this report as **Annexure IV.** The policy provides for a framework and process whereby concerns can be raised by its Employees/Directors or any other person against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them through an e-mail, or a letter to the Vigilance Officer for this purpose/Chairman of the Audit Committee.

The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the web link: http://www.pncinfratech.com/pdfs/vigil-mechanism-whistle-blower-policy-pnc-infratech-limited.pdf.

**Meetings of the Board**

Five meetings of the Board of Directors were held during the year. The detail of dates of board meeting and attendance of directors and similar details of Board Committees are given in Corporate Governance Report which forms part of Annual Report. The maximum interval between any two meetings did not exceed 120 days.

**Particulars of Loans given, Investments made, Guarantees given and securities provided**

The Company is exempted from the applicability of the provisions of Section 186 of the Companies Act, 2013 (Act) read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Companies (Meetings of Board and its Powers) Amendment Rules, 2015 as the Company is engaged in the business of providing infrastructural facilities.

The loans given, security provided, guarantees given and Investments made by the Company under Section 186 of the Act are given in the notes to the financial statements.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure –V** to this Report.

**Extract of Annual Return**

The extract of Annual Return as provided under sub – section (3) of section 92 of the Act in prescribed form MGT-9 is annexed to this Report as **Annexure –VI.**

**Particulars of Employees and related disclosures**

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Board's report as "**Annexure –VII".**

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Board's report. However, as per Section 136(1) of the Act and second proviso of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of the Company excluding the said statement. The said statement is available for inspection at the registered office of the company during working hours and any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company

**Business Responsibility Report (BRR)**

SEBI Listing Regulations mandate the inclusion of BRR as part of the Annual Report for top 500 listed entities based on market capitalization calculated as on March 31 of every financial year. In compliance of SEBI listing Regulations we have Integrated BRR disclosures into our Annual Report.

**Dividend Distribution Policy**

SEBI Listing Regulations also mandates for top 500 listed entities based on market capitalization calculated as on March 31 of every financial year to formulate a dividend distribution policy ('the policy'). In Compliance of the same, the policy determining the distribution parameters of dividend to its shareholders was adopted by the Board in their meeting held on December 07, 2016. The Policy is enclosed as an **Annexure -VIII** to the Board's Report and is also available on the Company's website at http://www.pncinfratech.com/pdfs/dividend-distribution-policy.pdf

**Investor Education and Protection Fund (IEPF)**

Pursuant to applicable provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 details of all unclaimed amounts of Dividends to be furnished through Form No. IEPF 2 each year and to be uploaded on Company's Website, on the website of IEPF Authority. The Company has no amount of Dividend or any other such amount as referred in sub-section 2 of section 125 of the Act, which is unpaid or unclaimed for the financial year under review.

## 23. General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

a. Details relating to deposits covered under Chapter V of the Act;

b. Change in the nature of business;

c. Voluntary revision of Financial Statements or Board's Report;

d. Material change affecting the financial position of the Company;

e. Issue of equity shares with differential rights as to dividend, voting or otherwise;

f. No director is in receipt of commission from the Company and Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries Companies;

g. No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future;

h. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

i. There was no instance of reporting of fraud to the Audit Committee and of Directors;

j. There was no instance of any Employee Stock Options.

## 24. Acknowledgement

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, banks and financial institutions, clients, vendors, Intermediaries associated with IPO of the Company, for their co-operation and continued support for the growth of the Company. The Directors also wish to acknowledge the assistance received from various regulatory bodies, NHAI, MPRDC, UPSHA, HSRDC, MES, DSIIDC, UPEDA, Ministry of Corporate Affairs, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and other Central and State Government agencies and thank them for the same and look forward to their continued support.

Your Directors take this opportunity to recognize and appreciate the efforts and hard work of all the employees of the Company at all levels and thank them for their competence, sincerity, hard work and commitment.

**For and on behalf of the Board of Directors**

**Pradeep Kumar Jain**
(Chairman and Managing Director)
DIN:-00086653

Place: Agra
Date: August 11, 2017

## ANNEXURE - I: TO THE DIRECTORS' REPORT:

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **A brief outline of the company's CSR Policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes**

   The Corporate Social Responsibility Committee ('CSR Committee') has formulated and recommended to the Board, a Corporate Social Responsibility Policy ('CSR Policy') indicating the activities to be undertaken by the Company, which has been approved by the Board of Directors on Feb 10, 2015.

   The CSR Policy may be accessed on the Company's website at the link: http://www.pncinfratech.com/investors.

   The key philosophy of CSR initiatives of the Company is to actively contribute to the social and economic development of the community in which, we operate. In alignment with vision of the company, PNC, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth & economic development for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with environmental concern.

   The Company has identified focus areas of engagement which are as under:

   (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh setup by the Central Government for the promotion of sanitation and making available safe drinking water;

   (ii) Promoting educating, including special education and employm ent enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

   (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

   (iv) Ensuing environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;

   (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

   (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;

   (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

   (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

   (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

   (x) Rural development projects;

   (xi) Slum area development;
   Explanation- slum area shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

   (xii) Such other activity as may be notified by Govt. from time to time.

2. **The Composition of the CSR Committee :**

| Sl. No. | Name of the Member | Position |
|---|---|---|
| 1 | Shri. Chakresh Kumar Jain | Chairman |
| 2 | Shri. Anil Kumar Rao | Member |
| 3 | Shri. Ashok Kumar Gupta | Member |

3. **Average Net Profit of the company for last 3 financial years**

(₹ In Cr)

| Financial Year | Profit as computed under Section 198 of the Companies Act, 2013 |
|---|---|
| 2013-14 | 104.24 |
| 2014-15 | 147.84 |
| 2015-16 | 200.41 |

   Average Net Profit: ₹ 150.83 Cr

4. **Prescribed CSR expenditure (2% of the amount as in item no. 3 above):**

   The Company is required to spend ₹ 3.02 Cr

5. **Details of CSR activities/projects undertaken during the year:**

   (a) Total amount to be spent for the financial year 2016-17 - ₹ 3.02 Cr

   (b) Amount un-spent - ₹ 1.03 Cr

(c) Manner in which the amount spent during financial year is detailed below:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| **Sr. No.** | **CSR project/ activity identified** | **Sector in which the Project is covered** | **Projects/ Programmes 1.Local area/ others- 2.specify the state /district (Name of the District/s, State/s where project/ programme was undertaken** | **Amount outlay (budget) project/ programme wise (₹ )** | **Amount spent on the project/ programme (₹ ) Sub-heads: 1.Direct expenditure on project/ programme, 2.0 verheads:** | **Cumulative spend upto to the reporting period (Amount in ₹ )** | **Amount spent: Direct/ through implementing agency*** |
| 1 | Donations to various animal welfare Society | Animal Welfare | Uttar Pradesh | 240510 | 240510 | 240510 | Direct |
| 2 | Charity towards Hindu Spiritual & Service Foundation | Ensuing Environmental Sustainability, ecological balance | Uttar Pradesh | 500000 | 500000 | 740510 | Direct |
| 3 | Working for better malnutrition through various charitable trust like I care India, Bhartiya Jain Sangthan and other | Eradicating hunger, poverty & malnutrition | Uttar Pradesh | 983000 | 983000 | 1723510 | Direct |
| 4 | Worked towards inequalities faced by socially and economically backward groups | Facilities for reducing inequalities faced by socially and economically backward groups | Uttar Pradesh | 51000 | 51000 | 1774510 | Direct |
| 5 | Providing better facilities for senior citizens of the Society | Facilities for senior citizens like Setting up old age homes, day care centers | Uttar Pradesh | 5175160 | 5175160 | 6949670 | Direct |
| 6 | Promotion of practice of garden cultivation and management. | Horticulture | Uttar Pradesh | 36640 | 36636 | 6986306 | Direct |
| 7 | RTGS in F/O National Highways Builder Federation | Measures for the benefit of armed forces veterans, war widows | Uttar Pradesh | 50000 | 50000 | 7036306 | Direct |
| 8 | Promotion of cultural and religious heritage of the Country | Promoting Art & Culture | Uttar Pradesh | 412800 | 412800 | 7449106 | Direct |
| 9 | Donation towards various schools and colleges for promotion of Education | Promoting Education | Uttar Pradesh | 11630021 | 11630021 | 19079127 | Direct |

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|
| **Sr. No.** | **CSR project/ activity identified** | **Sector in which the Project is covered** | **Projects/ Programmes 1.Local area/ others- 2.specify the state /district (Name of the District/s, State/s where project/ programme was undertaken** | **Amount outlay (budget) project/ programme wise (₹ )** | **Amount spent on the project/ programme (₹ ) Sub-heads: 1.Direct expenditure on project/ programme, 2.0 verheads:** | **Cumulative spend upto to the reporting period (Amount in ₹ )** | **Amount spent: Direct/ through implementing agency*** |
| 10 | Creating awareness of better health | Promoting Healthcare | Uttar Pradesh | 101100 | 101100 | 19180227 | Direct |
| 11 | Promotion of sanitation and cleanliness | Promotion of sanitation and making available safe drinking water | Uttar Pradesh | 187000 | 187000 | 19367227 | Direct |
| 12 | Training to youths for awareness & promotion of rural sports | Training to promote rural sports | Uttar Pradesh | 211000 | 211000 | 19578227 | Direct |
| 13 | Contribution towards self – reliant women hood | Women Empowerment | Uttar Pradesh | 337000 | 337000 | 19915227 | Direct |

6. **Reason for not spending 2% of average net profit for CSR Activity for the financial year 2016-17 -** Company was looking for genuine and socially useful opportunity, where the money can be fruitfully used.

7. **Responsibility statement of the CSR Committee**

   We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with Company's CSR objectives (i.e. CSR Vision and CSR Mission) and CSR Policy of the Company. Also, Company will make every Endeavour to utilize its CSR expenditure during the current year.

For & on behalf of Corporate Social Responsibility Committee

Place: Agra
Date: August 11, 2017

**Chakresh Kumar Jain**
*Chairman of Committee*
(Managing Director)
DIN: 00086768

**Ashok Kumar Gupta**
*Member of Committee*
(Independent Director)
DIN: 02808356

## ANNEXURE - II: TO THE DIRECTORS REPORT

# NOMINATION AND REMUNERATION POLICY

**1. Preamble**

The Board of Directors (the "Board") of PNC Infratech Limited (the "Company"), has adopted the following policy and procedures with regard to Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management and other employees of the Company. The Nomination and Remuneration Committee will review and recommend to the Board for any amendments from time to time.

**2. Purpose**

This policy is framed as per requirement of Sections 178 and other applicable provisions of the Companies Act, 2013 ("Act") read with rules and regulations made trhereunder, and Listing Agreement and intended to have a Board with diverse background and experience in areas that are relevant for the Company, to ensure the proper appointment and fairness in the remuneration process of the Directors, Key Managerial Personnel (KMP) and Senior Management and other employees of the Company and at the same time to attract and retain the best suitable talent on the Board of the Company.

**3. Applicability**

This policy is applicable to all Directors, Key Managerial Personnel (KMP), and Senior Management team and other employees of the Company.

**4. Objectives**

This policy is framed with the following objectives:

I. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.

II. To evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.

III. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.

IV. The relationship of remuneration with performance is clear and meets appropriate performance benchmarks.

V. To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

VI. To promote and develop a high performance workforce in line with the Company strategy.

VII. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non- Executive/ Independent/Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.

VIII. To determine the remuneration based on the Company's size and financial position and practices in the industry.

**5. Definition**

I. **"Act"** means Companies Act, 2013 and rules framed there under as amended from time to time.

II. **"Board of Directors"** or **Board**, in relation to the company, means the collective body of the Directors of the Company.

III. **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

IV. **"Company"** means **"PNC Infratech Limited"**.

V. "**Managerial Personnel**" means Managerial Personnel or Persons, appointed under section 196 and other applicable provisions of the Companies Act, 2013.

VI. **"Policy"** or "**This policy**" means Nomination and Remuneration Policy.

VII. **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

VIII. **"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

IX. **"Key Managerial Personnel" (KMP)** means

a. The Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director;

b. The Company Secretary and

c. The Chief Financial Officer

X. **"Senior Management"** mean personnel of the company who are members of its core management team excluding Board of Directors.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

**6. Policy**

**6.1 Appointment of Managerial Personnel, Director, KMP and Senior Management:**

(a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board for his/ her appointment.

(b) A person should possess adequate qualifications, expertise and experience for the position he /she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient /satisfactory for the concerned position.

c. Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder or any other applicable provisions of the Companies Act, 2013 and the Listing Agreement.

**6.2 Term/Tenure**

**a. Managerial Personnel:**
The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**b. Independent Director:**
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and Disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

The maximum tenure of Independent Directors shall also be in accordance with the Companies Act, 2013 & Listing Agreement and clarifications/ circulars issued by the Ministry of Corporate Affairs/ SEBI, in this regard, from time to time.

**6.3 Retirement**

Any Director other than the Independent Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to compliance of the provisions of the Companies Act, 2013 and Listing Agreement.

**6.4 Remuneration of Managerial Personnel, KMP and Senior Management:**

**a.** The level and composition of remuneration to Managerial Personnel, KMP & Senior Management should be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company. The Remuneration / Compensation / Profit linked Incentive etc. to Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval.

The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

**b.** The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

**c.** Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**d.** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

e. If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

**f.** Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.

**g.** Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

**6.5 Remuneration to Non-Executive / Independent Directors:**

**a. Remuneration / Profit Linked Commission:**
The remuneration / profit linked commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

**b. Sitting Fees:**
The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the

Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**c. Limit of Remuneration /Profit Linked Commission:**
Remuneration /profit linked Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% or /3% of the net profits of the Company respectively.

**d. Stock Options:**
Pursuant to the provisions of the Companies Act 2013, Managerial Personnel, KMP, Senior Management and an employee shall be entitled to any Employee Stock Options (ESOPs) of the Company.

**6.6 Familiarization program for Independent Directors:**

**a)** The Company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the company, etc., through various programs.

**b)** The details of such familiarization programs shall be disclosed on the Company's website and a web link thereto shall also be given in the Annual Report.

**7. Monitoring, Evaluation and Removal:**

**I. Evaluation:**

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP or Senior Management. The Committee shall identify evaluation criteria based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence.

Framework for performance evaluation of Independent Directors and the Board is as per Annexure to this Policy.

**II. Removal:**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

**8. Amendment to the Policy:**
The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

**9. Disclosure:**
The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

## ANNEXURE

**Framework for Performance Evaluation of Independent Directors and the Board**

As per the provisions of Clause 49, the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, in terms of Clause 49, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual directors).

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organize the evaluation process and act on its outcome;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
   - 2.1 Knowledge to perform the role;
   - 2.2 Time and level of participation;
   - 2.3 Performance of duties and level of oversight; and
   - 2.4 Professional conduct and independence.
3. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
4. In terms of Section 134 of the Act, the Board's Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

# ANNEXURE - III: TO THE DIRECTORS REPORT

## Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2017

## PNC INFRATECH LIMITED

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**The Members,**

**PNC Infratech Limited**

**NBCC Plaza, Tower II, 4th Floor, Pushp Vihar,**

**Sector V, Saket, New Delhi- 110 017**

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by PNC Infratech Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(j) Secretarial Standards issued by the Institute of Company Secretaries of India.

(vi) and other laws as are specifically applicable to the Company.

Our report is to be read along with the noting as mentioned here-in-under:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

4. Where ever required, we have obtained the management representation about the Compliances of the laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; Our examination was limited to the verification of the procedures on test basis.

6. We have not verified the compliance under various State laws specifically applicable to the Company and relied on the Management Representation Letter.

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following matter of emphasis:

1. Legal Proceedings against the Company

There are instances of legal cases filed against the Company under the various laws applicable to the Company. These cases are filed before various courts of the Country under various statutes. However, as explained by the management the legal proceedings against the Company is not of material or significant nature which impacts the going concern status and Company's operations in future;

2. Late Filing of E-forms:

The Company has been generally filing the forms and returns with the Registrar within the prescribed time. However, there are few instances where there have been delays, which were filed on payment of additional fees.

3. Corporate Social Responsibilities:

Under Section 135 of the Companies Act, 2013, the Company is required to spend at least two percent of the average net profits of the Company during the three immediately preceding financial years, which is calculated as Rs. 301.66 lacs for the financial year 2016-17. However, the Company was able to spend Rs. 199.15 lacs only. The management explained that the Company was looking for genuine and socially useful opportunity, where the money can be fruitfully used.

We report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notices are given to all directors for the Board Meetings and accordingly, agenda and detailed notes on agenda were sent to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful Participation at the meeting.

3. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

4. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that during the audit period the company has generally complied with the requirements of various Act, Rules and Regulations, guidelines and standards as are applicable to the Company.

For DR Associates Company Secretaries

**Suchitta Koley**
*Partner*
*CP No.: 714*

Place: New Delhi
Date: 11th August, 2017

## ANNEXURE - IV: TO THE DIRECTORS REPORT

# VIGIL MECHANISM / WHISTLE BLOWER POLICY

### PREAMBLE

Section 177 of the Companies Act, 2013 read with Rules 7 of Companies (Meeting of Board and its Powers) 2014 requires that every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the Directors and employees to report genuine concerns in such manner as may be prescribed.

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel ("the Code"), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

Clause 49 of the Listing Agreement, *inter alia,* provides for establishment of mechanism called "Whistle Blower Policy" for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company's code of conduct.

### POLICY

In compliance of the above requirements, PNC Infratech Limited, (PNC), has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

### POLICY OBJECTIVES

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees, who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

### DEFINITIONS

The definitions of some of the key terms used in this Policy are given below:-

**'Audit Committee"** means the Audit Committee constituted by the Board of Director of the Company in accordance with the Companies Act, 2013 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.

**"Employee"** means every present employee of the Company (whether working in India or abroad), including the Directors of the Company.

**"Protected Disclosure"** means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

**"Subject"** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

"**Vigilance Officer**" is a person, nominated/appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

"**Whistle Blower"** is a Director or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

### SCOPE OF THE POLICY

The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:

1. Breach of the Company's Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Pilferation of confidential/propriety information
9. Gross Wastage/misappropriation of Company funds/assets
10. Misuse or abuse of Authority
11. And other matter or activity of which the interest of Companies is affected and formally reported by whistle Blower.

### ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

### PROCEDURE

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as **"Protected disclosure under the Whistle Blower**

**policy"** or sent through email with the subject **"Protected disclosure under the Whistle Blower policy".** If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

**The contact details of the Vigilance Officer are as under:-**
***Designation: Company Secretary & Compliance Officer**
**PNC Infratech Limited**
**3/22D, Civil Lines, Agra-Delhi Byepass Road,**
**NH-2, Agra-282002**
**E-mail: complianceofficer@pncinfratech.com**

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

On receipt of the protected disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

## INVESTIGATION

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

## DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

Any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## CONFIDENTIALITY

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

## PROTECTION

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimisation of complainants shall be provided. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend appropriate disciplinary action against anyone responsible.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

## DISQUALIFICATIONS

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

## ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

## COMMUNICATION

Directors and Employees shall be informed of the Policy by publishing on the notice board and the website of the Company.

## RETENTION OF DOCUMENTS

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

## AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and employees unless the same is not communicated in the manner described as above

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***Note:** This policy has been modified pursuant to Board Resolution passed in the Meeting of Board of Directors held on 24.05.2017.

## ANNEXURE - V: TO THE DIRECTORS REPORT

# INFORMATION UNDER SECTION 134(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES 2014, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

### Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

**(a) Conservation of energy**

| | | |
|---|---|---|
| (i) | the steps taken or impact on conservation of energy | The Company is taking all necessary measures for conservation of energy and creating awareness amongst the employees on the necessity of conservation of energy is practiced regularly. |
| (ii) | the steps taken by the company for utilizing alternate sources of energy | NIL |
| (iii) | the capital investment on energy conservation equipments | The company is involved in construction of highways and airport runways, hence no major impact on the cost of production/construction. |

**(b) Technology absorption**

| | | |
|---|---|---|
| (i) | the efforts made towards technology absorption | The Company develops in-house technology and is not dependent on any outside technology/source. |
| (ii) | the benefits derived like product improvement, cost reduction, product development or import substitution | • Improvements in quality,<br>• Reduction in cost<br>• Development of Product |
| (iii) | in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- | Not Applicable |
| | (a) the details of technology imported | |
| | (b) the year of import; | |
| | (c) whether the technology been fully absorbed | |
| | (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof | |
| (iv) | the expenditure incurred on Research and Development | |

**(c) Foreign exchange earnings and Outgo**

I. Foreign Exchange earnings : NIL

ii. Foreign Exchange expenditure : NIL

## ANNEXURE - VI: TO THE DIRECTORS REPORT

### Form No. Mgt- 9

# EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

Of

**PNC INFRATECH LIMITED**

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

| S.No. | Particular | Details |
|---|---|---|
| 1 | CIN | L45201DL1999PLC195937 |
| 2 | Registration Date | 09/08/1999 |
| 3 | Name of the Company | PNC Infratech Limited |
| 4 | Category / Sub-Category of the Company | Public Company limited by Shares |
| 5 | Address of the Registered Office and contact details | NBCC Plaza, Tower II, IV Floor, Pushp Vihar, Sector 5, Saket, New Delhi-110017<br>Tel : +(91) - (562) – 4070000<br>E-mail ID – complianceofficer@pncinfratech.com<br>Website - http://www.pncinfratech.com/ |
| 6 | Whether listed company | Yes |
| 7 | Name, Address and contact details of Registrar & Transfer Agents (RTA), if any | Link Intime India Private Limited<br>44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi - 110028<br>Tel No : +91 011-41410592, 93, 94<br>E-mail id : delhi@linkintime.co.in<br>Website : www.linkintime.co.in |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1. | Roads | 42101 | 99.07 |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| S. No | Name and Address of the company | CIN | Holding/ Subsidiary/ Associate | % of Shares held* | Applicable Section |
|---|---|---|---|---|---|
| 1 | MP Highways Private Limited<br>Cabin No.5, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17 | U45201DL2010PTC211187 | Subsidiary | 100 | 2(87)(ii) |
| 2 | PNC Infra Holdings Limited<br>Cabin No.5, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17 | U45400DL2011PLC212473 | Subsidiary | 100 | 2(87)(ii) |
| 3 | PNC Kanpur Highways Limited<br>Cabin No.5, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17 | U45400DL2011PLC212392 | Subsidiary | 100 | 2(87)(ii) |

| S. No | Name and Address of the company | CIN | Holding/ Subsidiary/ Associate | % of Shares held* | Applicable Section |
|---|---|---|---|---|---|
| 4 | PNC Delhi Industrialinfra Private Limited Cabin No.4 NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17 | U45200DL2011PTC222046 | Subsidiary | 100 | 2(87)(ii) |
| 5 | PNC Bareilly Nainital Highways Private Limited Cabin No.4, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17 | U45400DL2011PTC222043 | Subsidiary | 100 | 2(87)(ii) |
| 6 | PNC Raebareli Highways Private Limited Cabin No.4, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17 | U45400DL2012PTC241184 | Subsidiary | 100 | 2(87)(ii) |
| 7 | PNC Kanpur Ayodhya Tollways Private Limited Cabin No.5, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17 | U45400DL2013PTC248507 | Subsidiary | 100 | 2(87)(ii) |
| 8 | Hospet Bellary Highways Private Limited CS 8-10, 6th Floor, Tower A, The Corenthum, A-41, Sector-62, NOIDA-201301 (U.P.) | U45400UP2012PTC048390 | Subsidiary | 65 | 2(87)(ii) |
| 9 | Ferrovia Transrail Solutions Private Limited 14th Floor, Antariksh Bhavan, 22, Kasturba Gandhi Marg, New Delhi - 110001, | U45300DL2012PTC239645 | Subsidiary | 51 | 2(87)(ii) |
| 10 | PNC Rajasthan Highways Private Limited Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Saket, New Delhi - 110017 | U45203DL2016PTC304751 | Subsidiary | 100 | 2(87)(ii) |
| 11 | Ghaziabad Aligarh Expressway Private Limited A1-157 and 158, II Floor, New Kondli, Mayur Vihar, Phase III, New Delhi 110096 | U70101DL2009PTC197148 | Associate | 35 | 2(6) |

* Holds directly and indirectly through its wholly owned subsidiary PNC Infra Holdings Limited.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding

| Category of shareholder (II) | Number of Shares held at the beginning of the year | | | | Number of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **Promoter and Promoter Group** | | | | | | | | | |
| **Indian** | | | | | | | | | |
| Individuals/ Hindu Undivided Family | 23815200 | 0 | 23815200 | 46.42 | 119076000 | 0 | 119076000 | 46.42 | 0 |
| Central Government/ State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Bodies Corporate | 4953000 | 0 | 4953000 | 9.65 | 24765000 | 0 | 24765000 | 9.65 | 0 |
| Financial Institutions/ Banks | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Any Other (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| **Sub-Total (A)(1)** | **28768200** | **0** | **28768200** | **56.07** | **143841000** | **0** | **143841000** | **56.07** | **0** |

| Category of shareholder (II) | Number of Shares held at the beginning of the year | | | | Number of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **Foreign** | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Individuals (Non-Resident Individuals/ Foreign Individuals) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Banks/ Financial Institutions | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| Any Other (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 |
| **Sub-Total (A)(2)** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0** |
| **Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)** | **28768200** | **0** | **28768200** | **56.07** | **143841000** | **0** | **143841000** | **56.07** | **0** |
| **Public shareholding** | | | | | | | | | |
| **Institutions** | | | | | | | | | |
| Mutual Funds/UTI | 8043991 | 0 | 8043991 | 15.68 | 55817461 | 0 | 55817461 | 21.76 | 6.08 |
| Financial Institutions/ Banks | 8197 | 0 | 8197 | 0.02 | 189790 | 0 | 189790 | 0.07 | 0.05 |
| Central Government/ State Government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign Portfolio Investors | 3327795 | 0 | 3327795 | 6.48 | 11147943 | 0 | 11147943 | 4.35 | (2.13) |
| Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Any Other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-Total (B)(1)** | **11379983** | **0** | **11379983** | **22.18** | **67155194** | **0** | **67155194** | **26.18** | **4** |
| **Non-institutions** | | | | | | | | | |
| Individuals - | | | | | | | | | |
| i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs. | 361970 | 16102 | 378072 | 0.73 | 7183231 | 80505 | 7263736 | 2.83 | 2.10 |
| ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs. | 304368 | 0.0 | 304368 | 0.59 | 230919 | 0.0 | 230919 | 0.09 | (0.5) |
| NBFCs registered with RBI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Employee Trust | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Overseas Depositories (Holding DRs) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Any Other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hindu Undivided Family | 16237 | 0 | 16237 | 0.03 | 281736 | 0 | 281736 | 0.10 | 0.07 |
| Foreign Companies | 3343436 | 0 | 3343436 | 6.51 | 3652085 | 0 | 3652085 | 1.42 | (5.09) |
| Non Resident Indians (Non Repeat) | 2220 | 0 | 2220 | 0 | 74078 | 0 | 74078 | 0.03 | 0.03 |

| Category of shareholder (II) | Number of Shares held at the beginning of the year | | | | Number of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| Non Resident Indians (Repeat) | 7644 | 0 | 7644 | 0.01 | 350613 | 0 | 350613 | 0.14 | 0.13 |
| Clearing Member | 16707 | 0 | 16707 | 0.03 | 867112 | 0 | 867112 | 0.34 | 0.31 |
| Bodies Corporate | 1754266 | 5336700 | 7090966 | 13.82 | 32822692 | 0 | 32822692 | 12.80 | (1.02) |
| **Sub-Total (B)(2)** | **5806848** | **5352802** | **11159650** | **21.75** | **45462466** | **80505** | **45542971** | **17.75** | **(4.00)** |
| **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **17186831** | **5352802** | **22539633** | **43.93** | **112617660** | **80505** | **112698165** | **43.93** | **0.00** |
| **TOTAL (A)+(B)** | **45955031** | **5352802** | **51307833** | **100** | **256458660** | **80505** | **256539165** | **100** | **0** |
| **Shares held by Custodians and against which Depository Receipts have been issued** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **GRAND TOTAL (A)+(B)+(C)** | **45955031** | **5352802** | **51307833** | **100** | **256458660** | **80505** | **256539165** | **100** | **0** |

**(ii) Shareholding of Promoters**

| S. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| **Promoter** | | | | | | | | |
| 1. | Pradeep Kumar Jain | 3002325 | 5.85 | 0.00 | 16363125 | 6.38 | 0.00 | 0.53 |
| 2. | Naveen Kumar Jain | 3551625 | 6.92 | 0.00 | 17758125 | 6.92 | 0.00 | 0.00 |
| 3. | Chakresh Kumar Jain | 435225 | 0.85 | 0.00 | 2176125 | 0.85 | 0.00 | 0.00 |
| 4. | Yogesh Kumar Jain | 3291225 | 6.41 | 0.00 | 16456125 | 6.41 | 0.00 | 0.00 |
| 5. | PNC Cold Storage Private Limited | 360000 | 0.70 | 0.00 | 0.00 | 0.00 | 0.00 | (0.70) |
| 6. | PNC Project Private Limited | 2133000 | 4.16 | 0.00 | 0.00 | 0.00 | 0.00 | (4.16) |
| 7. | Shri Parasnath Infrastructure Private Limited | 1410000 | 2.75 | 0.00 | 0.00 | 0.00 | 0.00 | (2.75) |
| **Promoter Group** | | | | | | | | |
| 8. | Shri Pradeep Kumar Jain (HUF) | 1050000 | 2.05 | 0.00 | 5250000 | 2.05 | 0.00 | 0.00 |
| 9. | Shri Naveen Kumar Jain (HUF) | 300 | 0.00 | 0.00 | 1500 | 0.00 | 0.00 | 0.00 |
| 10. | Shri Chakresh Kumar Jain (HUF) | 1851300 | 3.61 | 0.00 | 9256500 | 3.61 | 0.00 | 0.00 |
| 11. | Shri Yogesh Kumar Jain (HUF) | 1020300 | 1.99 | 0.00 | 5101500 | 1.99 | 0.00 | 0.00 |

| S. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 12. | Smt. Madhavi Jain | 3599700 | 7.02 | 0.00 | 17998500 | 7.02 | 0.00 | 0.00 |
| 13. | Smt. Ashita Jain | 1574700 | 3.07 | 0.00 | 7873500 | 3.07 | 0.00 | 0.00 |
| 14. | Smt. Meena Jain | 1485300 | 2.89 | 0.00 | 7426500 | 2.89 | 0.00 | 0.00 |
| 15. | Smt. Renu Jain | 2334300 | 4.55 | 0.00 | 11671500 | 4.55 | 0.00 | 0.00 |
| 16. | Smt. Premwati Jain | 270300 | 0.53 | 0.00 | 0.00 | 0.00 | 0.00 | (0.53) |
| 17. | Shri Abhinandan Jain | 348600 | 0.68 | 0.00 | 1743000 | 0.68 | 0.00 | 0.00 |
| 18. | KMJ Infrastructure Pvt. Ltd. | 281250 | 0.54 | 0.00 | 0.00 | 0.00 | 0.00 | (0.54) |
| 19. | Shri Mahaveer Infrastructure Pvt. Ltd. | 600000 | 1.17 | 0.00 | 0.00 | 0.00 | 0.00 | (1.17) |
| 20. | NCJ Infrastructure Pvt. Ltd | 168750 | 0.33 | 0.00 | 843750 | 0.33 | 0.00 | 0.00 |
| 21. | PPPL Constructions Private Limited | 0.00 | 0.00 | 0.00 | 23921250 | 9.32 | 0.00 | 9.32 |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| Sl. No. | PARTICULARS | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| (i) | Shri Pradeep Kumar Jain | | | | |
| | At the beginning of the year | 3002325 | 5.85 | 3002325 | 5.85 |
| | Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | Increase in shareholding due to –<br>i. Split of 3002325 Equity Shares into 15011625 by way of Postal Ballot Result dated July 19, 2016#<br>ii. Acquisition of 13,51,500 Equity Shares of Smt. Premwati Jain by way of transmission. | | | |
| | At the end of the year | 16363125 | 6.38 | 16363125 | 6.38 |
| (ii) | Smt. Premwati Jain | | | | |
| | At the beginning of the year | 270300 | 0.53 | 270300 | 0.53 |
| | Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | Due to the sad demise of Smt. Premwati Jain, her shares (13,51,500 Equity Shares after stock split of equity shares of the Company) were transmitted to Mr. Pradeep Kumar Jain. | | | |
| | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |

| Sl. No. | PARTICULARS | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| (iii) | PNC Cold Storage Private Limited | | | | |
| | At the beginning of the year | 360000 | 0.70 | 360000 | 0.70 |
| | Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | Ceased to be a shareholder w.e.f. 29.04.2016 due to inter-se off-market transfer of 3,60,000 equity shares to PPPL Constructions Private Limited | | | |
| | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| (iv) | PNC Project Private Limited | | | | |
| | At the beginning of the year | 2133000 | 4.16 | 2133000 | 4.16 |
| | Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | Ceased to be a shareholder w.e.f. 29.04.2016 due to inter-se off-market transfer of 2133000 equity shares to PPPL Constructions Private Limited | | | |
| | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| (v) | Shri Parasnath Infrastructure Private Limited | | | | |
| | At the beginning of the year | 1410000 | 2.75 | 1410000 | 2.75 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | Ceased to be a shareholder w.e.f. 29.04.2016 due to inter-se off-market transfer of 1410000 equity shares to PPPL Constructions Private Limited | | | |
| | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| (vi) | KMJ Infrastructure Pvt. Ltd. | | | | |
| | At the beginning of the year | 281250 | 0.55 | 281250 | 0.55 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | Ceased to be a shareholder w.e.f. 29.04.2016 due to inter-se off-market transfer of 281250 equity shares to PPPL Constructions Private Limited | | | |
| | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| (vii) | Shri Mahaveer Infrastructure Pvt. Ltd. | | | | |
| | At the beginning of the year | 600000 | 1.17 | 600000 | 1.17 |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | Ceased to be a shareholder w.e.f. 29.04.2016 due to inter-se off-market transfer of 600000 equity shares to PPPL Constructions Private Limited | | | |
| | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| (viii) | PPPL Constructions Private Limited | | | | |
| | At the beginning of the year | 0.00 | 0.00 | 0.00 | 0.00 |

| Sl. No. | PARTICULARS | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) | Acquired following equity shares by inter-se off-market transfer between Promoters as on 29.04.2016 – | | | |
| | At the end of the year | 23921250 | 9.32 | 23921250 | 9.32 |

| Name of Promoter | No. of Equity Shares acquired (before stock split) |
|---|---|
| PNC Cold Storage Private Limited | 360000 |
| PNC Project Private Limited | 2133000 |
| Shri Parasnath Infrastructure Pvt. Ltd. | 1410000 |
| KMJ Infrastructure Pvt. Ltd. | 281250 |
| Shri Mahaveer Infrastructure Pvt. Ltd. | 600000 |
| Total (before stock split) | 4784250 |
| Total ( after stock split) | 23921250 |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year-2015 | | Transaction during the year | | Cumulative Shareholding at the end of the year-2016 | |
|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | Date of Transaction | No. of Shares | No. of shares | % of total shares of the Company |
| 1 | HDFC Trustee Company Limited A/C | 3356232 | 6.5413 | | | 3356232 | 6.5413 |
| | Transfer | | | 13/05/2016 | (40000) | 3316232 | 6.4634 |
| | Transfer | | | 20/05/2016 | (150000) | 3166232 | 6.1710 |
| | Transfer | | | 22/07/2016 | (6100) | 3160132 | 6.1592 |
| | Face Value 2/- | | | 19/08/ 2016 | 15800660 | 15800660 | 6.1592 |
| | Transfer | | | 02 /09/2016 | (500000) | 15300660 | 5.9643 |
| | Transfer | | | 25 /11/2016 | 101000 | 15401660 | 6.0036 |
| | Transfer | | | 02 /12/2016 | 300000 | 15701660 | 6.1206 |
| | Transfer | | | 09 /12/2016 | 600000 | 16301660 | 6.3545 |
| | Transfer | | | 16 /12/2016 | 500000 | 16801660 | 6.5494 |
| | Transfer | | | 10 /03/2017 | 1466000 | 18267660 | 7.1208 |
| | At the End of the Year | | | - | - | 18267660 | 7.1208 |
| 2. | Alberta Realtors | | | | | | |
| | Transfer | | | 17 /03/2017 | 15812500 | 15812500 | 6.1638 |
| | At the End of the Year | | | | | 15812500 | 6.1638 |
| 3. | GHPL PROJECTS | 0 | 0 | 0 | 0 | 0 | 0.0 |
| | Transfer | | | 10 /03/2017 | 9075000 | 9075000 | 3.5375 |

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year-2015 | | Transaction during the year | | Cumulative Shareholding at the end of the year-2016 | |
|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | Date of Transaction | No. of Shares | No. of shares | % of total shares of the Company |
| | At the End of the Year | | | | | 9075000 | 3.5375 |
| 4. | Reliance capital trustee co. Ltd- A/C | 343910 | 0.6703 | - | - | 343910 | 0.6703 |
| | Face Value 2/- | | | 19 /08/2016 | 1719550 | 1719550 | 0.6703 |
| | Transfer | | | 02 /09/2016 | 1000000 | 2719550 | 1.0601 |
| | Transfer | | | 07 /10/2016 | 870000 | 3589550 | 1.3992 |
| | Transfer | | | 28 /10/2016 | 1600000 | 5189550 | 2.0229 |
| | Transfer | | | 27 /01/2017 | 150000 | 5339550 | 2.0814 |
| | Transfer | | | 24 /03/2017 | 1000000 | 6339550 | 2.4712 |
| | Transfer | | | 31 /03/2017 | 500000 | 6839550 | 2.6661 |
| | At the End of the Year | | | | | 6839550 | 2.6661 |
| 5. | GOLDMAN SACHS INDIA LIMITED | 1693728 | 3.3011 | | | 1693728 | 3.3011 |
| | Face Value 2/- | | | 19 /08/2016 | 8468640 | 8468640 | 3.3011 |
| | Transfer | | | 07 /10/2016 | (1922016) | 6546624 | 2.5519 |
| | Transfer | | | 31 /03/2017 | 24927 | 6571551 | 2.5616 |
| | At the End of the Year | | | | | 6571551 | 2.5616 |
| 6. | Birla Sun Life Trustee Company Private Limited A/C | 1279284 | 2.4934 | | | 1279284 | 2.4934 |
| | Transfer | - | - | 12/04/2016 | (175000) | 1104284 | 2.1523 |
| | Transfer | | | 15/04/2016 | 25000 | 1129284 | 2.2010 |
| | Transfer | | | 29/04/2016 | (134405) | 994879 | 1.9390 |
| | Transfer | | | 13/05/2016 | (3000) | 991879 | 1.9332 |
| | Transfer | | | 03/06/2016 | (10616) | 981263 | 1.9125 |
| | Transfer | | | 10/06/2016 | (11916) | 969347 | 1.8893 |
| | Transfer | | | 17/06/2016 | (6934) | 962413 | 1.8758 |
| | Face Value ₹ 2/- | | | 19/08/2016 | 4812065 | 4812065 | 1.8758 |
| | Transfer | | | 26 /08/2016 | (100000) | 4712065 | 1.8368 |
| | Transfer | | | 02 /09/2016 | 95000 | 4807065 | 1.8738 |
| | Transfer | | | 11 /11/2016 | (11000) | 4796065 | 1.8695 |
| | Transfer | | | 18 /11/2016 | (50000) | 4746065 | 1.8500 |
| | Transfer | | | 16 /12/2016 | 200000 | 4946065 | 1.9280 |
| | Transfer | | | 30 /12/2016 | 70000 | 5016065 | 1.9553 |
| | Transfer | | | 10 /03/2017 | (7790) | 5008275 | 1.9522 |
| | Transfer | | | 17 /03/2017 | 96000 | 5104275 | 1.9897 |
| | Transfer | | | 24 /03/2017 | 1200000 | 6304275 | 2.4574 |
| | At the End of the Year | | | | | 6304275 | 2.4574 |

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year-2015 | | Transaction during the year | | Cumulative Shareholding at the end of the year-2016 | |
|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | Date of Transaction | No. of Shares | No. of shares | % of total shares of the Company |
| 7. | Sundaram Mutual Fund A/C Sundaram Smile Fund | 1165479 | 2.2715 | | | 1165479 | 2.2715 |
| | Transfer | - | - | 17/06/2016 | (428) | 1165051 | 2.2707 |
| | Face Value 2/- | | | 19 /08/2016 | 5825255 | 5825255 | 2.2707 |
| | Transfer | | | 31 /03/2017 | 200000 | 6025255 | 2.3487 |
| | At the End of the Year | | | | | 6025255 | 2.3487 |
| 8. | L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA PRUDENCE FUND | 386110 | 0.7525 | | | 386110 | 0.7525 |
| | Transfer | | | 03/06/2016 | (3000) | 383110 | 0.7467 |
| | Transfer | | | 15/07/2016 | 10085 | 393195 | 0.7663 |
| | Face Value 2/- | | | 19 /08/2016 | 1965975 | 1965975 | 0.7663 |
| | Transfer | | | 23 /09/2016 | 41335 | 2007310 | 0.7825 |
| | Transfer | | | 30 /09/2016 | 100000 | 2107310 | 0.8214 |
| | Transfer | | | 07 /10/2016 | 2683258 | 4790568 | 1.8674 |
| | Transfer | | | 10 /03/2017 | 81300 | 4871868 | 1.8991 |
| | Transfer | | | 17 /03/2017 | 600000 | 5471868 | 2.1330 |
| | Transfer | | | 24 /03/2017 | 111465 | 5583333 | 2.1764 |
| | At the End of the Year | | | | | 5583333 | 2.1764 |
| 9. | India Midcap (Mauritius) LTD. | 808170 | 1.5751 | | | 808170 | 1.5751 |
| | Transfer | | | 13/05/2016 | (1555) | 806615 | 1.5721 |
| | Transfer | | | 20/05/2016 | (6529) | 800086 | 1.5593 |
| | Transfer | | | 27/05/2016 | (10086) | 790000 | 1.5397 |
| | Transfer | | | 03/06/2016 | (4430) | 785570 | 1.5311 |
| | Face Value 2/- | | | 19 /08/2016 | 3927850 | 3927850 | 1.5311 |
| | Transfer | | | 19 /08/2016 | (39850) | 3888000 | 1.5156 |
| | Transfer | | | 26 /08/2016 | (15000) | 3873000 | 1.5097 |
| | Transfer | | | 09 /09/2016 | (33000) | 3840000 | 1.4968 |
| | Transfer | | | 28 /10/2016 | (23053) | 3816947 | 1.4879 |
| | Transfer | | | 04 /11/2016 | (16947) | 3800000 | 1.4813 |
| | Transfer | | | 18 /11/2016 | (21424) | 3778576 | 1.4729 |
| | Transfer | | | 25 /11/2016 | (13576) | 3765000 | 1.4676 |
| | At the End of the Year | | | | | 3765000 | 1.4676 |
| 10. | Nylim Jacob Ballas India (FVCI) III LLC | 3343436 | 6.5164 | | | 3343436 | 6.5164 |
| | Transfer | | | 12/04/2016 | (43835) | 3299601 | 6.4310 |
| | Transfer | | | 15/04/2016 | (9634) | 3289967 | 6.4122 |
| | Transfer | | | 22/04/2016 | (340659) | 2949308 | 5.7483 |
| | Transfer | | | 29/04/2016 | (105223) | 2844085 | 5.5432 |
| | Transfer | | | 09/05/2016 | (668) | 2843417 | 5.5419 |

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year-2015 | | Transaction during the year | | Cumulative Shareholding at the end of the year-2016 | |
|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | Date of Transaction | No. of Shares | No. of shares | % of total shares of the Company |
| | Face Value 2/- | | | 19 /08/2016 | 14217085 | 14217085 | 5.5419 |
| | Transfer | | | 16 /09/2016 | (14590) | 14202495 | 5.5362 |
| | Transfer | | | 23 /09/2016 | (171862) | 14030633 | 5.4692 |
| | Transfer | | | 30 /09/2016 | (11942) | 14018691 | 5.4645 |
| | Transfer | | | 07 /10/2016 | (217597) | 13801094 | 5.3797 |
| | Transfer | | | 14 /10/2016 | (89247) | 13711847 | 5.3449 |
| | Transfer | | | 21 /10/2016 | (1083738) | 12628109 | 4.9225 |
| | Transfer | | | 28 /10/2016 | (94563) | 12533546 | 4.8856 |
| | Transfer | | | 04 /11/2016 | (38317) | 12495229 | 4.8707 |
| | Transfer | | | 02 /12/2016 | (432484) | 12062745 | 4.7021 |
| | Transfer | | | 09 /12/2016 | (327523) | 11735222 | 4.5744 |
| | Transfer | | | 16 /12/2016 | (18637) | 11716585 | 4.5672 |
| | Transfer | | | 23 /12/2016 | (23656) | 11692929 | 4.5580 |
| | Transfer | | | 06 /01/2017 | (2000) | 11690929 | 4.5572 |
| | Transfer | | | 13 /01/2017 | (51349) | 11639580 | 4.5372 |
| | Transfer | | | 20 /01/2017 | (517516) | 11122064 | 4.3354 |
| | Transfer | | | 27 /01/2017 | (97394) | 11024670 | 4.2975 |
| | Transfer | | | 03 /02/2017 | (382577) | 10642093 | 4.1483 |
| | Transfer | | | 10 /02/2017 | (150594) | 10491499 | 4.0896 |
| | Transfer | | | 17 /02/2017 | (7213) | 10484286 | 4.0868 |
| | Transfer | | | 24 /02/2017 | (11785) | 10472501 | 4.0822 |
| | Transfer | | | 10 /03/2017 | (2259) | 10470242 | 4.0813 |
| | Transfer | | | 17 /03/2017 | (2798079) | 7672163 | 2.9906 |
| | Transfer | | | 24 /03/2017 | (1450078) | 6222085 | 2.4254 |
| | Transfer | | | 31 /03/2017 | (2570000) | 3652085 | 1.4236 |
| | At The End Of The Year | | | - | - | 3652085 | 1.4236 |

**Note -** 1. Paid up Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 256539165 Shares.

2. The details of holding has been clubbed based on PAN.

3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(v). Shareholding of Directors and Key Managerial Personnel#:

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | **Mr. Pradeep Kumar Jain** | | | | |
| | At the beginning of the year | 3002325 | 5.85 | 3002325 | 5.85 |
| | Changes during the year | i. Split of 3002325 Equity Shares into 15011625 by way of Postal Ballot Result dated July 19, 2016*<br>ii. Acquisition of 13,51,500 Equity Shares of Smt. Premwati Jain by way of transmission. | | | |
| | At the end of the year | 16363125 | 6.38 | 16363125 | 6.38 |
| 2 | **Mr. Naveen Kumar Jain** | | | | |
| | At the beginning of the year | 3551625 | 6.92 | 3551625 | 6.92 |
| | Changes during the year | | | | |
| | At the end of the year | 17758125 | 6.92 | 17758125 | 6.92 |
| 3. | **Mr. Chakresh Kumar Jain** | | | | |
| | At the beginning of the year | 435225 | 0.85 | 435225 | 0.85 |
| | Changes during the year | | | | |
| | At the end of the year | 2176125 | 0.85 | 2176125 | 0.85 |
| 4. | **Mr. Yogesh Kumar Jain** | | | | |
| | At the beginning of the year | 3291225 | 6.41 | 3291225 | 6.41 |
| | Changes during the year | | | | |
| | At the end of the year | 16456125 | 6.41 | 16456125 | 6.41 |
| 5. | **Mr. Anil Kumar Rao** | | | | |
| | At the beginning of the year | 16100 | 0.03 | 16100 | 0.03 |
| | Changes during the year | | | | |
| | At the end of the year | 80500 | 0.03 | 80500 | 0.03 |
| 6. | **Mr. Sunil Chawla$** | | | | |
| | At the beginning of the year | | - | - | - |
| | Changes during the year | | No changes during the year | | |
| | At the end of the year | - | - | - | - |
| 7. | **Mr. Subhash Chander Kalia** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Changes during the year | | No changes during the year | | |
| | At the end of the year | - | - | - | - |
| 8. | **Mr. C. R. Sharma** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Changes during the year | | | | |

| Sl. No. | For Each of the Directors and KMP | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | **Increase** | | | | | |
| | **Date** | **Reason for Increase** | | | | |
| | 21/11/2016 | Open Market Purchase | 300 | - | 300 | - |
| | 21/11/2016 | Open Market Purchase | 2700 | - | 3000 | - |
| | 24/11/2016 | Open Market Purchase | 500 | - | 3500 | |
| | 25/11/2016 | Open Market Purchase | 500 | - | 4000 | - |
| | 2/02/2017 | Open Market Purchase | 3500 | - | 7500 | |
| | 2/02/2017 | Open Market Purchase | 500 | - | 8000 | |
| | 03/03/2017 | Open Market Purchase | 1000 | - | 9000 | - |
| | 03/03/2017 | Open Market Purchase | 1000 | - | 10000 | |
| | At the end of the year | | - | - | 10000 | - |
| **9.** | **Mr. Rakesh Kumar Gupta** | | | | | |
| | At the beginning of the year | | Nil | - | - | - |
| | Changes during the year | | No changes during the year | | | |
| | At the end of the year | | Nil | - | - | - |
| **10.** | **Mr. Ashok Kumar Gupta** | | | | | |
| | At the beginning of the year | | Nil | - | - | - |
| | Changes during the year | | No changes during the year | | | |
| | At the end of the year | | Nil | - | - | - |
| **11.** | **Mr. Dharam Veer Sharma$** | | | | | |
| | At the beginning of the year | | 2217 | - | 2217 | - |
| | Changes during the year | | | | | |
| | At the end of the year | | 11085 | - | 11085 | - |
| **12.** | **Mrs. Deepika Mittal** | | | | | |
| | At the beginning of the year | | - | - | - | - |
| | Changes during the year | | No changes during the year | | | |
| | At the end of the year | | - | - | - | - |
| **13.** | **Mr. Devendra Kumar Agarwal** | | | | | |
| | At the beginning of the year | | 415 | - | 415 | - |
| | Changes during the year | | | - | | - |
| | **Decrease** | | | | | |
| | **Date** | **Reason for Increase/ Decrease** | | | | |
| | 05.04.2016 | Sold in Market | (200) | - | 215 | |
| | **Increase** | | | | | |

| Sl. No. | For Each of the Directors and KMP | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | **Date** | **Reason for Increase/ Decrease** | | | | |
| | 22.04.2016 | Open Market Purchase | 111 | - | 326 | - |
| | 26.04.2016 | Open Market Purchase | 89 | | 415 | |
| | No. of Shares held after stock split | | 2075 | | 2075 | |
| | **Decrease** | | | | | |
| | 25.11.2016 | Sale in Open Market | (2000) | | | |
| | At the end of the year | | - | - | 75 | - |
| **14.** | **Mr. Tapan Jain** | | | | | |
| | At the beginning of the year | | Nil | - | - | - |
| | Changes during the year | | | | | |
| | At the end of the year | | Nil | - | | - |
| **15.** | **Mr. Binaya Kumar Dash** | | | | | |
| | At the beginning of the year | | 125 | - | 125 | |
| | Changes during the year | | | | | |
| | **Decrease** | | | | | |
| | **Date** | **Reason for Increase/ Decrease** | | | | |
| | 01/7/2016 | Sold in Market | (100) | - | 25 | |
| | At the end of the year[$] | | - | - | - | - |

#Change in promoter's Shareholding is also due to split of one equity share of face value of ₹ 10/- each into five equity shares of ₹ 2/- each by way of Postal Ballot Result Dated July 19, 2016.

[$]During the year under review, Mr. Binaya Kumar Dash resigned from the position of Company Secretary & Compliance Officer of the Company with effect from closing of business hours of July 23, 2016 and Shri Dharam Veer Sharma and Shri Sunil Chawla has resigned from the post of director with effect from closing of business hours of December 8, 2016. Hence, changes, if any, in their shareholding during their association with the Company is only mentioned hereinabove.

## V. INDEBTEDNES

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

₹ in Lakhs

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 1,170.06 | - | - | 1,170.06 |
| ii) Interest due but not paid | | - | - | |
| iii) Interest accrued but not due | | - | - | |
| **Total (i+ii+iii)** | **1,170.06** | **-** | **-** | **1,170.06** |
| **Change in Indebtedness during the financial year** | | | | |

₹ in Lakhs

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| • Addition | 7,843.42 | - | - | 7,843.42 |
| • Reduction | (1,071.60) | - | - | (1,071.60) |
| **Net Change** | **6,771.82** | **-** | **-** | **6,771.82** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 7,941.88 | - | - | 7,941.88 |
| ii) Interest due but not paid | | - | - | |
| iii) Interest accrued but not due | | - | - | |
| **Total (i+ii+iii)** | **7,941.88** | **-** | **-** | **7,941.88** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ in Lakhs

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | | | Total Amount |
|---|---|---|---|---|---|---|---|
| | | Pradeep Kumar Jain | Naveen Kumar Jain | Chakresh Kumar Jain | Yogesh Kumar Jain | Anil Kumar Rao | |
| 1. | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under | 180.00<br>Nil<br>Nil | 162.00<br>Nil<br>Nil | 162.00<br>Nil<br>Nil | 162.00<br>Nil<br>Nil | 57.00<br>Nil<br>Nil | 723.00<br>Nil<br>Nil |
| 2. | Stock Option | Nil | Nil | Nil | Nil | Nil | Nil |
| 3. | Sweat Equity | Nil | Nil | Nil | Nil | Nil | Nil |
| 4. | Commission<br>- as % of profit<br>- others, specify... | Nil | Nil | Nil | Nil | Nil | Nil |
| 5. | Others (Incentive) | Nil | Nil | Nil | Nil | 124.00 | 124.00 |
| | **Total (A)** | **180.00** | **162.00** | **162.00** | **162.00** | **181.00** | **847.00** |
| | **Ceiling as per the Act** | **10% of the profits calculated under section 198 of the Companies Act, 2013** | | | | | |

**B. Remuneration of the other Directors:**

₹ in Lakhs

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | | | Total Amount |
|---|---|---|---|---|---|---|---|---|---|
| | | Sunil Chawla** | Chhotu Ram Sharma | A.K. Gupta | D.V. Sharma** | Subhash Chander Kalia | R.K. Gupta | Deepika Mittal | |
| 1. | Independent Directors<br>• Fee for attending board / committee meetings<br>• Commission<br>• Others, please specify | N.A. | 1.80 | 2.20 | 0.70 | 1.20 | 0.90 | 1.10 | 7.90 |
| | **Total (1)** | **N.A.** | **1.80** | **2.20** | **0.70** | **1.20** | **0.90** | **1.10** | **7.90** |
| 2 | Other Non-Executive Directors<br>• Fee for attending board / committee meetings<br>• Commission<br>• Others, please specify | Nil | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | Nil |
| | **Total (2)** | **Nil** | | | | | | | **Nil** |
| | **Total (B)=(1+2)** | **Nil** | **1.80** | **2.20** | **0.70** | **1.20** | **0.90** | **1.10** | **7.90** |
| | **Total Managerial Remuneration (A+B)** | | | | | | | | **854.90** |
| | Overall Ceiling as per the Act | 1% of the profits calculated under section 198 of the Companies Act, 2013 | | | | | | | |

**Shri Sunil Chawla and Shri Dharam Veer Sharma resigned from the post of Director with effect from December 8, 2016.

**C. Remuneration to Key Managerial Personnel Other than MD / Manager/WTD**

Amount in ₹

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | Mr. Binaya Kumar Dash Company Secretary | Mr. Tapan Jain Company Secretary | Mr. Devendra Kumar Agarwal, CFO | Total |
| **1** | **Gross salary**<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 4,32,194 | 1,86,194 | 34,20,968 | 40,39,356 |
| 2 | Stock Option | - | - | | - |
| 3 | Sweat Equity | - | - | | - |
| 4 | Commission<br>- as % of profit<br>- others, specify... | - | - | | - |
| 5 | Others, please specify | - | - | | - |
| | **Total** | **4,32,194** | **1,86,194** | **34,20,968** | **40,39,356** |

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD/ NCLT/COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | | | | | |
| Punishment | | | NIL | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

## ANNEXURE - VII: TO THE DIRECTORS REPORT

# PARTICULARS OF EMPLOYEE

a. Information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Remuneration paid to Whole-time Directors and Key Managerial Personnel

| S. No. | Name of the Employee | Designation/ Nature of Duties | Remuneration for FY 16-17(₹ in lakhs) | % increase in remuneration in FY 16-17 | Ratio of Remuneration of each Director to median remuneration of employees |
|---|---|---|---|---|---|
| 1 | Mr. Pradeep Kumar Jain | Chairman and Managing Director | 180.00 | 25 | 116.28 |
| 2 | Mr. Naveen Kumar Jain | Whole Time Director | 162.00 | 29 | 104.66 |
| 3 | Mr. Chakresh Kumar Jain | Managing Director | 162.00 | 29 | 104.66 |
| 4 | Mr. Yogesh Kumar Jain | Managing Director | 162.00 | 29 | 104.66 |
| 5 | Mr. Anil Kumar Rao | Whole Time Director | 181.00 | 36 | 116.93 |
| 6 | Mr. Devendra Kumar Agarwal | Chief Financial Officer | 25.99 | 14 | 16.79 |
| 7 | Mr. Binaya Kumar Dash* | Company Secretary | 0.03 | - | - |
| 8. | Mr. Tapan Jain* | Company Secretary | 0.01 | - | - |

* Mr. Binaya Kumar Dash relinquished the office of Company Secretary w.e.f. 27 July 2016 and thereafter Mr. Tapan Jain was appointed as Company Secretary. Accordingly, there remuneration is not increased and since their remuneration is only for part of the year, the ratio of their remuneration to median remuneration is not comparable.

b. **Percentage increase in the median remuneration of employees in the Financial Year.**
Percentage increase in the median remuneration of employees other than managerial personnel in the financial year is 8%

c. **The number of permanent employees on the rolls of company.**
The Company has 3748 permanent employees as on March 31, 2017

d. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**
The average annual increase in the salaries of employees other than the managerial personnel was 21.61%. There was no exceptional increase in the managerial remuneration**.**

The Company affirms that the remuneration is paid as per the remuneration policy of the Company.

For and on behalf of Board of Directors of

PNC Infratech Limited

Place: Agra
Date: August 11, 2017

**(Pradeep Kumar Jain)**
Chairman & Managing Director
DIN : 00086653

# ANNEXURE - VIII: TO THE DIRECTORS REPORT

# DIVIDEND DISTRIBUTION POLICY

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions of the Companies Act, 2013, read with the applicable Rules framed thereunder, as may be in force for the time being ("Companies Act").

**Preamble:** Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The dividend pay-out of a Company is driven by several factors. Some Companies pay a lower dividend. The idea is to retain profits and invest it for further expansion and modernization of the business. On the other hand, there are Companies which prefer to pay higher dividend. These Companies may not necessarily be growth oriented companies with greater emphasis on retaining their shareholder base.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring/ recommending dividends on behalf of the Company. Through this policy, the Company would endeavor to maintain a consistent approach to dividend pay-out plans.

The Company believes that it operates in the high potential and fast growing infrastructure segment. This offers huge investment opportunities. Therefore, the retention of surplus funds for future growth will over-ride considerations of returning cash to the shareholders. However, considering the consistent and impressive generation of profits year on year, there is a need to provide greater clarity on the dividend pay-out philosophy of the Company.

### Category of Dividends

The Companies Act provides for two forms of Dividend- Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

### Final Dividend

The Final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in a general meeting. The declaration of Final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

### Process for approval of Payment of Final Dividend: -

Board to recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy;

- Based on the profits arrived at as per the audited financial statements;
- Shareholders to approve in Annual General Meeting;
- Once in a financial year;

### Interim Dividend:

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts. This would be in order to supplement the annual dividend in exceptional circumstances.

### Process for approval of Payment of Interim Dividend:-

- Board may declare Interim Dividend at its complete discretion in line with this Policy;
- Based on profits arrived at as per quarterly (or half- yearly) financial statements including exceptional items;
- One or more times in a financial year.

### Declaration of Dividend

Subject to the provisions of the Companies Act, Dividend shall be declared or paid only out of

i) Current financial year's profit:
   a) after providing for depreciation in accordance with law;
   b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

ii) The profits for any previous financial year(s):
   a) after providing for depreciation in accordance with law;
   b) remaining undistributed; or
   iii) out of i) & ii) both.

In computing the above, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non cash charges pertaining to amortisation or ESoP or resulting from change in accounting policies or accounting standards.

The Board may, at its discretion, declare a Special Dividend under certain circumstances such as extraordinary profits from sale of investments.

### Factors to be considered while declaring Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavor to take a decision with an objective to enhance shareholders wealth. However, the decision regarding pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

The Dividend pay-out decision of any company depends upon certain external and internal factors.

**External Factors:-**

**State of Economy-** in case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

**Industry Segment -** When the industry conditions are positive, dividend pay-out can be liberal. However, in case of adverse industry scenario, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

**Statutory Restrictions-** The Board will keep in mind the restrictions imposed by Companies Act with regard to declaration of dividend.

**Internal Factors:-**

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include

i. Profits earned during the year;

ii. Present & future Capital investments & working capital requirements of the business;

iii. Brand/ Business Acquisitions;

iv. Expansion/ Modernization of existing business;

v. Additional investments in subsidiaries/associates of the Company;

vi. Fresh investments into external business;

vii. Any other factor as deemed fit by the Board.

### Dividend Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned from business operations, to the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal and external. Taking into consideration the aforementioned factors, the Board will endeavor to maintain a Dividend pay-out not more than 25% of profits after tax (PAT) on standalone financials. As mentioned above, for computing the PAT for purposes of determining the Dividend, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non cash charges pertaining to amortisation or ESOPs or resulting from change in accounting policies or accounting standards. Further, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision including declaring a Special Dividend under certain circumstances such as extraordinary profits from sale of investments.

### Review

This Policy will be reviewed periodically by the Board.

# Report on Corporate Governance

Your Company is committed to attain the highest standard of Corporate Governance. The Company's corporate governance structure plays a pivotal role in realizing this long term goal. It provides the fundamental systems, processes and principles that promote objective decision making, performance based management and a corporate culture that is characterized by integrity and fairness in all dealings. This practice is affected by attempts to align the interests of stakeholders of the Company.

### Company's Philosophy

Your Company's philosophy in relation to Corporate Governance is to ensure transparent disclosures and reporting that confirms full compliance to the applicable laws, regulations and guidelines, and to promote ethical conduct of the business operation with primary objective of enhancing all stakeholders' value while being a responsible corporate citizen. Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders and stakeholders expectations.

**"In this age of technological revolution and globalization, one has to think globally and act locally in the best interest of value creation and nation building."**

Your Board functions either through a full board of directors or through various committees constituted to oversee specific operational areas with a professional management team below board level. Your Company undertakes to take all necessary steps to comply with code of Corporate Governance on a continuous basis.

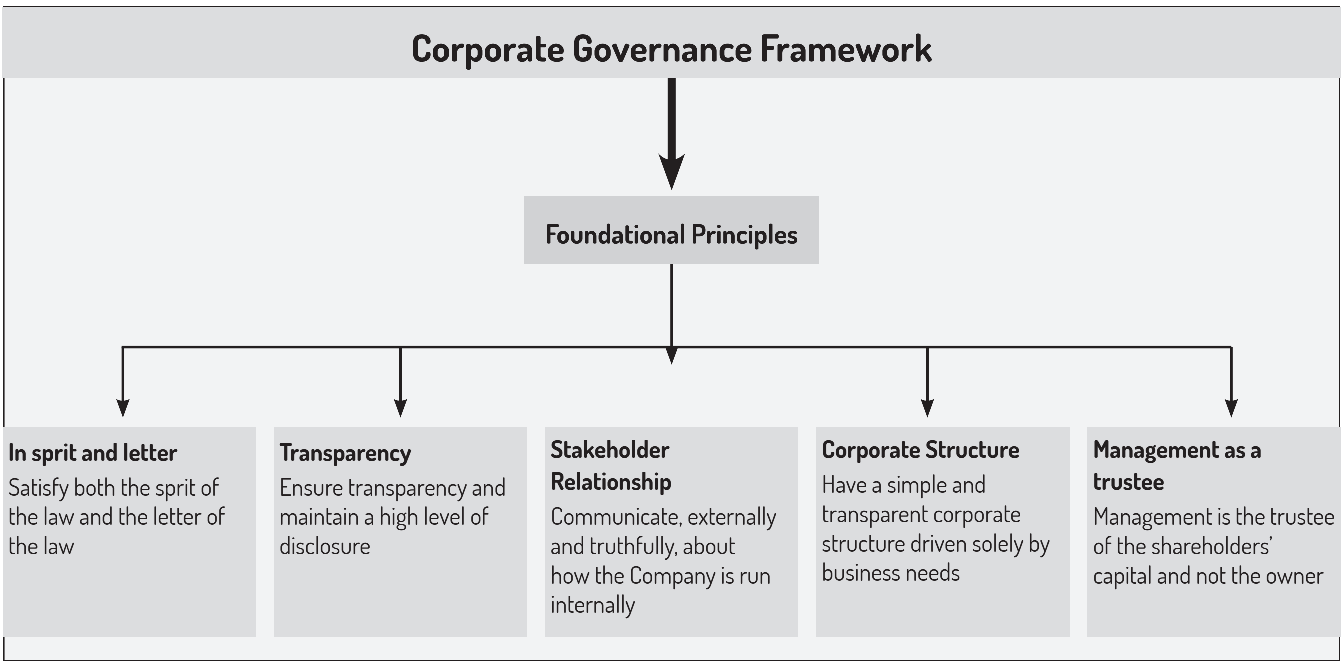
Your Directors present the Company's Report on Corporate Governance in compliance with the Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations) for the financial year 2016-17.

### I) Board of Directors

**a) Composition of the Board**

The Board of Directors of your Company has an ideal combination of Executive and Non-executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than fifty percent of the Board should consist of Independent Directors.

The composition of Board of Directors, as on 31st March, 2017 comprised of Ten Directors out of which five are Executive Directors; five are Non-Executive Directors.



The composition of the Board of Directors and the category of each Director during the captioned period, to which this Report belongs, is as under:

| Sl. No. | Name | Designation | Category |
|---|---|---|---|
| 1. | Shri Pradeep Kumar Jain | Chairman and Managing Director | Promoter / Executive Director |
| 2. | Shri Naveen Kumar Jain | Whole Time Director | Promoter / Executive Director |
| 3. | Shri Chakresh Kumar Jain | Managing Director | Promoter / Executive Director |
| 4. | Shri Yogesh Kumar Jain | Managing Director | Promoter / Executive Director |
| 5. | Shri Anil Kumar Rao | Whole Time Director | Non Promoter / Executive Director |
| 6. | Shri C.R. Sharma | Director | Independent / Non- Executive Director |
| 7 | Shri Subhash Chander Kalia | Director | Independent / Non- Executive Director |
| 8. | Shri Ashok Kumar Gupta | Director | Independent / Non- Executive Director |
| 9. | Shri Rakesh Kumar Gupta | Director | Independent / Non- Executive Director |
| 10. | Smt. Deepika Mittal | Director | Independent / Non- Executive Director |

The Independent Directors are from different fields of work such as finance, accounts, civil engineering, medicine, etc. The Chairman and Managing/whole time Directors have been delegated clearly defined responsibilities. The Company's Board meets at frequent and regular intervals for planning, assessing and evaluating important business.

**b) Role of Board of Directors**

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the company. As trustees, the board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercise its duty with care, skill and diligence and exercises independent judgement. It sets strategic goals and seeks accountability for their fulfilment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and social expectations.

**c) Directors' attendance record and details of Directorships/ Committee Positions held**

As mandated by SEBI Listing Regulations, none of the Directors on the Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such companies in which he/ she is a Director.

Further, none of the Directors of the Company serves as an Independent Director in more than seven listed companies.

Attendance of Directors at the Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanship / Membership of each Director in various Companies as on 31st March, 2017 is as under:-

| Name of Director | Category | No. of shares held | No. of Board meeting attended | Last AGM attended | Directorship held in other Indian Companies | Other Committee positions held in Indian Public Limited Companies | |
|---|---|---|---|---|---|---|---|
| | | | | | | As Chairman | As Member |
| Shri Pradeep Kumar Jain | Chairman and Managing Director | 1,63,63,125 | 05 | Yes | Six | None | None |
| Shri Naveen Kumar Jain | Whole Time Director | 1,77,58,125 | 04 | Yes | Three | None | None |
| Shri Chakresh Kumar Jain | Managing Director | 21,76,125 | 05 | Yes | Nine | One | None |
| Shri Yogesh Kumar Jain | Managing Director | 1,64,56,125 | 04 | Yes | Eight | One | None |
| Shri Anil Kumar Rao | Whole Time Director | 80,500 | 04 | Yes | Four | One | None |
| Shri Sunil Chawla* | Nominee Director | NIL | 03 | Yes | - | - | - |
| Shri C. R. Sharma | Independent Director | 10000 | 05 | Yes | Three | Two | None |
| Shri Subhash Chander Kalia | Independent Director | NIL | 05 | Yes | Eight | None | Four |

| Name of Director | Category | No. of shares held | No. of Board meeting attended | Last AGM attended | Directorship held in other Indian Companies | Other Committee positions held in Indian Public Limited Companies | |
|---|---|---|---|---|---|---|---|
| | | | | | | As Chairman | As Member |
| Shri Ashok Kumar Gupta | Independent Director | NIL | 05 | Yes | One | None | One |
| Shri Dharam Veer Sharma* | Independent Director | 11085 | 03 | No | - | - | - |
| Shri Rakesh Kumar Gupta | Independent Director | NIL | 04 | Yes | None | None | None |
| Smt. Deepika Mittal | Independent Director | NIL | 05 | Yes | None | None | None |

* Shri Sunil Chawla, Nominee Director and Mr. Dharam Veer Sharma, Independent Director has resigned from the directorship w.e.f December 08, 2016.

**Notes:**

1. Directorships held by Directors as mentioned above, do not include directorship held in foreign companies and Companies u/s 8 of the Companies Act, 2013.
2. Chairmanship/Membership of Audit Committees and Stakeholders' Relationship Committee of public limited companies have been considered.
3. Except Mr. Pradeep Kumar Jain, Chairman and Managing Director, Mr. Naveen Kumar Jain, Whole time Director, Mr. Chakresh Kumar Jain, Managing Director, Mr. Yogesh Kumar Jain, Managing Director who are the brothers, none of the directors are relative of any other directors.

The Company has received declarations from all the above Independent Directors stating that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

As per the provisions of Sec. 152 of the Companies Act, 2013, Shri Naveen Kumar Jain and Shri Anil Kumar Rao, Whole-time Director(s) of the Company, retire by rotation, at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

**d) Number of Board Meetings Held**

The Board of Directors met five times during the financial year 2016-17. The meetings were held on May 27, 2016, August 24, 2016, December 7, 2016, January 20, 2017 and February 14, 2017. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

The details of the Board Meeting are as under:-

| Sl. No. | Dates | Board Strength | No. of Directors Present |
|---|---|---|---|
| 1 | 27.05.2016 | 12 | 11 |
| 2 | 24.08.2016 | 12 | 11 |
| 3 | 07.12.2016 | 12 | 12 |
| 4 | 20.01.2017 | 10 | 8 |
| 5 | 14.02.2017 | 10 | 10 |

**e) Information to the Board**

A detailed agenda folder is sent to each Director seven days in advance of the Board Meetings. As a policy, all major decisions involving investments and loans, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions.

The Board periodically reviews compliance status of laws applicable to the Company, prepared by the Management. Further, the Board also reviews the Annual financial statements of the Unlisted Subsidiary Companies. In addition to the above, pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings of the Company's Unlisted Subsidiary Companies and a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Companies are placed before the Board.

**f) Policy on Remuneration to Directors/Key Managerial Personnel**

**i. Remuneration to Managing Director/Whole-time Directors:**

a) The Remuneration/Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination & Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/Whole-time Directors.

**ii. Remuneration to Non-Executive/Independent Directors:**

a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013.

b) All the remuneration of the Non-Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act,

2013) shall be subject to ceiling/limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and shall also not be eligible to participate in any share based payment schemes of the Company.

d) Any remuneration paid to Non-Executive/Independent Directors for services rendered, subject to the approval of Nomination and Remuneration Committee and the Board of Directors, which are of professional nature, shall not be considered as part of the remuneration for the purposes of clause (b) above, if the following conditions are satisfied:

The Services are rendered by such Director in his capacity as the professional; and

In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

**iii. Remuneration to Key Managerial Personnel:**

a) The remuneration to Key Managerial Personnel shall consist of fixed pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time in accordance with the Company's Policy.

**Remuneration paid to Non-Executive Directors and Executive Directors**

During the year under review, the Non-Executive Independent Directors were paid sitting fees at the rate of ₹ 20,000/- for attending each of the board meeting and ₹ 10,000/- for attending each of the committee meeting.

The total remuneration payable to Non Executive/ Independent Directors for the Financial Year ended March 31, 2017 is as below:

| Name | Remuneration Paid (in ₹) |
|---|---|
| Shri Sunil Chawla* | Nil |
| Shri C. R. Sharma | 1,80,000 |
| Shri Subhash Chander Kalia | 1,20,000 |
| Shri Ashok Kumar Gupta | 2,20,000 |
| Shri Dharam Veer Sharma* | 70,000 |
| Shri Rakesh Kumar Gupta | 90,000 |
| Smt. Deepika Mittal | 1,10,000 |
| **Total** | **7,90,000** |

***Shri Sunil Chawla and Shri Dharam Veer Sharma resigned from the Board of Directors as on December 08, 2016.

The remuneration of executive directors for the year 2016-17 is as per the table below:

| Name of Director | Salary benefits, bonuses | Stock Option | Pension | Total | Current Contract period |
|---|---|---|---|---|---|
| Shri Pradeep Kumar Jain | 1,80,00,000 | Nil | Nil | 1,80,00,000 | 01.10.2016-30.09.2021 |
| Shri Naveen Kumar Jain | 1,62,00,000 | Nil | Nil | 1,62,00,000 | 01.10.2012-30.09.2017 |
| Shri Chakresh Kumar Jain | 1,62,00,000 | Nil | Nil | 1,62,00,000 | 01.10.2016-30.09.2021 |
| Shri Yogesh Kumar Jain | 1,62,00,000 | Nil | Nil | 1,62,00,000 | 01.10.2016-30.09.2021 |
| Shri Anil Kumar Rao | 18,100,000* | Nil | Nil | 18,100,000* | 01.10.2016-30.09.2021 |

***** Includes incentive of ₹ 1,24,00,000/- approved at Board Meeting held on May 24, 2017, subject to approval of Shareholders.

The detailed Remuneration Policy of the Company has been provided in the Board's Report which forms part of the Annual Report.

**g) Details of Equity Shares held by the Non-Executive Directors**

The details of the Equity Shares held by the Non-Executive Director as on March 31, 2017 is given as follows:

| Name of the Director | Number of Equity Shares |
|---|---|
| Shri C R Sharma | 10000 |
| Shri Subhash Chander Kalia | Nil |
| Shri. Ashok Kumar Gupta | Nil |
| Shri Rakesh Kumar Gupta | Nil |
| Smt. Deepika Mittal | Nil |

**h) Code of Conduct**

The Board of Directors has laid down Code of Conduct, which is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the Company in an ethical manner. The purpose of this code is to recognize and deal with ethical issues and to provide mechanisms to report unethical conduct of Employees, Board of Directors. This Code has been posted on the Company's website – http://www.pncinfratech.com/pdfs/code-of-conduct-pnc-infratech-limited.pdf.

All the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2017. A declaration to this effect signed by Managing Director is annexed to this Report.

**i) Induction & Familiarization Programs for Independent Directors:**

The Familiarization program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

On appointment, the concerned Director is issued a letter of appointment setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization programme. The program aims to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc.

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. At the quarterly Board meetings of the Company held during the financial year 2016-17, the Independent Directors have been updated on the strategy, operations of the Company performance, developments in the Company and the Company's performance.

The details of such familiarisation programmes are disclosed on the company's website at www.pncinfratech.com and can be accessed through web link http://www.pncinfratech.com/pdfs/familiarization-program-for-independent-directors-pnc-infratech-limited.pdf.

**j) Performance Evaluation and Independent Directors Meeting**

Pursuant to the provisions of Section 134(3)(p), 149(8) and Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Board of Directors and their committees viz. the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee, Banking and Investment Committee and Project Management Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

Schedule IV of the Companies Act, 2013 and the Rules made there under mandate that the independent directors of the Company hold at least one meeting in a year, without the attendance of non-independent directors and members of the management. At such meeting the independent directors discuss, among other matters, the performance of the Company and risk faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements and performance of the executive members of the Board, including the Chairman.

## II. Committees of the Board

The Board of Directors has constituted six Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee, Project Management Committee and Banking cum Investment Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors. Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

**Board and Committee composition as on March 31, 2017**

| Name | Board | Audit Committee | Nomination and Remuneration Committee | Stakeholders Relationship Committee | Corporate Social Responsibility (CSR) Committee | Project Management Committee | Banking Cum Investment Committee |
|---|---|---|---|---|---|---|---|
| Shri Pradeep Kumar Jain | | | | | | | |
| Shri Naveen Kumar Jain | | | | | | | |
| Shri Chakresh Kumar Jain | | | | | | | |
| Shri Yogesh Kumar Jain | | | | | | | |

| Board and Committee composition as on March 31, 2017 | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Name** | **Board** | **Audit Committee** | **Nomination and Remuneration Committee** | **Stakeholders Relationship Committee** | **Corporate Social Responsibility (CSR) Committee** | **Project Management Committee** | **Banking Cum Investment Committee** |
| Shri Anil Kumar Rao | ● | | | | ● | ● | |
| Shri C. R. Sharma | ● | ● | ● | | | | |
| Shri Subhash Chander Kalia | ● | ● | | | | | |
| Shri Ashok Kumar Gupta | ● | ● | ● | ● | ● | | |
| Shri Rakesh Kumar Gupta | ● | | | | | | |
| Smt. Deepika Mittal | ● | | ● | | | | |

● Chairperson ● Member

**A. Audit Committee**

In terms of Reg. 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013, the Board of Directors of the Company has constituted an Audit Committee comprising of Three Non-Executive and Independent Directors. Members of the Audit Committee possess accounting and financial management knowledge. The Company Secretary is the Secretary to the Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 30, 2016 to answer the members' queries.

The Audit Committee met four times during the financial year on May 27, 2016, August 24, 2016, December 7, 2016 and February 14, 2017.

The composition of the Audit Committee, no. of meetings and the attendance of its members are detailed below:

| Name of the Member | Category | Status | No. of meetings held | No. of meetings attended |
|---|---|---|---|---|
| Shri C. R. Sharma | Non-Executive and Independent Director | Chairman | 4 | 4 |
| Shri Sunil Chawla* | Non-Executive (Nominee Director) | Member | 4 | 3 |
| Shri A. K. Gupta | Non-Executive and Independent Director | Member | 4 | 4 |
| Shri S.C. Kalia** | Non-Executive and Independent Director | Member | 4 | 1 |

*Resigned on December 08, 2016 as a Member.

** Appointed on December 08, 2016 as a Member.

The Minutes of the meeting of the Audit Committee are circulated to all the Members of the Board.

**Terms of reference:**

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II to the SEBI (LODR) Regulations, 2015 and its terms of reference include besides other terms as may be referred by the Board of Directors, from time to time. The Audit Committee has also powers inter alia to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

**B) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has been constituted to formulate and recommend to the Board all elements of the Appointment and Remuneration package including perquisites payable of the Directors, Managing Directors and Whole Time Directors, Senior Management & other employees.

In terms of Reg. 19 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted this Committee comprising Three Non-Executive and Independent Directors. The Company Secretary is the Secretary to the Committee.

The Minutes of the meeting of the Nomination and Remuneration Committee are circulated to all the Member of the Board.

During the Financial Year 2016-17, Nomination and Remuneration Committee met three times on August 24, 2016, December 7, 2016 and January 20, 2017.

The composition of the Nomination and Remuneration Committee, no. of meetings and the attendance of its members are detailed below:

| Name of the Member | Category | Status | No. of meetings held | No. of meetings attended |
|---|---|---|---|---|
| Shri A. K. Gupta | Non-Executive and Independent Director | Chairman | 3 | 3 |
| Shri C. R. Sharma | Non-Executive and Independent Director | Member | 3 | 3 |
| Shri Sunil Chawla* | Non-Executive (Nominee Director) | Member | 3 | 2 |
| Smt. Deepika Mittal** | Non-Executive and Independent Director | Member | 3 | - |

***Resigned on December 08, 2016 as a Member.

**** Appointed on January 20, 2017 as a Member.

**Terms of Reference for the Nomination and Remuneration Committee:**

The Remuneration Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity; and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Considering and recommending grant of employees stock option, if any, and administration and superintendence of the same; and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

The Board has also framed an Evaluation policy in terms of the requirement of Section 178 of the Companies Act, 2013 and the same is available on your Company's website at link http://www.pncinfratech.com/pdfs/nomination-and-remuneration-policy-pnc-infratech-limited.pdf.

**C) Stakeholders Relationship Committee**

In terms of Reg. 20 of SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the Board of Directors of the Company has constituted this Committee comprising one Non-Executive and Independent Directors and two Executive Directors. The Company Secretary is the Secretary to the Committee.

The Minutes of the meeting of the Stakeholders Relationship Committee are circulated to all the Member of the Board.

During the Financial Year 2016-17, Stakeholders Relationship Committee met two times on August 17, 2016 and February 18, 2017.

The composition of the **Stakeholders Relationship Committee**, no. of meetings and the attendance of its members are detailed below:

| Name of the Member | Category | Status | No. of meetings held | No. of meetings attended |
|---|---|---|---|---|
| Shri A. K. Gupta | Non-Executive and Independent Director | Chairman | 2 | 2 |
| Shri C. K. Jain | Executive and Non-Independent Director | Member | 2 | 2 |
| Shri Y. K. Jain | Executive and Non-Independent Director | Member | 2 | 2 |

**Terms of Reference for the Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Considering and resolving grievances of shareholders', debenture holders and other security holders;
- Redressal of grievances of the security holders of the Company, including complaints in respect of transfer of shares, non-receipt of declared dividends, balance sheets of the Company, etc.;
- Allotment of shares, approval of transfer or transmission of equity shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Request for demat and remat and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

During the financial year 2016-17, 03 queries/complaints were received by the Company from members/investors, which have been redressed / resolved to date, satisfactorily as shown below:

**Details of investor queries/complaints/request received and attended during financial year 2016-17**

| Nature of Queries/ Complaints | Opening | Received | Resolved | Closing |
|---|---|---|---|---|
| Transfer/Transmission/ Issue of Duplicate Share Certificates | 0 | 3 | 3 | 0 |
| Non-receipt of Dividend | 0 | 0 | 0 | 0 |
| Dematerialisation/ Rematerialisation of Shares | 0 | 0 | 0 | 0 |
| Others | 0 | 0 | 0 | 0 |

**Name and designation of Compliance Officer;**

Shri B.K. Dash, Company Secretary, acted as Compliance Officer till July 23, 2016 and thereafter Shri Tapan Jain has been appointed as Company Secretary and Compliance Officer for remaining period of the financial year ended 31st March 2017.

**D) Corporate Social Responsibility Committee:**

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on March 25, 2014, has constituted this Committee comprising one Non-Executive and Independent Directors and two Executive Directors. The Company Secretary is the Secretary to the Committee.

The Minutes of the meeting of the Corporate Social Responsibility Committee are circulated to all the Member of the Board.

During the Financial Year 2016-17, Corporate Social Responsibility Committee met two times on November 16, 2016 and January 23, 2017.

The composition of the **Corporate Social Responsibility Committee**, no. of meetings and the attendance of its members are detailed below:

| Name of the Member | Category | Status | No. of meetings held | No. of meetings attended |
|---|---|---|---|---|
| Shri Chakresh Kumar Jain | Executive and Non-Independent Director | Chairman | 2 | 2 |
| Shri Anil Kumar Rao | Executive and Non-Independent Director | Member | 2 | 1 |
| Shri Ashok Kumar Gupta | Non-Executive Independent Director | Member | 2 | 2 |

The Scope and Responsibility of the CSR Committee are:

i. To formulate the Corporate Social Responsibility Policy

ii. To recommend the activities to be undertaken, as per Sch. VII of the Companies Act, 2013

iii. To recommend the amount of expenditure

iv. To Monitor the Corporate Social Responsibility Policy and the expenditure

v. To take steps for formation of any Trust/Society/Company for charitable purpose and get the same registered for the purpose of complying CSR provisions

The CSR Policy of the Company has been uploaded and can be viewed on the Company's website at link http://www.pncinfratech.com/pdfs/pnc-csr-policy.pdf.

**E) Project Management Committee:**

The Project Management Committee comprises of Shri Pradeep Kumar Jain, Chairman and Managing Director, Shri Yogesh Kumar Jain, Managing Director and Shri Anil Kumar Rao, Whole Time Director. Shri Pradeep Kumar Jain acts as the Chairman of the Project Management Committee. The Company Secretary is the Secretary to the Committee.

During the Financial Year 2016-17, Project Management Committee met 8 times on April 01, 2016, May 02, 2016, July 01, 2016, October 10, 2016, November 23, 2016, December 17, 2016, January 21, 2017 and February 15, 2017. The attendance of each member of the Committee is given below:-

| Name of the Member | No. of meetings held | No. of meetings attended |
|---|---|---|
| Shri Pradeep Kumar Jain | 8 | 8 |
| Shri Yogesh Kumar Jain | 8 | 8 |
| Shri Anil Kumar Rao | 8 | 8 |

**F) Banking and Investment Committee:**

The Banking and Investment Committee comprises of Shri Pradeep Kumar Jain, Chairman and Managing Director, Shri Chakresh Kumar Jain, Managing Director and Shri Yogesh Kumar Jain, Managing Director. Shri Pradeep Kumar Jain acts as the Chairman of the Banking and Investment Committee. The Company Secretary is the Secretary to the Committee.

During the Financial Year 2016-17, Banking and Investment Committee met 14 times on April 09 2016, May 28, 2016, June 28, 2016, July 07, 2016, August 01, 2016, August 30 2016, September 14, 2016, October 19, 2016, December 12, 2016, January 05, 2017, January 21, 2017, January 30, 2017, February 17, 2017 and March 22, 2017. The attendance of each member of the Committee is given below:-

| Name of the Member | No. of meetings held | No. of meetings attended |
|---|---|---|
| Shri Pradeep Kumar Jain | 14 | 14 |
| Shri Chakresh Kumar Jain | 14 | 14 |
| Shri Yogesh Kumar Jain | 14 | 14 |

## III. Shareholder Information

### a. General Body Meetings

The details of date, location and time of the last three Annual General Meetings held are as follows;

| Year ended | Venue | Date | Time | Special Resolution Passed |
|---|---|---|---|---|
| 2015-16 | Delhi Karnataka Sangha (R) Rao Tularam Marg, Sector 12, R.K. Puram, New Delhi-110022 | September 30, 2016 | 11.00 A.M | **No special resolution was passed during the Meeting** |
| 2014-15 | Arya Auditorium, Des Raj Campus, C-Block, East of Kailash, New Delhi-110065 | September 28, 2015 | 11.00 A.M. | 1. Approval for keeping and maintaining of statutory books and registers and other documents at a place other than registered office under companies act, 2013 |
| 2013-14 | NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector – V, Saket, New Delhi | September 11, 2014 | 11.30 A.M. | 1. Increase in Authorised Share Capital<br>2. Raising of capital through further issue of securities<br>3. Authority to the board to borrow money<br>4. Authority to the board to create charge<br>5. Incentive to whole-time director<br>6. Alteration of Article of Association of the Company |

**Postal ballot**

During the previous three years, the Company approached the shareholders through postal ballot. The details of the postal ballot for the last three years are as follows:

**First**

**Date of Postal Ballot Notice:** December 7, 2016

**Voting Period:** December 20, 2016 to January 18, 2017

**Date of Declaration of Result:** January 20, 2017

**Date of Approval:** January 20, 2017

| Name of the Resolution | Type of Resolution | No. of Votes Polled | Votes cast in favour | | Votes cast against | |
|---|---|---|---|---|---|---|
| | | | No. of Votes | % | No. of Votes | % |
| Enhance the borrowing powers of the company | Special | 224407312 | 218548503 | 97.39 | 5858809 | 2.61 |
| Enhance the power of board to mortgage, hypothecate, pledge, creation of charge | Special | 224407312 | 218548000 | 97.39 | 5859312 | 2.61 |

**Second**

**Date of Postal Ballot Notice:** May 27, 2016

**Voting Period:** June 18, 2016 to July 17, 2016

**Date of Declaration of Result:** July 19, 2016

**Date of Approval:** July 19, 2016

| Name of the Resolution | Type of Resolution | No. of Votes Polled | Votes cast in favour | | Votes cast against | |
|---|---|---|---|---|---|---|
| | | | No. of Votes | % | No. of Votes | % |
| Approval to revise the remuneration payable to Mr. Pradeep Kumar Jain, Chairman & Managing Director, DIN- 00086653 | Ordinary | 46149804 | 46149798 | 100 | 6 | Negligible |
| Approval to revise the remuneration payable to Mr. Naveen Kumar Jain, Whole Time Director, DIN-00086841 | Ordinary | 46149804 | 46149628 | 100 | 176 | Negligible |

| | | | | | | |
|---|---|---|---|---|---|---|
| Approval to revise the remuneration payable to Mr. Chakresh Kumar Jain, Managing Director, DIN-00086768 | Ordinary | 46149804 | 46149628 | 100 | 176 | Negligible |
| Approval to revise the remuneration payable to Mr. Yogesh Kumar Jain, Managing Director, DIN-00086811 | Ordinary | 46149804 | 46149628 | 100 | 176 | Negligible |
| Approval to revise the remuneration payable to Mr. Anil Kumar Rao, Whole Time Director, DIN-01224525 | Ordinary | 46149804 | 46149628 | 100 | 176 | Negligible |
| Approval for Sub Division of 1 (Equity) Shares of Face Value of ₹ 10/- each into 5(five) Equity Shares of ₹ 2/- each | Ordinary | 46149804 | 46149288 | 100 | 516 | Negligible |
| Approval to amend the capital clause in the Memorandum of Association of the Company | Ordinary | 46149804 | 46149288 | 100 | 516 | Negligible |
| Approval for Special Incentive to Whole Time Director Mr. Anil Kumar Rao DIN- 01224525 | Special | 46128478 | 46128302 | 100 | 176 | Negligible |
| Approval to change in utilization of IPO Proceeds | Special | 45167541 | 45167400 | 100 | 141 | Negligible |

Mr. Deepak Gupta, Practicing Company Secretary was appointed as the Scrutinizer for carrying out the postal ballot process in fair and transparent manner.

**Procedure for Postal Ballot**

In compliance with Section 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of CDSL.

Postal Ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members/ beneficiaries. The same notice is sent by email to members who have opted were receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off-date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman/ authorized officer. The results are also displayed on the Company website, www.pncinfratech.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for receipt of postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

**(b) Disclosures regarding the Board of Directors**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. Detailed profile of the Director who is seeking appointment at the ensuing Annual General Meeting of the Company is given under the Explanatory Statement to the Notice which is forming part of the Annual Report of the Company.

**(c) Means of communication**

In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at www.pncinfratech.com containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated official of the Company, who is responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

The quarterly and annual results are published in Financial Express (English) and Jansatta (Hindi), which are national and local dailies respectively and also displayed on the Company's website for the benefit of the public at large.

Presentations made to institutional investors or to analysts, are also uploaded on the website of the Company.

Further, the Company disseminates to the Stock Exchanges (i.e. BSE and NSE), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/ operations and issues press releases, wherever necessary, for the information of the public at large.

For the benefit of the members, a separate email id has been created for member correspondence viz., complianceofficer@pncinfratech.com

**(d) General Shareholders Information**

| | | |
|---|---|---|
| i) | Annual General Meeting: | |
| | a. Date | 29th September, 2017 |
| | b. Time: | 11:00 A.M. |
| | c. Venue Krishna Hill, | Auditorium ISKCON Complex, Hare Sant Nagar, Main Road, East of Kailash, New Delhi - 110065 |
| ii) | Financial year | 1st April to March 31st |
| | During the financial year under review, the Board Meetings for approval of quarterly and annual financial results were held on the following dates: | |
| | 1st Quarter Results<br>2nd Quarter Results<br>3rd Quarter Results<br>4th Quarter & Annual Results | August 24, 2016<br>December 07, 2016<br>February 14, 2017<br>May 24, 2017 |
| | The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2018 are as follows: | |
| | 1st Quarter Results | August 14, 2017 |
| | 2nd Quarter Results | November 14, 2017 |
| | 3rd Quarter Results | February 14, 2018 |
| | 4th Quarter & Annual Results | End of May, 2018 |
| iii) | Dividend payment date: Within 30 days of the AGM to the Shareholders and to the Shareholders/ Beneficial owners who hold shares, after giving effect the transfer request, at the close of business hours 22nd September 2017. | |
| iv) | Book Closure Date | 23rd September 2017 to 29th September 2017 |
| v) | Listing on stock exchanges & payment of listing fees | 1. National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400 051 |
| | | 2. BSE Limited Floor 25, P.J. Towers, Dalal Street, Mumbai-400 001 |
| | | Your Company has paid the annual listing fee for the financial year 2016-17 to both the Exchanges |
| vi) | Stock Code | BSE 539150 |
| | | NSE PNCINFRA |
| vii) | ISIN No. for NSDL / CDSL | ISIN-INE195J01029<br>(Old ISIN – INE195J01011)<br>Your Company has paid the annual custodial fee for the financial year 2016-17 to NSDL and CDSL |
| viii) | Corporate Identification Number | L45201DL1999PLC195937 |
| ix) | Share Transfer System | The Company has appointed Registrar and Shareholder Transfer Agents for all activities in relation to both physical and electronic share transfer facility. |
| x) | Registrar and Share Transfer Agents | Link Intime India Private Limited<br>C-101, 247 Park, L.B.S. Marg,<br>Vikhroli (West), Mumbai – 400 083<br>Branch off: - 44 Community Centre, 2nd Floor,<br>Naraina Industrial Area Phase- I, Near PVR Naraina,<br>New Delhi-110028. |

| | | |
|---|---|---|
| xi) | Electronic Clearing Service (ECS) | Link Intime India Private Limited<br>C-101, 247 Park, L.B.S. Marg,<br>Vikhroli (West), Mumbai – 400 083<br>Branch off: - 44 Community Centre, 2nd Floor,<br>Naraina Industrial Area Phase- I, Near PVR Naraina,<br>New Delhi-110028. |
| xii) | Investor Complaints to be addressed to | Registrar and Share Transfer Agents<br>or to the Company at the address mentioned below. |

**Stock Market Price Data:**

The details of monthly high and low price of the Equity Shares of the Company and its comparison to broad based indices BSE Sensex and NSE Nifty for the fiscal year 2016-17 are as follows:

| Month | BSE | | | NSE | | |
|---|---|---|---|---|---|---|
| | High Price (₹) | Low Price (₹) | Volume (No.) | High Price (₹) | Low Price (₹) | Volume (No.) |
| Apr-16 | 536.25 | 500.00 | 161971 | 538.90 | 497.05 | 787579 |
| May-16 | 612.40 | 515.00 | 50250 | 612.65 | 512.30 | 569954 |
| Jun-16 | 624.00 | 531.00 | 18284 | 586.00 | 534.20 | 430677 |
| Jul-16 | 629.00 | 550.05 | 30025 | 597.00 | 551.10 | 228626 |
| Aug-16 | 588.00 | 110.00 | 2169286 | 581.90 | 90.45 | 4633700 |
| Sep-16 | 129.95 | 110.00 | 597963 | 130.00 | 112.50 | 3315921 |
| Oct-16 | 133.55 | 115.00 | 647297 | 133.90 | 115.00 | 8920430 |
| Nov-16 | 124.55 | 98.70 | 405539 | 124.95 | 93.25 | 2814253 |
| Dec-16 | 114.00 | 99.00 | 191835 | 113.50 | 100.10 | 3858964 |
| Jan-17 | 109.90 | 103.00 | 363466 | 109.75 | 102.35 | 3637324 |
| Feb-17 | 107.95 | 100.60 | 443277 | 107.25 | 100.20 | 3289826 |
| Mar-17 | 122.00 | 99.50 | 6207047 | 122.00 | 99.50 | 18000890 |
| **Total** | | | **11286240** | | | **50488144** |

**Distribution of Shareholding as on March 31, 2017**

| Sr. No. | Category | No. of Shares | Total Shares (%) | No. of Shareholders | Total Shareholders (%) |
|---|---|---|---|---|---|
| 1 | 1 to 500 | 2190714 | 0.8539 | 15871 | 85.1038 |
| 2 | 501 to 1000 | 1112845 | 0.4338 | 1365 | 7.3194 |
| 3 | 1001 to 2000 | 915499 | 0.3569 | 587 | 3.1476 |
| 4 | 2001 to 3000 | 616601 | 0.2404 | 238 | 1.2762 |
| 5 | 3001 to 4000 | 338615 | 0.1320 | 93 | 0.4987 |
| 6 | 4001 to 5000 | 590371 | 0.2301 | 123 | 0.6596 |
| 7 | 5001 to 10000 | 1068570 | 0.4165 | 139 | 0.7453 |
| 8 | 10001 & above | 249705950 | 97.3364 | 233 | 1.2494 |
| | **Total** | **256539165** | **100** | **18649** | **100** |

**Pattern of Shareholding as on 31st March, 2017**

| | As on March 31, 2017 | | As on March 31, 2016 | |
|---|---|---|---|---|
| **Category** | **No. of Shares** | **%age** | **No. of Shares** | **%age** |
| Promoter and Promoter Group and Directors and Relatives | 143931500 | 56.10 | 28786517 | 56.10 |
| Foreign Institutional Investors/FPIs -Corporation | 11147943 | 4.34 | 3327795 | 6.49 |
| Public Financial Institutions/State Financial Corporation/Insurance Companies | 181061 | 0.07 | 5597 | 0.01 |
| Mutual Funds (Indian) and UTI | 55817461 | 21.76 | 8043991 | 15.68 |
| Nationalised and other Banks | 8729 | 0.00 | 2600 | 0.00 |
| NRI/OCBs | 424691 | 0.17 | 9864 | 0.02 |
| Public | 45027780 | 17.56 | 11131469 | 21.70 |
| **TOTAL** | **256539165** | **100.00** | **51307833** | **100.00** |

**Dematerlisation of shares and Liquidity**

As on March 31, 2017, 25,64,58,660 equity shares representing 99.97% of the total equity share capital of the Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2017, is given below:

| S.No. | Particulars | No. of Share | Percentage (%) |
|---|---|---|---|
| 1 | Held in dematerialised form with CDSL | 5,40,61,364 | 21.07 |
| 2 | Held in dematerialised form with NDSL | 20,23,97,296 | 78.90 |
| 3 | Physical | 85,505 | 0.03 |
| | **Total** | **25,65,39,165** | **100.00** |

The Promoters hold their entire equity shareholding in the Company in dematerialized form.

The Company's equity shares are regularly traded on the NSE and BSE.

**Address for Members' Correspondence;**

Members are requested to correspond with the Registrars and Share Transfer Agents at the below given address on all matters relating to transfer/ dematerialisation of shares, payment of dividend and any other query relating to Equity Shares or Debentures of the Company.

**a) Registered Office:**

Name of Co. PNC Infratech Limited
Address: NBCC Plaza, Tower II, 4th Floor,
Pushp Vihar, Sector V, Saket,
New Delhi-17
Tel. No. & Fax No. 011-29574800 & 011-29563844
Email:- complianceofficer@pncinfratech.com
Website: www.pncinfratech.com

**b) Corporate Office**

Name of Co. PNC Infratech Limited
Address: PNC Tower, 3/22-D, Civil Lines, Bypass Road, NH-2, Agra-282002
Tel. No. & Fax No. 0562-4054400 & 0562-4070011
Email complianceofficer@pncinfratech.com
Website: www.pncinfratech.com

**c) Registrar & Share Transfer Agent**

Link Intime India Private Limited
Address: 44 Community Centre, IInd Floor, Naraina Industrial Area Phase- I,
Near PVR Naraina, New Delhi-110028
Tel. No. & Fax No. 011-41410592 & 011-41410591
Email: delhi@linkintime.co.in
Website: www.linkintime.co.in

## IV. Management

### Management Discussion and Analysis Report

Management Discussion and Analysis is given in a separate section forming part of the Boards' Report in this Annual Report.

### Other Disclosures

**(a) Related Party Transactions**

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. are presented in the Note No. 43 to the Standalone Financial Statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During the financial year 2016-17, there were no material related party transactions entered by the Company that may have a potential conflict with the interests of the Company.

The Company has formulated a Policy on Related Party Transactions, which has been uploaded and can be viewed on the Company's website http://www.pncinfratech.com/pdfs/policy-on-relatedparty-transactions-pnc-infratech-limited.pdf.

**(b) Disclosure of Pending Cases/Instances of Non- Compliance**

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

**(c) Code for Prevention of Insider Trading Practices**

In terms of notification of SEBI on Insider Trading Regulations, our Company has formulated and adopted a Code for Prevention of Insider Trading. "PNC Infratech Limited: Code of Conduct, for Prevention of Insider Trading in line with these Regulations. The code viz "Code of Conduct for Prevention of Insider Trading" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of trading plan subject to certain conditions as mentioned in the said Regulations and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's securities by the Directors, designated persons and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. Company Secretary of the Company has been designated as the Compliance Officer for this Code.

**Vigil Mechanism / Whistle Blower Policy**

The Company promotes ethical behaviour in all the business activities and has put in place a mechanism for reporting illegal and unethical behaviour. Employees are free to report violations of law, rules, regulations or unethical conduct to their immediate superior/notified person. The Directors and senior management are obligated to maintain confidentiality of such reporting and ensure that the whistle-blowers are not subjected to any discriminatory practices.

The Company has adopted a Vigil Mechanism Policy, which can be viewed on the Company's website at link http://www.pncinfratech.com/pdfs/vigil-mechanism-whistle-blower-policy-pnc-infratech-limited.pdf.

It is also affirmed that no personnel has been denied access to the Audit Committee.

**(d) Compliance with mandatory requirements**

The Company has complied with all the mandatory items of the SEBI Listing Regulations.

**Non- mandatory requirements**

The Company has adopted the following non-mandatory requirements on Corporate Governance:-

**i. Board**

Since your Company did not have a Non-Executive Chairman during the financial year 2016-17, hence, the requirement of maintaining a Chairman's Office was not applicable to the Company.

**ii. Shareholder Rights**

The Company sends the financial statements along with Boards' Report and Auditor's Report to shareholders every year.

**iii. Audit qualifications**

There was no audit qualification on your Company's financial statements, during the year under review.

**iv. Separate Posts of Chairman and CEO**

The Company has separate posts of Chairman and CEO / Managing Director.

**v. Reporting of Internal Auditor**

The Internal Auditors of the Company directly reports to the Audit Committee of the Company.

**(e) Subsidiary Companies**

In accordance with Regulation 24 of the SEBI Listing Regulations, the Company has one material non listed Indian subsidiary namely, PNC Infra Holdings Limited.

Shri A. K. Gupta Independent Director of the Company is on the Board of PNC Infra Holdings Limited. The Subsidiaries of the Company function independently, with an adequately empowered Board of Directors and necessary management resources.

For effective governance, the Company overviews the performance of its subsidiaries, inter alia, in the following manner:

- The financial statements, in particular, the investments made by the unlisted Subsidiary companies, are reviewed by the Audit Committee and the Board of Directors of the Company.
- The Minutes of the Board Meetings of the subsidiary companies are placed before the Board of Directors of the Company.

Details of all significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. As required under erstwhile Clause 49 of the Listing Agreement, the Company has also formulated a Policy for determining "Material Subsidiaries" which is available on the website of the Company at www.pncinfratech.com/investors.

**(f) Disclosure of Commodity price risks or Foreign Exchange Risk and hedging activities.**

The Company is not dealing in commodities and Foreign Exchange and hence disclosure relating to commodity price risks and commodity hedging activities is not required.

**(g) Accounting treatment in preparation of financial statements**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the generally accepted accounting principles and standards in India. The estimates/ judgments made in preparation of these financial statement are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.

**(h) Risk Management**

The Company has well-defined Risk Management Policy, duly approved by the Board, which are periodically reviewed to ensure that the executive management controls risk by means of a properly defined framework.

Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks. Based on this framework, the Company has set in place various procedures for Risk Management.

## V) Compliance:

**(a) Details of non-compliance, if any**

There is no Non-Compliance of any requirement of Corporate Governance Report of sub para (2) to (10) of the Part C of Schedule V of the SEBI Listing Regulations.

**(b) Certificate on Corporate Governance from Practising Company Secretary**

The Company has obtained a Certificate from its Secretarial Auditors regarding compliance of the conditions of Corporate governance, as stipulated in Regulation 34(3) and PART E of Schedule II of SEBI Listing Regulations, which together with this Report on Corporate Governance is annexed to the Boards' Report and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

**(c) Compliance with Regulation 39(4) read with Schedule V and VI of SEBI Listing Regulations – Uniform procedure for dealing with unclaimed shares:**

As on March 31, 2017, there was no unclaimed share and thereby, the detail pertaining to demat suspence account / unclaimed shares shall not be disclosed.

**(d) Disclosure under Regulation 30 and 46 of SEBI Listing Regulations regarding certain agreements with the media companies:**

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s) have been entered with media companies and/ or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable.

The Company has not entered into any other back to back treaties/ contracts/agreements/ MoUs or similar instruments with media companies and/or their associates.

**(e) CEO/ CFO certification**

Certificate from Mr. Chakresh Kumar Jain, Managing Director and Mr. D K Agarwal, Chief Financial Officer of the Company, in terms of Reg. 17(8) of the SEBI Listing Regulations, for the year under review, was placed before the Board of Directors of the Company in their meeting held on May 24, 2017. A copy of the certificate is given along with this report.

## VI) Investor safeguards and other information:

**Dematerlisation of shares**

Members are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

**Revalidation of Dividend DD/Warrant**

In respect of members who have either not opted for NECS/ECS mandate or do not have such a facility with their bankers and who have not encashed earlier dividends paid by the Company, are requested to write to the Company's Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

**Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)**

Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting Audit, Transfer and Refund) Rules, 2016 mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate the transfer of shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly, the dividend for the years mentioned as follows will be transferred to the IEPF on the respective dates if the dividend remains unclaimed for seven years, and the corresponding shares will also be transferred to IEPF if dividend is unclaimed for seven consecutive years.

| Year | Type of Dividend | Dividend Per Share (₹ ) | Date of Declaration | Due Date for Transfer | Amount (₹ ) |
|---|---|---|---|---|---|
| 2014-15 | Final | 1.50 | September 28, 2015 | October 27, 2022 | 1269.00 |
| 2015-16 | Final | 0.50 | September 30, 2016 | October 27, 2023 | 5230.50 |

**Update Address/E-mail Address/Bank details**

To receive all communications/corporate actions promptly, members holding shares in dematerialised form are requested to please update their address/email address/bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

**Electronic service of documents to members at the Registered Email Address**

SEBI, through its Circular No. CIR/MRD/DP/10/2013, dated March 21, 2013, has mandated the Companies to use Reserve Bank of India(RBI) approve electronic payment modes, such as ECS[LECS(Local ECS)/ RECS (Regional ECS) / NECS (National ECS)], NEFT and other to pay members in cash.

Recognizing the spirit of the circular issued by the SEBI, Members whose shareholding is in the electronic mode are requested to promptly update change in bank details with the Depository through your Depository Participant for receiving dividends through electronic payment modes.

Members who hold shares in physical form are requested to promptly update change in bank details with the Company/ Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd. (Unit: PNC Infratech Limited) for receiving dividends through electronic payment modes.

**Green Initiative**

Your Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos.17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, has allowed Companies to send official documents to their shareholders electronically as a part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meeting, Financial Statements, Boards' Report, Auditor's Report and others to the email address provided by you with the relevant depositories.

**E-Voting facility to members**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 17th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

**Consolidate multiple folios [in respect of physical shareholding)**

Members are requested to consolidate their shareholdings under multiple folios to eliminate the receipt of multiple communications and this would ensure that future correspondence/ corporate benefits could then be sent to the consolidated folio.

**Register Nomination(s)**

Members holding shares in physical form, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/submit the prescribed form from the Registrars & Share Transfer Agents. Members holding shares in dematerialised form are requested to register their nominations directly with their respective DPs.

**Dealing of Securities with SEBI registered intermediaries**

In respect of dealings in securities, members must ensure that they deal only with SEBI registered intermediaries and must obtain a valid contract note/ confirmation memo from the broker/sub-broker within 24 hours of execution of the trade(s) and it should be ensured that the contract note/confirmation memo contains details about order no., trade no., trade time, quantity, price and brokerage.

For and on behalf of the Board of Directors

**Pradeep Kumar Jain**
Chairman and Managing Director
**DIN: 00086653**

Place: Agra
Date: August 11, 2017

Date: 24th May, 2017

To,
The Board of Directors
PNC Infratech Limited,
NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar,
Sector-V, Saket, New Delhi – 110017

**Re: Certification by Managing Director/Chief Financial Officer for financial year 2016-17 under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

We, Chakresh Kumar Jain, Managing Director and Devendra Kumar Agarwal, Chief Financial Officer of PNC Infratech Limited to the best of our knowledge and belief, certify that:

A. We have reviewed the financial statements and the Cash Flow Statement for the year and that to the best our knowledge and belief;

   i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:

   ii) These statements together present a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting for the Company and have:

   i) Evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;

   ii) Disclosed to the Auditors and the Audit Committee of the Board, deficiencies in the design or operation of internal control, if any of which we are aware; and

   iii) Taken necessary steps/proposed necessary steps to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee of the Board that there have been:

   i) No significant changes in internal control over the financial reporting during the year;

   ii) No Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and

   iii) No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**(Chakresh Kumar Jain)**
Managing Director
DIN - 00086768

**(Devendra Kumar Agarwal)**
Chief Financial Officer

## DECLARATION BY THE MANAGING DIRECTOR REGULATION 34(3) READ WITH PART D OF SCHEDULE V OF THE SEBI LISTING REGULATIONS

To
The Members of
PNC Infratech Limited,
**CIN-**L45201DL1999PLC195937
NBCC Plaza, Tower-II, 4th Floor,
Pushp Vihar, Sector-V, Saket,
New Delhi – 110017

This is to declare that, in line with the requirement of Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, all the Directors of the Board and Senior Management Personnel have solemnly affirmed that to the best of their knowledge and belief, they have complied with the provisions of the Code of Conduct during the financial year 2016-17.

**For PNC Infratech Limited**

**[Chakresh Kumar Jain]**
Managing Director
DIN: 00086768

Place: Agra
Date:  May 24, 2017

## CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of PNC Infratech Limited
New Delhi

We have examined the compliance of conditions of Corporate Governance by PNC Infratech Limited ('the Company'), for the financial year ended 31st March 2017, as stipulated in Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to examine the procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us,

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DR Associates
Company Secretaries

**Suchitta Koley**
Partner
CP No.: 714

Place: New Delhi
Date: August 11, 2017

# Business Responsibility Report

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| S.No. | Particulars | Details |
|---|---|---|
| 1 | Corporate Identity Number (CIN) of the Company | L45201DL1999PLC195937 |
| 2 | Name of the Company | PNC Infratech Limited |
| 3 | Registered address | NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector 5, New Delhi - 110017 |
| 4 | Website | www.pncinfratech.com |
| 5 | E-mail id | complianceofficer@pncinfratech.com |
| 6 | Financial year reported | 2016-17 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code-wise) | |

The Company is engaged in the following industrial activities:

| S.No. | Industrial Activity | Activity code (NIC) |
|---|---|---|
| 1 | Construction of Roads & Highways | 42101 |

8 List three key products/services that the Company manufactures/provides (as in balance sheet)

The three main services of PNC Infratech Limited are:

1. Construction of Roads, Highways & Bridges
2. Constriction of Airport Runways and allied pavements
3. Power Transmission Projects

9. Total number of locations where business activity is undertaken by the Company –

| | | |
|---|---|---|
| (a) | Number of International Locations (Provide details of major 5) | NIL |
| (b) | Number of National Locations | The Company has its ongoing projects located in following states :<br>(i) Uttar Pradesh<br>(ii) Madhya Pradesh<br>(iii) Rajasthan<br>(iv) Uttarakhand<br>(v) Bihar<br>(vi) Delhi<br>(vii) Karnataka |

| | | |
|---|---|---|
| 10. | Markets served by the Company – Local/State/National/International | National |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

| S. No. | Particulars | Details |
|---|---|---|
| 1. | Paid up Capital (₹in lakhs) | 5130.78 |
| 2. | Total Turnover (₹in lakhs) | 168911.41 |
| 3. | Total profit after taxes (₹in lakhs) | 20968.60 |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 1.32 (Calculated as percentage of average net profit of last three years) |
| 5. | List of activities in which expenditure has been incurred:- | Please Refer Annexure - I to the Board's Report |

## SECTION C: OTHER DETAILS

| | |
|---|---|
| 1. | Does the Company have any Subsidiary Company/ Companies?<br>The Company has ten subsidiaries companies. |
| 2. | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)<br>No the subsidiaries do not participate in various related activities of BR |
| 3. | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]<br>No.; Other vendors/suppliers/contractors do not participate in group's BR policy. |

## SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies :

| | |
|---|---|
| 1. | DIN Number - 00086768 |
| 2. | Name – Mr. Chakresh Kumar Jain |
| 3. | Designation – Managing Director |

b. Details of the BR head –

| No. | Particulars | Details |
|---|---|---|
| 1 | DIN Number (if applicable) | 00086768 |
| 2 | Name | Mr. Chakresh Kumar Jain |
| 3 | Designation | Managing Director |
| 4 | Telephone number | 0562-4054400 |
| 5 | e-mail id | complianceofficer@pncinfratech.com |

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Do you have a policy/ policies for | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Does the policy conform to any national / international standards? If yes, specify? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 4. | Has the policy being approved by the Board If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5. | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6. | Indicate the link for the policy to be viewed online? | www.pncinfratech.com | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8. | Does the Company have in-house structure to implement the policy/ policies | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10. | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | Y | Y | Y | Y | Y | Y |

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | The Company has not understood the Principles | N/A | | | | | | | | |
| 2. | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3. | The Company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4. | It is planned to be done within next 6 months | | | | | | | | | |
| 5. | It is planned to be done within the next 1 year | | | | | | | | | |
| 6. | Any other reason (please specify) | | | | | | | | | |

3. Governance related to BR

a.. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board will review the BR performance annually.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR report will be published annually and uploaded on the company's website www.pncinfratech.com

# SECTION E: PRINCIPLE-WISE PERFORMANCE

## Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   Yes; The Company follows the culture of ethical practices and strongly discourages bribery / corruption and such similar derogatory practices. The spirit extends to group companies and joint ventures and also encourages its practices by suppliers, vendors and sub-contractors and other relevant stakeholders.

   Also, the Company follows the code of conduct to be followed by its Board Members, Senior / Key Managerial personnel and also by all its employees to create a conducive environment to encourage the following of these spirits.

   Further, the Company has a transparent whistle blower mechanism in place to uphold the ethical practices and to report the genuine concern to the management.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   The Company has received three complaints regarding lost of share certificate in the past financial year ended 31st March 2017 from the stakeholders which were satisfactorily resolved by the management. However, the Company has an effective redressal system in place in the event of any such complaint arising at any point of time.

## Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The Company is engaged in building of roads and highways, airport runways and also in transmission of power. All these activities are the direct outcome of Government infrastructural and developmental projects which may sometimes pose social or environmental concerns. These concerns are adequately covered/ addressed within the concession/contract agreements entered into by the Company for the respective projects with the Government and the Company takes necessary actions as per these agreements which includes the following:

   a. Highways with service roads for local population.

   b. Pedestrian and Vehicle underpasses for the ease of movement of local traffic.

   c. Redesign of roads to avoid unnecessary cutting down of trees for road laying activities

   d. Construction of rain water harvesting structures.

   e. Adoption of highway technologies and elements to minimise use of natural resources.

2 **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

   In the construction of highways & structures, the following are some of the initiatives taken by the company to achieve cost efficiency and reduce the consumption of energy and other raw materials. :

   i. Using crushed sand in lieu of natural sand where ever feasible. Providing drip irrigation for median plantation wherever feasible for water conservation;.

   ii. Fabrication of heavy steel girders in fully automated computerized fabrication plants ;

   iii. Deployment of large capacity plants and crushers to enhance productivity and reduce consumption of fossil fuels.

   iv. Execution of large span structures with long pre-stressed and precast members and cantilever construction involving fully sequenced construction procedures to optimize the sizes;

   v. Achievement of higher cost efficiencies on kerb reconstruction by deploying milling machines instead of conventional methodology of kerb dismantling and reconstruction;

   vi. Deployment of modern hot mix plants, instead of the conventional plants;

   vii. Deployment of recycling plants for reuse of RAP from existing bituminous pavements;

   viii. Deployment of jack-up barges for faster foundation works in creek bridges;

   ix. Use of high strength concrete grades with appropriate use of additives and admixtures;

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

We believe in efficient & sustainable use of materials by eliminating the waste, recycling/reusing the material without compromising the safety and quality standards as specified under the concession/contract agreements. We endeavour to construct such sustainable projects which are environmental friendly by incorporating various conservation measures, deployment of fuel efficient plants and machineries & use of green technologies. Further, our sourcing strategy is focused on procuring raw material and labour for our construction activity locally minimizing the transportation.

a. **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

We, constantly, strive to procure the required construction material locally. This reduces unnecessary transportation and logistics cost. However, if any material is not available locally, we explore and try to identify the nearest source for procurement.

Additionally, the Company endeavors to hire the skilled/ semi-skilled and unskilled labour force required for the project from the local area to the extent available.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

The sub-contractors for the procurement of goods or services needed for the project such as construction material, security, accommodation, mess facility and housekeeping services, are procured / engaged from the local vicinity of the project site.

**a If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company through its project offices maintains a regular exchange of communication with the local and small vendors with a view to apprise them about the quality standards required by the Company to enhance their understanding and approach about the project input material required by the Company.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so**

The Company constantly endeavors to generate minimal waste by making efficient use of inputs of construction material, however, at the same time, the Company, is always conscious of ensuring high quality standards and safety of the users of roads and highways. The wastage, if any, is less than 5%.

## Principle 3

1. Please indicate the **Total number of permanent employees** — 2842
2. Please indicate the **Total number of employees hired on temporary/contractual/casual basis**. — 907
3. Please indicate the Number of **permanent women employees (in the group)** — 5
4. Please indicate the **Number of permanent employees with disabilities** — Nil
5. Do you have an **employee association that is recognized by management.** — No
6. What percentage of your **permanent employees is members of this recognized employee association?** — N.A.
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

| No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|---|---|---|---|
| a. | Child labour / forced labour / involuntary labour | NIL | N/A |
| b. | Sexual harassment | NIL | N/A |
| c. | Discriminatory employment | NIL | N/A |

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

| | | |
|---|---|---|
| a | Permanent Employees | 92% |
| b. | Permanent Women Employees | 80% |
| c. | Casual/Temporary/Contractual Employees | 95% |
| d. | Employees with Disabilities | NA |

## Principle 4

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes. The Company carries out the survey of the surroundings of the projects to identify the various stakeholders before the commencement of its project activities.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes; the Company gives preference in employment of the vulnerable and marginalized stakeholders live in the vicinity of project sites and also provides training to them in constrictions activities so that their skills and employability enhances.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   As part of CSR activities, to encourage education among women the company provides financial support to girl students of economically weaker section located in and around Agra. Last two years company distributed more than 400 such scholarships. The company as a part of its CSR activities also provides financial support for medical treatment to the economically weaker section of society, works for Women Empowerment, provides facilities for reducing inequalities faced by socially and economically backward groups

## Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   The Company follows the philosophy to always ensure protecting the human rights of all the employees of the group whether subsidiary, joint venture or otherwise, suppliers, contractors, its directors and other stake holders.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   The Company has not received any stakeholders complaints in the past financial year.

## Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others**.

   All the activities viz. building of roads and highways, airport runways and also in generation of power etc. are the direct outcome of Government infrastructural and developmental projects which may sometimes, cause social or environmental concerns.

   These concerns are adequately covered/ addressed within the concession/ contract agreement entered into by the Company for the respective projects with the Government and the Company takes necessary actions to comply with the conditions pertaining to social and environmental concerns as specified in concession agreement.

   While designing the roads highways, care is taken to ensure that only unavoidable and minimal damage to the environment is done due to felling of trees. The necessary steps are taken within the ambit of the concession agreement for the projects. However, the trees which are lost due to road widening, are always replanted, elsewhere, through compensatory afforestation mandated by the Forest Laws of the nation. This policy extends to all group companies, to the extent applicable.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   No, the Company has not undertaken any initiatives to address global environmental issues as the activities of the Company presently are limited to India only.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, the Company suitably identify and assess the potential environmental risks before the execution of the project as per concession/ contract agreements.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No, the Company does not have any project related to Clean Development Mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   No, the Company has not undertaken any other initiatives on clean technology, energy efficiency and renewable energy etc. However, the company always strive to use and deploy energy efficient plants, machinery and equipment in its construction activities.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes. We effectively adhere to the norms laid down as laid down by Central Pollution Control Board / State Pollution Control Boards for generation and disposal of waste and minimizing and mitigating the emissions of smoke and dust.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   NIL

## Principle 7

1 **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The Company is the member of the following major trade/chamber/federations :

   i. National Highways Builders Federation

   ii Federation of Indian Chamber of Commerce

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others**)

   Yes; we advocate various issues pertaining to road construction industry through the above bodies from time to time. We regularly participate in the activities of these associations.

## Principle 8

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   No. Though the Company doesn't have a 'specified program' in pursuit of the policy related to Principle 8, the company always endeavours to have a sustainable impact on the development of under-served communities live in the vicinity of projects by giving special preference to them while engaging un-skilled and semi-skilled workers; survey & laboratory helpers, office assistants, cooks, gardeners etc.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The Company undertakes these initiatives through charitable trusts & societies founded by the promoter directors of the company viz. NCJ Education Society, PNC Jain Educational Trust, Akhil Bhartiya Shri Digamber Jaiswal Jain Upronchiya Sewa Nyas (Trust), Jain Vikas Parishad, Agra etc.

3. **Have you done any impact assessment of your initiative?**

   No specific impact assessment has been done. However, based on the feedback received from the beneficiaries, we understand there have been certain positive impacts.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken**.

   Through various CSR activities the company spent the amounts as under :

   1. 2014-15 : ₹ 0.95 Cr
   2. 2015-16 : ₹ 2.47 Cr
   3. 2016-17 : ₹ 3.02 Cr

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The charitable societies and trusts mentioned under point 2 above regularly monitor the various initiatives taken by them to assess whether they are successfully adopted by the communities and beneficiaries through community interactions and discreet reviews.

## Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   NIL

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   N.A.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   No. Not applicable since the Company is engaged in execution of projects awarded by various Govt. authorities.

# INDEPENDENT AUDITORS' REPORT

**To**
**The Members of**
**PNC INFRATECH LIMITED**

## Report on the Financial Statements

We have audited the accompanying Financial Statements of PNC INFRATECH LIMITED ("the Company") which comprises the Balance Sheet as at 31st March, 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of The Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of The Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of The Company as at 31st March, 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143 of the Act, we give in the Annexure – "A" statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by section 143(3)of the Act, we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b. In our opinion proper books of account as required by law have been kept by The Company so far as appears from our examination of those books;
    c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
    d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
    e. On the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, from being appointed as a director in terms of Section 164(2) of the Act.
    f. With respect to the adequacy of the internal financial controls over financial reporting of The Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure - B ".
    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and

Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements- Refer Note 38 to the financial statements;

ii. as there is not any material foreseeable losses, on long term contracts including derivative contract therefore The Company has not made any provision, required under the applicable law or Indian accounting standards;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosure in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. And on the basis of information & explanation provided these are in accordance with the books of accounts maintained by the company. Refer Note 55 to the Ind AS financial statements.

**For S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration no. 000756N

**(Neeraj Bansal)**
Partner
Membership No. : 095960

**Purushottam Agrawal &Co.**
Chartered Accountants
Firm Registration. no. 000731C

**(Sanjay Agarwal)**
Partner
Membership No. : 072696

Place: Agra
Date: May 24, 2017

# ANNEXURE – "A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE PNC INFRATECH LIMITED

Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on the financial statement of even date,

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

(b) As explained to us, the fixed assets are physically verified by the management in a phased manner over a period of three years, which in our opinion is reasonable having regard to the size of The Company and the nature of its assets. According to information and explanation given to us, the discrepancies noticed on current phase of physical verification were not material

(c) The title deed of immovable property is held in the name of The Company based on available record, as certified by the management

(ii) (a) The inventories of The Company have been physically verified by the management during the year.

(b) In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size and nature of the business of the Company.

(c) In our opinion and according to the information & explanations given to us, The Company is maintaining proper records of inventory. During the year, the physical verification was conducted at various sites and no material discrepancies have been noticed. The process of recording of physical verification needs to be further strengthened considering the expansion and nature & cycle of various projects.

(iii) (a) As informed to us, The Company has granted unsecured loans to its 4 subsidiaries & an associate and, covered in the register maintained under section 189 of the Companies Act, 2013, the balance outstanding ₹ 10008.64 Lakhs (including interest)

(b) The tenure of agreement period of repayment are six months from the date of disbursement or receipt of grant/annuity, the receipt of principle amount as explained it will be recovered once the payment received by borrower from respective authority.

(c) There is overdue interest of ₹ 1243.18 Lakhs. As explained The Company is pursuing for its recovery

(iv) The loans, investments, guarantees an pledge of securities given to/ for subsidiaries/ associates/ joint ventures are in compliance of section 185 and 186 of the Companies Act, 2013 as these are covered under exceptions as provided in section 185 and 186 of the Act, and are within the prescribed limits.

(v) The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder.

(v) We have broadly reviewed the books of account relating to materials, Labour and other items of cost maintained by The Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) According to the information and explanations given to us and the records of The Company examined by us, in our opinion, The Company is generally regular and is in process of aligning with changing regulations, in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax/VAT/ Work Contract Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities except the wealth tax payable of ₹ 13.39 Lakhs outstanding for more than six months at the balance sheet date.

(b) According to the information and explanations given to us and the records of The Company examined by us, the particulars of dues of Income-Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty, Value added tax and Cess as at March 31, 2017 which have not been deposited on account of disputes, are as follows: -

| Name of the Statute | Nature of Dues | Period to which the amount relates | Forum where dispute pending | Demand Amount (₹ In Lakhs) | Amount Deposited (₹ In lakhs) |
|---|---|---|---|---|---|
| UP Entry Tax Act, 2007 | Entry Tax | 2008-2016 | Commercial Tax Tribunal, Agra | 79.91 | - |
| | | 2013-2014 | Appeal in process to file | 18.50 | - |
| UP VAT ACT, 2008 | VAT | 2007-2008 | Commercial Tax Tribunal, Agra | 50.48 | - |
| | | 2010-2016 | Additional Commissioner, Grade II, Agra | 711.33 | - |
| | | 2013-2014 | Appeal Yet to be Filed | 704.68 | - |
| Uttarakhand VAT Act, 2005 | VAT | 2005-2012 | Joint Commissioner Haldwani | 211.04 | - |
| | | 2013-2014 | Appeal Yet to be filed | 87.74 | - |

| Name of the Statute | Nature of Dues | Period to which the amount relates | Forum where dispute pending | Demand Amount (₹ In Lakhs) | Amount Deposited (₹ In lakhs) |
|---|---|---|---|---|---|
| Haryana VAT Act' 2003 | VAT | 2010-2012 | Taxation Tribunal, Chandigarh | 34.75 | - |
| | | 2010-2012 | Dy. Excise and Taxation Officer, Karnal | 22.20 | - |
| Central Excise & Service Tax Act, 1994 | Service Tax | 2003-2006 | CESTAT Ludhiana | 171.43 | - |
| Central Excise & Service Tax Act, 1994 | Service Tax | 2005-2017 | CESTAT Kanpur | 526.90 | - |
| Income Tax Act'1961 | Income Tax | 2005-12 | Under Time Limitation | 1125.93 | 600.00 |
| Labour Welfare Act'1953 | Labour Cess | 2010 | Hon'ble MP High Court | 268.25 | 2.69 |

(viii) According to the records of The Company examined by us and the information and explanations given to us, in our opinion, The Company has not defaulted in repayment of its dues to Banks/ Financial Institution.

(ix) As per the information and explanation given to us and on the basis of our examination of the records, during the year, money raised in financial year 2015-16 by way of Initial Public Offer and the amount have been utilize for the purpose for which they were obtained. We have verified the disclosure made by the management in the financial statement. The term loan amounts have been applied for which they have been obtained.( Refer note no. 54 to the financial statements)

(x) During the course of our examination of the books and records of The Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by The Company noticed or reported during the year, nor have we been informed of such case by the management.

(xi) As per the information and explanation given to us and on the basis of our examination of the records, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not Nidhi Company therefore this clause is not applicable to the company.

(xiii) As per the information and explanation given to us and on the basis of our examination of the records, The Company has transacted with the related parties which are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements refer note no. 43 to the financial statements.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) As per the information and explanations given to us and on the basis of our examination of the records, The Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi)The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore this clause is not applicable to the company.

For **S.S. Kothari Mehta & Co.**
*Chartered Accountants*
Firm Registration no. 000756N

**(Neeraj Bansal)**
*Partner*
Membership No. : 095960

**Purushottam Agrawal &Co.**
*Chartered Accountants*
Firm Registration. no. 000731C

**(Sanjay Agarwal)**
*Partner*
Membership No. : 072696

Place: Agra
Date: May 24, 2017

# ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PNC INFRATECH LIMITED

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

We have audited the internal financial controls over financial reporting of PNC INFRATECH LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of The Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by The Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We have 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of The Company are being made only in accordance with authorisations of management and directors of the company; and
3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### 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 based on summarized observation on Internal Financial Control Report, The Company has in all respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2017, based on "the internal control over financial reporting system & procedures", 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 **S.S. Kothari Mehta & Co.** | **Purushottam Agrawal &Co.** |
| *Chartered Accountants* | *Chartered Accountants* |
| Firm Registration no. 000756N | Firm Registration. no. 000731C |
| **(Neeraj Bansal)** | **(Sanjay Agarwal)** |
| *Partner* | *Partner* |
| Membership No. : 095960 | Membership No. : 072696 |

Place: Agra
Date: May 24, 2017

# **BALANCE SHEET** as at March 31, 2017

(₹ In lakhs)

| Particulars | Note No. | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| (1) Non - current assets | | | | |
| (a) Property, plant and equipment | 4 | 34,589.71 | 21,059.19 | 21,034.45 |
| (b) Capital work - in - progress | 5 | 781.62 | 186.82 | 566.34 |
| (c) Intangible Asset | 6 | 199.02 | 193.21 | 13.20 |
| (d) Intangible Asset Under Development | 6(i) | - | - | 130.54 |
| (e) Financial assets | | | | |
| (i) Investments | 7 | 46,757.35 | 46,436.35 | 42,964.31 |
| (ii) Other Financial Assets | 8 | 16,874.31 | 7,574.45 | 4,952.13 |
| (f) Deferred Tax Assets | 9 | 225.41 | 298.85 | 172.14 |
| (g) Other non - current assets | 10 | 26,096.78 | 16,395.66 | 6,059.92 |
| **Sub Total (Non Current Assets)** | | **1,25,524.20** | **92,144.53** | **75,893.03** |
| (2) Current assets | | | | |
| (a) Inventories | 11 | 15,347.87 | 23,637.74 | 22,252.62 |
| (b) Financial assets | | | | |
| (i) Trade receivables | 12 | 63,086.22 | 37,629.80 | 36,673.77 |
| (ii) Cash and cash equivalents | 13 | 442.86 | 7,446.92 | 621.11 |
| (iii) Bank Balances other than (ii) Above | 14 | 3,106.46 | 2,258.12 | 1,494.48 |
| (iv) Other Financial Assets | 15 | 19,547.13 | 13,990.51 | 9,210.91 |
| (c) Current tax assets (net) | | - | - | - |
| (d) Other current assets | 16 | 12,319.71 | 11,895.43 | 12,354.98 |
| **Sub Total (Current Assets)** | | **1,13,850.25** | **96,858.52** | **82,607.87** |
| **Total Assets** | | **2,39,374.45** | **1,89,003.05** | **1,58,500.90** |

The accompanying notes form an integral part of the financial statements
**As per our report of even date attached.**

For **S.S. Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

Place: Agra
Date: May 24, 2017

**Tapan Jain**
*Company Secretary*

**D K Agarwal**
*Chief Financial Officer*

# BALANCE SHEET as at March 31, 2017

(₹ In lakhs)

| Particulars | Note No. | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| (a) Equity share capital | 17 | 5,130.78 | 5,130.78 | 3,980.78 |
| (b) Other equity | 18 | 1,52,086.46 | 1,32,706.27 | 69,611.22 |
| **Sub Total (Equity)** | | **1,57,217.24** | **1,37,837.05** | **73,592.00** |
| **LIABILITIES** | | | | |
| (1) Non - current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 19 | 5,762.68 | 603.06 | 2,376.20 |
| (ii) Other financial liabilities excl. provisions | 20 | 9,996.02 | 6,535.97 | 4,880.70 |
| (b) Provisions | 21 | 349.09 | 282.01 | 420.15 |
| (c) Deferred Tax Liability | 9 | - | - | - |
| (d) Other non - current liabilities | 22 | 6,404.03 | 9,141.92 | 19,689.20 |
| **Sub Total (Non Current Liability)** | | **22,511.82** | **16,562.96** | **27,366.25** |
| (2) Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 23 | 8,972.12 | 18.67 | 30,026.46 |
| (ii) Trade payables | 24 | 23,689.93 | 9,422.36 | 10,063.16 |
| (iii) Other financial liabilities excl. provisions | 25 | 10,685.27 | 4,856.49 | 11,016.03 |
| (b) Other current liabilities | 26 | 14,235.55 | 18,281.39 | 4,643.64 |
| (c) Current tax liability | | - | - | - |
| (d) Provisions | 27 | 2,062.52 | 2,024.14 | 1,793.36 |
| **Sub Total (Current Liability)** | | **59,645.39** | **34,603.05** | **57,542.65** |
| **Total Equity & Liabilities** | | **2,39,374.45** | **1,89,003.05** | **1,58,500.90** |

The accompanying notes form an integral part of the financial statements
**As per our report of even date attached.**

For **S.S. Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

Place: Agra
Date: May 24, 2017

**Tapan Jain**
*Company Secretary*

**D K Agarwal**
*Chief Financial Officer*

## **STATEMENT OF PROFIT & LOSS** for the year ended March 31, 2017

**(₹ In lakhs)**

| | Particulars | Note No. | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|---|---|
| I | Revenue from Operations | 28 | 1,68,911.41 | 2,01,416.09 |
| II | Other income | 29 | 4,655.46 | 2,533.65 |
| **III** | **Total Income ( I+II )** | | **1,73,566.87** | **2,03,949.74** |
| IV | **Expenses :** | | | |
| | Cost of materials consumed | 30 | 81,679.62 | 87,946.64 |
| | Purchase of stock In trade | | - | - |
| | Change in inventories of finished goods, work-in-progress and Stock-in-Trade | 31 | 2,481.26 | 3,450.66 |
| | Employee benefit expense | 32 | 10,033.83 | 8,351.87 |
| | Finance Cost | 33 | 2,031.03 | 3,993.97 |
| | Depreciation and amortization expenses | 34 | 5,333.41 | 5,704.43 |
| | Other Expenses | 35 | 52,614.81 | 75,064.68 |
| | **Total Expenses (IV)** | | **1,54,173.96** | **1,84,512.25** |
| V | Profit/(Loss) before exceptional items & Tax (III-IV) | | 19,392.91 | 19,437.49 |
| VI | Exceptional Items | | - | - |
| VII | **Profit/(Loss) before tax (V-VI)** | | **19,392.91** | **19,437.49** |
| VIII | Tax expense : | | | |
| | Current tax | 36 | 4,145.76 | 4,200.77 |
| | MAT Credit Adjustment | | (3,259.06) | (4,200.77) |
| | Taxes for earlier years | | (2,524.42) | (3,894.87) |
| | Deferred tax | | 62.03 | (124.42) |
| IX | **Profit & (Loss) for the period (VII-VIII)** | | **20,968.60** | **23,456.78** |
| X | Other Comprehensive Income | | | |
| | A (i) Items that will not be reclassified to profit or loss | | | |
| | - Acturial Gain and losses on defined benefit plans | | 33.59 | (6.72) |
| | (ii) Income tax relating to items that will not be reclassified to profit or Loss | | (11.42) | 2.29 |
| XI | **Total Comprehensive Income for the period ( IX + X)** | | **20,990.77** | **23,452.35** |
| | Earning per equity share of ₹ 2/- each | | | |
| | (1) Basic & Diluted | 37 | 8.17 | 9.43 |

The accompanying notes form an integral part of the financial statements
**As per our report of even date attached.**

For **S.S. Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

Place: Agra
Date: May 24, 2017

**Tapan Jain**
*Company Secretary*

**D K Agarwal**
*Chief Financial Officer*

# STATEMENT OF CASH FLOW for the year ended as on March 31, 2017

(₹ In lakhs)

| Particulars | | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|---|
| A. | **Cash Flow from Operating Activities** | | |
| | **Net Profit /(Loss) before Tax & after exceptional items** | **19,392.91** | **19,437.49** |
| | Adjustment for: | | |
| | Add/(Less): | | |
| | Finance Cost | 1,531.42 | 3,323.20 |
| | Markup on Intangible asset created | - | |
| | Loss/(Profit) on sale of Fixed Assets (Net) | 154.73 | (30.56) |
| | Loss/(Profit) on sale of Investments (Net) | (0.11) | (361.73) |
| | Interest income | (3,029.55) | (834.97) |
| | Provision for Gratuity | 107.83 | (113.14) |
| | Depreciation and Amortization Expenses | 5,333.41 | 5,704.42 |
| | **Operating Profit / (Loss) before working capital changes** | **23,490.64** | **27,124.71** |
| | **Adjustment for Changes in Working Capital** | | |
| | (Increase)/Decrease in inventories | 8,289.87 | (1,385.12) |
| | Increase/(Decrease) in trade payable | 14,267.57 | (640.81) |
| | Increase/(Decrease) in other current Liabilities | 1,782.94 | 7,478.21 |
| | Increase/(Decrease) in Non -current Liabilities | 722.15 | (8,892.01) |
| | Increase/(Decrease) in Provisions | 31.22 | 199.06 |
| | (Increase)/Decrease in trade Receivable | (25,456.42) | (956.03) |
| | (Increase)/Decrease in Noncurrent assets | (19,672.46) | (13,416.00) |
| | (Increase)/Decrease in Current assets | (5,950.22) | (4,337.79) |
| | **Cash Generated from/(used) from operating activities** | **(2,494.71)** | **5,174.22** |
| | Direct Taxes Paid | 1,637.72 | 3,894.87 |
| | **Cash (used in )/ from operating activities before extraordinary Items** | **(856.99)** | **9,069.09** |
| | Preliminary Exp. | | |
| | **Cash Generated from/(used) from operating activities (A)** | **(856.99)** | **9,069.09** |
| B. | **Cash Flow from Investing Activities** | | |
| | Purchase of Fixed Asset | (19,203.88) | (5,451.24) |
| | Sale of Fixed Asset | 256.10 | 540.62 |
| | Purchase of Investments | (336.00) | (6,525.00) |
| | Sale of Investment | 15.11 | 3,414.69 |
| | Investment in term deposit & others bank balance | (848.34) | (763.64) |
| | Interest Income | 2,998.87 | 852.71 |
| | **Net Cash ( used in) / from Investing Activities (B)** | **(17,118.14)** | **(7,931.86)** |

## **STATEMENT OF CASH FLOW** for the year ended as on March 31, 2017

(₹ In lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| **C. Cash Flow from Financing Activities** | | |
| Proceeds from sale of share capital | | 1,150.00 |
| Proceeds from security premium | | 40,569.00 |
| Proceeds from Long term borrowings | 5,726.61 | 1,126.78 |
| Repayment of Long term borrowings | (566.99) | (2,899.92) |
| Proceeds from Working Capital Borrowings from Banks | 8,953.45 | (30,007.79) |
| Dividend Paid | (1,610.58) | (926.29) |
| Interest | (1,531.42) | (3,323.20) |
| **Net Cash ( used in) / from Financing Activities (C)** | **10,971.07** | **5,688.58** |
| **Net Cash Increase in cash & Cash equivalents (A+B+C)** | **(7,004.06)** | **6,825.81** |
| Cash & Cash equivalents in beginning | 7,446.92 | 621.11 |
| **Cash & Cash equivalents as at the end** | **442.86** | **7,446.92** |

The accompanying notes form an integral part of the financial statements
**As per our report of even date attached.**

For **S.S. Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

Place: Agra
Date: May 24, 2017

**Tapan Jain**
*Company Secretary*

**D K Agarwal**
*Chief Financial Officer*

# STATEMENT OF CHANGES IN EQUITY for the year ended as on March 31, 2017

## A. Equity Share Capital

(₹ in Lakhs)

| As at April 1, 2015 | Changes during the year | As at March 31, 2016 | Changes during the year | As at March 31, 2017 |
|---|---|---|---|---|
| 3,980.78 | 1,150.00 | 5,130.78 | - | 5,130.78 |

## B. Other Equity

(₹ in Lakhs)

| Particulars | Reserves & Surplus | | | |
|---|---|---|---|---|
| | Securities premium account | General Reserve | Retained earnings | Total |
| **Restated Balance as at April 1, 2015** | **18,440.67** | **128.96** | **51,041.59** | **69,611.22** |
| Profit for the year | - | - | 23,456.78 | 23,456.78 |
| Other Comprehensive Income | - | - | (4.43) | (4.43) |
| **Total comprehensive income for the year** | **-** | **-** | **23,452.35** | **23,452.35** |
| Dividend paid, including tax | | | (926.29) | (926.29) |
| Shares issued during the year | 42,320.00 | | | 42,320.00 |
| Utilisation of reserve | (1,751.00) | | | (1,751.00) |
| **Balance as at March 31, 2016** | **59,009.67** | **128.96** | **73,567.65** | **1,32,706.28** |
| Profit for the year | - | - | 20,968.60 | 20,968.60 |
| Other Comprehensive Income | - | - | 22.17 | 22.17 |
| **Total comprehensive income for the year** | **-** | **-** | **20,990.77** | **20,990.77** |
| Dividend paid, including tax | - | - | (1,610.58) | (1,610.58) |
| **Balance as at March 31, 2017** | **59,009.67** | **128.96** | **92,947.84** | **1,52,086.47** |

The accompanying notes form an integral part of the financial statements
**As per our report of even date attached.**

For **S.S. Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

Place: Agra
Date: May 24, 2017

**Tapan Jain**
*Company Secretary*

**D K Agarwal**
*Chief Financial Officer*

# **NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

## Note - 1: Company Overview:

PNC Infratech Limited was incorporated on 9th August 1999 as PNC Construction Company Private Limited. The Company was converted into a limited company in 2001 and was renamed PNC Infratech limited in 2007. The Company has raised the equity capital by issue & allotment of equity share through Initial Public Offer (IPO) during the current year in May 2015 and listed with National Stock Exchange and Bombay Stock Exchange.

The Company is engaged in India's infrastructure development through the construction of highways including BOT (built, operate and transfer projects), airport runways, bridges, flyovers and power transmission projects, among others.

In case of BOT, The Company bid as a sponsor either alone or in the joint venture with other venturer and once the project is awarded then it is executed by incorporating a company (special purpose vehicle).

The Company's registered office is located in New Delhi, corporate office in Agra and operations are spread across Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand, Assam, West Bengal and Bihar among others.

The Company is ISO 9001:2008-certified, awarded 'SS' (Super Special) class from the Military Engineering Services as well as appreciation from NHAI and the Military Engineer Services, Ministry of Defence.

The standalone financial statements were authorised for issue in accordance with the resolution of the directors on $24^{Th}$ May 2017.

## Note - 2: Summary of Significant Accounting Policies

### 2.1. Basis of Preparation

The financial statements of The Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company, with effect from 1 April 2016, has adopted Indian Accounting Standards (the 'Ind AS') notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amended) Rules, 2016.

For all periods up to and including the year ended 31st March 2016, The Company prepared its financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules,2014(referred to as 'Indian GAAP'). These financial statements are the Company's first Ind AS financial statements.

The Company has adopted all the Ind AS standards and the adoptions were carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. Previous period numbers in the financial statements have been restated to Ind AS. Reconciliations and descriptions of the effect of the transition have been summarized in Note 48B. The details of the first time adoption exemptions availed by The Company is given in Note 48A.

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.

The financial statements are presented in Indian rupees ('INR₹) and all values are rounded to the nearest lakhs and two decimals thereof, except if otherwise stated.

These financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments & provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

### 2.2 Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and results of operations during the reporting period. The Management believes that the estimates used in preparation of financial statements are prudent and reasonable. Differences between actual results and estimates are recognized in the year in which the results are shown / materialized.

### 2.3 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

# **NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

## **Summary of Significant Accounting Policies** *(contd.)*

- 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 realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### 2.4 Property Plant & Equipment

The Company has adopted optional exemption under Ind AS-101 and elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statement at the date of transition i.e. at 1st April, 2015, measured as per the previous GAAP and used that as its deemed cost as at the transition date.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost includes cost of acquisitions or construction including incidental expenses thereto and other attributable cost of bringing the assets to its working condition for the intended use and is net of recoverable duty /tax credits.

### 2.5. Intangible Asset

The Company recognises the intangible asset according to Ind AS-38 which are stated at cost of acquisition net of accumulated amortization and impairment losses, if any.

In accordance with Ind AS 38, Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Other intangible assets are amortised on straight line basis over the period in which it is expected to be available for use by the company.

### 2.6. Intangible Asset under development

Expenditure related to and incurred during development of Assets are included under "Intangible assets under development". The same will be transferred to the respective assets on its completion.

### 2.7. Capital Work in progress

Capital work in progress comprises of expenditure, direct or indirect incurred on assets which are yet to be brought into working condition for its intended use.

### 2.8. Depreciation and Amortization

Depreciation on Fixed Assets is provided on straight line method (other than specified Plant & Machinery which are depreciated on written down value basis) based on useful life stated in schedule II to the Companies Act 2013, and is on pro-rata basis for addition and deletions. In case of Plant & Machinery as per technical estimate, (excluding Cranes & Earthmoving Equipment's), the useful life is more than as stated in Schedule II as mentioned below:

| | |
|---|---|
| Earth Moving Equipment | 15 years |
| Piling Equipment | 15 Years |

### 2.9. Cash & Cash Equivalent

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

### 2.10. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, irrespective of fact whether payment is received or not. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Construction Contract: Contract revenue is recognized under percentage of completion method. The Stage of Completion is determined on the basis of physical completion of work as acknowledged by the client.

Revenue related claims are accounted in the year in which arbitration award is awarded/settled or accepted by customer or there is a tangible evidence of acceptance received.

Other sales are accounted on dispatch of material and exclude applicable sales tax/VAT and are net of discount.

Revenue from Joint Venture contract is accounted for net of joint venture share, under turnover, in these financial statements. Agency charges, if any, are accounted on receipt basis as other operating income.

**Interest Income**

Interest income is generally recognized on a time proportion basis by considering the outstanding amount and effective interest rate.

In the absence of ascertainment with reasonable certainty the quantum of accruals in respect of claims recoverable, the same is accounted for on receipt basis. Income from investments is accounted for on accrual basis when the right to receive income is established.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, The Company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Income from dividend is recognized when the right to received is established.

**Dividend**

Dividends are recognised in profit or loss only when:

(i) the company's right to receive payment of the dividend is established;

(ii) It is probable that the economic benefits associated with the dividend will flow to the entity; and

(iii) The amount of dividend can be measured reliably.

**2.11. Inventories**

The stock of raw material, stores, spares and embedded goods and fuel is valued at lower of cost or net realizable value. Cost is computed on first in first out basis.

Work-in- progress is valued at the item rate contracts in case of completion of activity by project department, in case where the Work-in-progress is not on item rate contract stage then item rate contract are reduced by estimated margin or estimated cost of completion and/or estimated cost necessary to make the items rates equivalent to Stage of Work-in- progress.

**2.12. Leases**

**Where The Company is the lessee**

A lease is classified at the inception date as a finance lease or an operating lease. Payments made under Leases, being in the nature of operating leases, are charged to statement of Profit and Loss on straight line basis as per terms of the Lease Agreement over the period of lease.

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. 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 recognized as 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 borrowing cost. 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.

**2.13. Employee benefits**

**Short Term:**

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

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Summary of Significant Accounting Policies *(contd.)*

the period in which the employee renders related service.

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

**Long Term:**

**Provident Fund**: The contribution to provident fund is in the nature of defined contribution plan. The Company makes contribution to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952.The contribution paid or payable is recognized as an expense in the period in which services are rendered.

**Gratuity :** The cost is determined using the projected unit credit method with actuarial valuation being carried at cash at each Balance Sheet date by an independent actuary. The retirement benefits obligation recognized in the Balance Sheet represent the present value of defined benefit obligation as adjusted for recognized past service cost

Actuarial gains and losses are recognized in full in the other comprehensive income for the period in which they occur.

**Other long term employee benefits:**

The cost of long term employee benefits is determined using project unit credit method and is present value of related obligation, determined by actuarial valuation done on Balance Sheet date by an independent actuary. The unrecognized past service cost and actuarial gain & losses are recognised immediately in the Statement of Profit & Loss in which they occur.

### 2.14. Borrowing Costs

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

### 2.15. Segment reporting

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

### 2.16. Earnings per share:

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of The Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of The Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The Weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, buy back of shares, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

### 2.17. Taxation

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 is charged at the end of reporting period to profit & loss.

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).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.

**Deferred Tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. 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.

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 utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**2.18. Impairment of Financial Assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

**2.19. Impairment of Non-Financial Assets**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an Individual asset basis unless the asset does not generate cash flows that are largely Independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**2.20. Claims & Counter Claims:**

Claims and counter claims including under arbitrations are accounted for on their final settlement/ Award. Contract related claims are recognized when there is a reasonable certainty

**2.21. Provisions, Contingent liabilities and Contingent assets**

**Provisions**

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.

The expense relating to a provision is presented in the statement of profit and loss.

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

**Contingent liabilities and assets**

Contingent liabilities are disclosed in respect of possible obligation that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimates of the obligation cannot be made.

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Summary of Significant Accounting Policies *(contd.)*

A contingent assets are disclosed where an inflow of economic benefit is probable. An entity shall not recognise the contingent assets unless the recovery is virtually certain.

### 2.22. 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.

**Initial recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

**Subsequent measurement**

**A. Financial Assets**

For the purpose of subsequent measurement, financial assets are classifies in three broad categories:

**(i) Financial Assets carried at amortized cost**

A financial assets is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**B. Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition :-**

**A. Financial Assets**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized when:

(i) The contractual right to receive cash flows from the assets have expired, or

(ii) The Company has transferred its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

**B. Financial Liability**

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.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities.

### 2.23. Foreign currencies

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

**Summary of Significant Accounting Policies** *(contd.)*

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

iii. Exchange differences:

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items by recognizing the exchange differences as income or as expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions

**2.24. Fair Value Measurement**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, The Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

## Note - 3: Critical accounting estimates and Judgements

**(I) Estimated useful life of intangible asset and property, plant and equipment**

The Company assess the remaining useful lives of Intangible assets and property, plant and equipment on the basis of internal technical estimates. Management believes that assigned useful lives are reasonable.

Before transition to IND AS, The Company has revisited the useful life of the assets during financial year 2014-15 in accordance with Schedule II of Companies Act, 2013 and the impact of change in life is considered in opening carrying values of that year.

**(ii) Income taxes:**

Deferred tax assets are recognised for the unused tax credit to the extent that it is probable that taxable profits will be available against which the losses will be utilized. Significant management judgment 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.

**(iii) Defined benefit plans and Other Long Term Benefits:**

The cost of the defined benefit plan and other long term benefit and their present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The most sensitive is discount rate. Future salary increases and gratuity increases are based on expected future inflation rates.

**(iv) Contingent liabilities:**

Management judgment is required for estimating the possible outflow of resources, in respect of contingencies/claim/litigations against The Company as it is not possible to predict the outcome of pending matters with accuracy. The management believes the estimates are reasonable and prudent.

# **NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

## Note -4: Property, plant & equipment

**Year ended 31st March 2016** (₹ in Lakhs)

| Particulars | Freehold Land | Buildings | Plant & equipment | Office equipment | Furniture & fixtures | Vehicles | Computers | Temporary Constructions | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | | |
| At April 1, 2015 | 145.29 | 659.47 | 31,517.06 | 404.54 | 234.74 | 1,198.72 | 621.05 | 3,237.69 | 38,018.56 |
| Addition during the year | - | - | 4,531.98 | 73.72 | 32.17 | 275.18 | 60.06 | 274.46 | 5,247.57 |
| Disposal / Adjustments | - | - | 367.43 | - | - | 4.21 | - | - | 371.64 |
| **At March 31, 2016** | **145.29** | **659.47** | **35,681.61** | **478.26** | **266.91** | **1,469.69** | **681.11** | **3,512.15** | **42,894.49** |
| **Accumulated Depreciation** | | | | | | | | | |
| At April 1, 2015 | - | 43.69 | 13,491.30 | 126.47 | 130.14 | 431.91 | 439.90 | 2,320.69 | 16,984.10 |
| Addition during the year | - | 20.91 | 3,738.93 | 86.14 | 23.90 | 127.77 | 199.10 | 1,007.08 | 5,203.83 |
| Disposal / Adjustments | - | - | 348.63 | - | | 4.00 | - | - | 352.63 |
| **At March 31, 2016** | **-** | **64.60** | **16,881.60** | **212.61** | **154.04** | **555.68** | **639.00** | **3,327.77** | **21,835.30** |
| **Net carrying value as at March 31, 2015** | **145.29** | **615.78** | **18,025.76** | **278.07** | **104.59** | **766.81** | **181.15** | **917.00** | **21,034.45** |
| **Net carrying value as at March 31, 2016** | **145.29** | **594.87** | **18,800.01** | **265.65** | **112.87** | **914.01** | **42.11** | **184.38** | **21,059.19** |

**Year ended 31st March 2017** (₹ in Lakhs)

| Particulars | Freehold Land | Buildings | Plant & equipment | Office equipment | Furniture & fixtures | Vehicles | Computers | Temporary Constructions | Total |
|---|---|---|---|---|---|---|---|---|---|
| Gross carrying value | | | | | | | | | - |
| At March 31, 2016 | 145.29 | 659.47 | 35,681.61 | 478.26 | 266.91 | 1,469.69 | 681.11 | 3,512.15 | 42,894.49 |
| Addition during the year | 57.40 | - | 17,528.59 | 127.25 | 91.50 | 382.70 | 87.35 | 288.44 | 18,563.23 |
| Disposal / Adjustments | - | - | 967.88 | 153.24 | 97.21 | 121.87 | 104.54 | - | 1,444.74 |
| **At March 31, 2017** | **202.69** | **659.47** | **52,242.32** | **452.27** | **261.20** | **1,730.52** | **663.92** | **3,800.59** | **60,012.98** |
| **Accumulated Depreciation** | | | | | | | | | |
| At March 31, 2016 | - | 64.60 | 16,881.60 | 212.61 | 154.04 | 555.68 | 639.00 | 3,327.77 | 21,835.30 |
| Addition during the year | - | 21.21 | 4,171.71 | 72.85 | 20.74 | 157.21 | 77.78 | 100.39 | 4,621.89 |
| Disposal / Adjustments | - | - | 634.56 | 137.03 | 78.21 | 94.52 | 89.60 | - | 1,033.92 |
| **At March 31, 2017** | **-** | **85.81** | **20,418.75** | **148.43** | **96.57** | **618.37** | **627.18** | **3,428.16** | **25,423.27** |
| **Net carrying value as at March 31, 2017** | **202.69** | **573.66** | **31,823.57** | **303.84** | **164.63** | **1,112.15** | **36.74** | **372.43** | **34,589.71** |

**Notes :**

(i) Property, plant and equipment pledged as security except project assets

(ii) Opening balances of Gross block and accumulated depreciation have been regrouped/ reclassified/rearranged wherever considered necessary.

(iii) Borrowing cost capitalised during the periods is nil.

## Note - 5: Capital Work In Progress

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| **Gross Carrying Value** | |
| As at April 1., 2015 | **566.34** |
| Addition during the year | 578.96 |
| Capitalized/Adjustments during the year | 958.48 |
| As at March 31, 2016 | **186.82** |
| Addition during the year | 781.62 |
| Capitalized/Adjustments during the year | 186.82 |
| As at March 31, 2017 | **781.62** |

## Note -6: Intangible assets Year ended March 31, 2016

(₹ in Lakhs)

| Particulars | Computer software | Total |
|---|---|---|
| **Gross carrying value** | | |
| As at April 1, 2015 | 23.05 | 23.05 |
| Addition during the year | 222.68 | 222.68 |
| Disposals/Adjustments | | |
| **As at March 31, 2016** | **245.73** | **245.73** |
| **Amortisation** | | |
| As at April 1, 2015 | 9.85 | 9.85 |
| For the year | 42.67 | 42.67 |
| Disposals/Adjustments | - | - |
| **As at March 31, 2016** | **52.52** | **52.52** |
| **Net carrying value as at March 31, 2016** | **193.21** | **193.21** |

**Year ended March 31, 2017** (₹ in Lakhs)

| Particulars | Computer software | Total |
|---|---|---|
| **Gross carrying value** | | |
| As at March 31, 2016 | 245.73 | 245.73 |
| Addition during the year | 45.85 | 45.85 |
| Disposals/Adjustments | | |
| **As at March 31, 2017** | **291.58** | **291.58** |
| **Amortisation** | | |
| As at March 31, 2016 | 52.52 | 52.52 |
| For the year | 40.04 | 40.04 |
| Disposals/Adjustments | - | - |
| **As at March 31, 2017** | **92.56** | **92.56** |
| **Net carrying value as at March 31, 2017** | **199.02** | **199.02** |

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## 6 (i). Intangible Assets under development

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| **Gross Carrying Value** | |
| As at April 1., 2015 | 130.54 |
| Addition during the year | 90.36 |
| Capitalized/Adjustments during the year | (220.90) |
| **As at March 31, 2016** | **-** |
| Addition during the year | - |
| Capitalized/Adjustments during the year | - |
| **As at March 31, 2017** | **-** |

## Note - 7: Investments

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **Investments in equity instruments** | | | |
| **A. Subsidiaries** | | | |
| 10 equity shares (Previous Year 10) of PNC Raebareli Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)* | 0.00 | 0.00 | 0.00 |
| 5000000 equity shares (Previous Year 5000000) of PNC Bareilly Nainital Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each) | 500.00 | 500.00 | 500.00 |
| 50000 equity shares (Previous Year 50000) of PNC Infra Holdings Limited of ₹ 10/- each ( Face value ₹ 10/- each) | 5.00 | 5.00 | 5.00 |
| 86527792 equity shares (Previous Year 85855794) of PNC Infra Holdings Limited acquired of ₹ 50/- each ( Face value ₹ 10/- each) | 43,263.90 | 42,927.90 | 36,402.90 |
| 20000 equity shares (Previous Year 20000) of PNC Power Private Limited of ₹ 10/- each ( Face value ₹ 10/- each) | - | 2.00 | 2.00 |
| 6500 equity shares (Previous Year 6500) of PNC Power Private Limited acquired of ₹ 200/- each ( Face value ₹ 10/- each) | - | 13.00 | 13.00 |
| 5100 equity shares (Previous Year 5100) of Ferrovia Transrail Solutions Private Limited of ₹ 10/- each ( Face value ₹ 10/- each) | 0.51 | 0.51 | 0.51 |
| 10 (Previous Year 10) of PNC Kanpur Ayodhya Tollways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)* | 0.00 | 0.00 | 0.00 |
| **Investment in Subsidiaries (A)** | **43,769.41** | **43,448.41** | **36,923.41** |
| **B. Associates** | | | |
| 29324000 equity shares (Previous Year 29324000) of Ghaziabad Aligarh Expressway Private Limited of ₹ 10/- each ( Face value ₹ 10/- each) | 2,932.40 | 2,932.40 | 2,932.40 |
| **Investment in Associates (B)** | **2,932.40** | **2,932.40** | **2,932.40** |

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **C. Others** | | | |
| (1st April 2015 Previous Year 24423700) of Jaora Nayagaon toll road company Private Limited. of ₹ 10/- each ( Face value ₹ 10/- each) | - | - | 3,052.96 |
| 555370 equity shares (Previous Year 5000) of Indian Highways Management Company limited | 55.54 | 55.54 | 55.54 |
| **Investment in Others (C)** | **55.54** | **55.54** | **3,108.50** |
| **Total** | **46,757.35** | **46,436.35** | **42,964.31** |

* Figures are nil due to rounding off norms adopted by the company

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Aggregate book value of quoted investments | | | |
| Aggregate market value of quoted investments | | | |
| Aggregate book value of unquoted investments | 46,757.35 | 46,436.35 | 42,964.31 |
| Provision for diminution in value of investments | | | |

Out of the Investments of The Company following investments are pledged with the Financial Institutions /Banks for security against the financial assistance extended to the companies under the same management and others:

No.of Equity shares of ₹ 10 each

| Name of the Company | Relationship | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|---|
| PNC Bareilly Nainital Highways Pvt. Ltd. | Subsidiaries | 25,50,000 | 25,50,000 | 19,50,000 |
| Ghaziabad Aligarh Expressway Private Limited | Associates | 1,49,55,240 | 1,49,55,240 | 1,49,55,240 |
| Jaora Nayagaon Toll Road Co. Pvt. Ltd. | Others | - | - | 1,68,32,550 |

## Note - 8: Other Financial assets

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Terms Deposits (having maturity of more than 12 months)* | | | |
| -Term deposits as margin money for bank guarantees | 658.78 | 540.43 | 468.12 |
| -Earnest money deposits (in the form of term deposits, NSC etc) | 13.10 | 12.50 | 11.00 |
| Share Warrants in Gaziabad Aligarh Expressway Pvt Ltd (GAEPL)# | 6,736.56 | - | - |
| **Advances other than capital advances** | | | |
| - Security deposits | | | |
| a. Held with departments | 8,562.28 | 6,181.87 | 3,735.93 |
| b. Held with related party | 824.23 | 750.01 | 684.15 |
| c. Others | 79.36 | 89.64 | 52.93 |
| **Total** | **16,874.31** | **7,574.45** | **4,952.13** |

* For details refer Note 14

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

# The share warrants are convertible into equity shares or unsecured Debentures as per the following condition:

1. Warrants entitle the Warrant-holder to subscribe to one equity share of ₹10/- (Face Value of ₹ 10 per share) in The Company (GAEPL) for each warrant held by the Warrant-Holder, subject to a re-characterisation event not having taken place on the maturity of the Warrants, that is, at the end of the Tenure (60 months). If the Warrant-holder opts not to subscribe to equity shares in The Company (GAEPL), the amount paid on the Warrants will be fully forfeited, and thereupon, the Warrant will be deemed to have expired.

2. In case of re-characterisation event taking place as per terms of the issue, the warrant shall be deemed to have been converted into unsecured debenture.

   On occurrence of any of the following events, the Warrants shall, on and from the notification Date (provided for below), be deemed to have been converted into Debt Obligations, with features provided for herein::
   - Change of control over The Company (GAEPL).
   - The Company (GAEPL) not achieving Final COD for its project within 2.5 years from the date of the issuance of the Warrants.
   - The Company (GAEPL) not achieving revenue and/or Cash accrual as per the Projected cash flow with a (+/-) 20% variation.

   The tenure of debenture shall be 17 years from the date of issue. The debenture shall carry interest @ 14% p.a. payable only when The Company (GAEPL) has distributable cash profits.

## Note - 9: Deferred Tax

### 9.1 The balance comprises temporary differences attributable to:

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **(a) Deferred Tax Assets/(Liabilities)** | | | |
| Fixed Assets | 37.96 | 148.89 | (211.37) |
| Retention Assets | 705.15 | 308.17 | 311.29 |
| Retention Liabilities | | (92.48) | (320.48) |
| Investment | | | 210.93 |
| Provision for Doubtful debts | | | 12.04 |
| Deffered Retention Liabilities | | 85.15 | 320.48 |
| Deffered Retention Assets | (700.49) | (300.84) | (311.29) |
| Pre IPO & Preoperative Expenses | | | (18.70) |
| Gratuity & Leave encashment | 182.79 | 149.96 | 179.24 |
| **Net deferred tax Assets/(Liabilities)** | **225.41** | **298.85** | **172.14** |

### 9.2 Movement in Deferred tax (Liabilities)/Assets

(₹ in Lakhs)

| Particulars | Fixed Assets | Retention Assets | Retention Liabilities | Investment | Provision for Doubtful debts | Deffered Retention Liabilities | Deffered Retention Assets | Pre IPO & Preoperative Expenses | Gratuity & Leave encashment | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **At April 1, 2015** | **(211.37)** | **311.29** | **(320.48)** | **210.93** | **12.04** | **320.48** | **(311.29)** | **(18.70)** | **179.24** | **172.14** |
| (Charged)/credited:- | | | | | | | | | | |
| -to profit & loss | 360.26 | (3.12) | 228.00 | (210.93) | (12.04) | (235.33) | 10.45 | 18.70 | (31.57) | 124.42 |
| -to Other Comprehensive Income | | | | | | | | | 2.29 | 2.29 |
| **At March 31, 2016** | **148.89** | **308.17** | **(92.48)** | **-** | **-** | **85.15** | **(300.84)** | **-** | **149.96** | **298.85** |
| (Charged)/credited:- | | | | | | | | | | |
| -to profit & loss | (110.93) | 396.98 | 92.48 | - | - | (85.15) | (399.65) | - | 44.25 | (62.02) |
| -to Other Comprehensive Income | | | | | | | | | (11.42) | (11.42) |
| **At March 31, 2017** | **37.96** | **705.15** | **-** | **-** | **-** | **-** | **(700.49)** | **-** | **182.79** | **225.41** |

## Note - 10: Other Noncurrent assets

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **-Advances other than capital advances** | | | |
| a. Balance with statutory Authorities | 3,851.74 | 5,183.40 | 3,092.05 |
| b. Others | | 2.46 | 2.89 |
| **-Deferred retention Money** | | | |
| a. Held with departments | 2,024.06 | 809.61 | 764.90 |
| b. Held with related party | - | 70.04 | 140.07 |
| c. Others | - | 5.43 | 10.86 |
| **- Others** | | | |
| -Advance tax and tax deducted at source*# | 2,291.42 | 1,962.23 | 366.87 |
| -Tax and duty deposited under demand | 1,314.90 | 1,165.94 | 197.26 |
| - MAT Credit Entitlement# | 11,305.94 | 6,572.03 | |
| -Mobilization advance to sub-contractors | 240.30 | 624.52 | 1,259.43 |
| -Pre IPO Expense | | - | 225.59 |
| - Deferred Share Warrant assets (refer note no 8) | 5,068.42 | | |
| **Total** | **26,096.78** | **16,395.66** | **6,059.92** |

*The refund receivable for certain years, are held up by tax authorities for verification of TDS certificates internally or with other issuing departments.
# refer note no.52

## Note - 11: Inventories

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Raw materials | | | |
| - At factory | 12,085.01 | 18,212.18 | 12,766.76 |
| - In transit | | 263.40 | 11.80 |
| Work - in - progress | 1,316.44 | 3,797.70 | 7,248.36 |
| Stores & spares | | | |
| - At factory | 1,946.42 | 1,364.46 | 2,225.54 |
| - In transit | | | 0.16 |
| **Total** | **15,347.87** | **23,637.74** | **22,252.62** |

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

### 11.1. Bifurcation of Raw Material and WIP under broad heads:

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **Raw material** | | | |
| Bitumen | 600.51 | 410.09 | 191.53 |
| Cement | 337.81 | 641.29 | 464.09 |
| Steel | 477.12 | 1,252.70 | 919.49 |
| Stone,Grit and Sand | 9,764.01 | 14,385.23 | 10,064.03 |
| High speed diesel and Fuel oil | 367.90 | 177.26 | 138.41 |
| Others | 537.66 | 1,345.61 | 989.21 |
| **Total** | **12,085.01** | **18,212.18** | **12,766.76** |
| **Work-in-progress** | | | |
| Road | 1,316.44 | 3,749.42 | 6,942.94 |
| Airport Runways | - | 48.28 | 305.42 |
| **Total** | **1,316.44** | **3,797.70** | **7,248.36** |

## Note - 12: Trade receivables

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| - Unsecured, considered good | | | |
| - Related parties | 7,175.37 | 12,695.88 | 14,177.05 |
| - Others | 55,910.85 | 24,933.92 | 22,496.72 |
| - Doubtful | | - | |
| - Less: allowance for credit Loss | | - | |
| **Total** | **63,086.22** | **37,629.80** | **36,673.77** |

## Note - 13: Cash & cash equivalents

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Balances with banks | | | |
| In Current Account | 333.42 | 4,356.10 | 466.88 |
| Fixed Deposits (Less than 3 months) | | 2,960.00 | - |
| Balances with banks | 333.42 | 7,316.10 | 466.88 |
| Cheques, drafts on hand | | - | - |
| Cash on hand | 109.44 | 130.82 | 154.23 |
| **Total** | **442.86** | **7,446.92** | **621.11** |

## Note - 14: Other Bank Balances

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| (with maturity less than 3 months maturity) | | | |
| Fixed deposits as Margin money on bank guarentee | 920.66 | 585.98 | 380.10 |
| Earnest money deposits (in the form of term deposits, NSC etc) | 354.14 | 339.84 | 113.24 |
| Earnest Money Deposit (Maturity more than 3 months) | 33.14 | 30.77 | 32.20 |
| Fixed deposits as Margin money on bank guarentee | 1,798.52 | 1,301.53 | 968.94 |
| **Total** | **3,106.46** | **2,258.12** | **1,494.48** |

### Note 14.1 Details of FDR kept as security

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 |
|---|---|---|---|
| Fixed deposits as Margin money on bank guarentee | | | |
| Under lien in favour of Banks as margin deposits for letter of credit and Bank Guarentees | 3,377.95 | 2,427.94 | 1,817.16 |
| Earnest money (in form of fixed deposits, NSCs, and demand draft) deposits in favour of customers. | 400.38 | 383.11 | 156.44 |
| **Total Deposits** | **3,778.33** | **2,811.05** | **1,973.60** |
| **Deposit having more than 12 months maturity from reporting date** | | | |
| Fixed deposits | 658.78 | 540.43 | 468.12 |
| Earnest money deposits | 13.10 | 12.50 | 11.00 |
| **Total Non-Current Deposits*** | **671.88** | **552.93** | **479.12** |
| **Total Current Deposits** | **3,106.46** | **2,258.12** | **1,494.48** |

* These deposits are treated as non current due to the reason that they are not expected to get matured within 12 months.

## Note - 15: Other Current Financial assets

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Unsecured and considered good- unless otherwise stated | | | |
| Loans | | | |
| - Related Party | 10,008.63 | 12,481.45 | 7,836.65 |
| - Employees | | - | 65.18 |
| Retention and security deposits | | | |
| - With Department | 9,290.23 | 1,291.47 | 925.75 |
| - With related parties | 100.00 | 100.00 | 248.00 |
| **Others** | | | |
| -Interest accrued but not due on margin money & Earnest money deposit | 148.27 | 117.59 | 135.33 |
| **Total** | **19,547.13** | **13,990.51** | **9,210.91** |

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 16: Other Current assets

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **Unsecured and considered good- unless otherwise stated** | | | |
| Balances with Satutory authority | 7,731.73 | 7,567.70 | 4,496.28 |
| **Advances to supplier/Contractor** | | | |
| - Unsecured and considered good | 3,455.19 | 3,148.65 | 6,213.01 |
| - Doubtful | 35.42 | 30.12 | 35.42 |
| - Less provision for doubtful advance | (35.42) | (30.12) | (35.42) |
| Mobilization advance to sub contractor | 240.30 | 624.53 | 1,259.43 |
| Other Advances | 892.49 | 554.55 | 386.26 |
| **Total** | **12,319.71** | **11,895.43** | **12,354.98** |

## Note - 17: Share Capital

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| | Amount | Amount | Amount |
| **Authorised** | | | |
| Equity Shares of ₹ 2/- each | | | |
| 27,50,00,000 (Previous Year 27,50,00,000) | 5,500.00 | 5,500.00 | 5,500.00 |
| | **5,500.00** | **5,500.00** | **5,500.00** |
| Issued ,Subscribed & Fully Paid up | | | |
| Equity Shares of 2/- each | | | |
| 25,65,39,165 (Previous Year 25,65,39,165) | 5,130.78 | 5,130.78 | 3,980.78 |
| **Total** | **5,130.78** | **5,130.78** | **3,980.78** |

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

| | Nos. | Nos. | Nos. |
|---|---|---|---|
| Opening | 25,65,39,165 | 19,90,39,165 | 19,90,39,165 |
| Add: Issued during the year | - | 5,75,00,000 | - |
| Less: Deductions | - | - | - |
| Closing | 25,65,39,165 | 25,65,39,165 | 19,90,39,165 |

### Details of Shareholders holding more Than 5% in the company

| Particulars | 31st March 2017 | | 31st March 2016 | | 1st April 2015 | |
|---|---|---|---|---|---|---|
| | No of Shares | % Holdings | No of Shares | % Holdings | No of Shares | % Holdings |
| Madhvi Jain | 1,79,98,500 | 7.02 | 1,79,98,500 | 7.02 | 1,79,98,500 | 9.04 |
| Naveen Kumar Jain | 1,77,58,125 | 6.92 | 1,77,58,125 | 6.92 | 1,77,58,125 | 8.92 |
| HDFC Mutual Fund | 1,82,67,660 | 7.12 | 1,67,81,160 | 6.54 | | |
| NYLIM Jacob Ballas India (FVCI) Fund III, LLC | - | - | 1,67,17,180 | 6.52 | 2,84,34,165 | 14.29 |
| Yogesh Kumar Jain | 1,64,56,125 | 6.41 | 1,64,56,125 | 6.41 | 1,64,56,125 | 8.27 |
| Alberta Merchants Private Limited | | | 1,58,12,500 | 6.16 | | |
| Pradeep Kumar Jain | 1,63,63,125 | 6.38 | 1,50,11,625 | 5.85 | 1,50,11,625 | 7.54 |
| PPPL Construction Private Limited | 2,39,21,250 | 9.32 | - | - | | |
| Alberta Realtors Private Limited | 1,58,12,500 | 6.16 | - | - | 1,58,12,500 | 7.94 |
| Renu Jain | | | | | 1,16,71,500 | 5.86 |
| PNC Project Private Limited | | | | | 1,06,65,000 | 5.36 |

**Rights and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. In case any dividend is proposed by the Board of Directors the same is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend. There are no restrictions attached to Equity Shares after the issue of 1,29,21,708 shares, prior to the IPO, the equity shares were subject to restriction as per investment agreement dated 11th January 2011 and subsequent amendment thereto.

The Company has split the face value of its Equity shares to ₹ 2 per shares as approved by the shareholderof The Company through postal ballot on 19th July 2016, as per IND AS 33 "Earning per Share" per share calculation for the corresponding period presented above are based on increased number of Equity Share.

**There are no bonus shares/shares issued for consideration other than cash and shares brought back during the period of five years immediately preceeding five years.**

## Note - 18: Other equity

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|
| Securities premium reserve | 59,009.66 | 59,009.66 |
| General Reserve | 128.96 | 128.96 |
| Retained earnings | 92,947.84 | 73,567.65 |
| **Total** | **1,52,086.46** | **1,32,706.27** |

**Securities premium reserve** (₹ in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| Opening Balance | 59,009.66 | 18,440.66 |
| Addition(Issue Of Shares) | - | 42,320.00 |
| Utilization of the reserve | - | 1,751.00 |
| **Closing Balance** | **59,009.66** | **59,009.66** |

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

**General Reserve** (₹ in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| Opening Balance | 128.96 | 128.96 |
| Addition during the year | - | - |
| Utilisation during the year | - | - |
| **Closing Balance** | **128.96** | **128.96** |

**Retained earnings** (₹ in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| Opening Balance | 73,567.65 | 51,041.59 |
| Profit for the Period | 20,968.60 | 23,456.78 |
| Remeasurement of Defined Benefit Obligation | 22.17 | (4.43) |
| (This is the item of comprehensive income directly booked in retained earnings) | | |
| Dividend Paid | (1,610.58) | (926.29) |
| **Closing Balance** | **92,947.84** | **73,567.65** |

**Nature and purpose of Reserves**

**Securities Premium Reserves**

Securities premium reserves is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

**General Reserve**

This represents appropriation of profit by the company.

**Retained Earnings**

This comprise company's undistributed profit after taxes.

## Note - 19: Long term Borrowings

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **Secured** | | | |
| (a) Term loans | | | |
| (I) From banks | 5,147.10 | 603.06 | 2,331.77 |
| (II) From NBFC'S | 615.58 | - | 44.43 |
| **Total** | **5,762.68** | **603.06** | **2,376.20** |

**The requisite particulars in respect of secured borrowings are as under:**

| Particulars | | Total Loan Outstanding | Non - Current Maturity | Current Maturity |
|---|---|---|---|---|
| **Term Loan From Banks** | | | | |
| Axis Bank | At March 31, 2017 | 2,749.40 | 2,108.29 | 641.11 |
| | At March 31, 2016 | 233.07 | 120.09 | 112.97 |
| | At April 01, 2015 | 1,476.53 | 753.39 | 723.14 |
| HDFC Bank Limited | At March 31, 2017 | 3,996.64 | 2,999.62 | 997.02 |
| | At March 31, 2016 | 490.00 | 278.48 | 211.52 |
| | At April 01, 2015 | 3,307.38 | 1,325.95 | 1,981.43 |
| ICICI Bank | At March 31, 2017 | 89.66 | 21.35 | 68.31 |
| | At March 31, 2016 | 128.92 | 51.75 | 77.17 |
| | At April 01, 2015 | 219.75 | 128.92 | 90.83 |
| Yes Bank | At March 31, 2017 | 152.74 | 17.83 | 134.91 |
| | At March 31, 2016 | 273.64 | 152.74 | 120.90 |
| | At April 01, 2015 | 180.00 | 123.51 | 56.49 |
| **Term Loan From NBFCs** | | | | |
| Tata Capital Financial Ltd | At March 31, 2017 | 953.44 | 615.58 | 337.85 |
| | At March 31, 2016 | - | - | - |
| | At April 01, 2015 | - | - | - |
| SREI Equipment Finance Private Limited | At March 31, 2017 | - | - | - |
| | At March 31, 2016 | 44.43 | - | 44.43 |
| | At April 01, 2015 | 92.48 | 44.44 | 48.04 |

(i) The above loans are secured by way of hypothecation of asset financed out of said loans.

(ii) The above loans are repayable in equitable monthly installment over the period of loan.

## Note - 20: Other financial liabilities excluding provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Unsecured and good unless otherwise Stated: | | | |
| Retentions & Security Deposit | 5,554.06 | 5,793.18 | 4,605.10 |
| Capital creditors | 4,441.96 | 742.79 | 275.60 |
| **Total** | **9,996.02** | **6,535.97** | **4,880.70** |

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 21: Provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **-Employee Benefits** | | | |
| a. Provision for Leave Encashment (Unfunded) | 101.49 | 91.13 | 80.27 |
| b. Provision for Gratuity (funded)* | 247.60 | 190.88 | 339.88 |
| **Total** | **349.09** | **282.01** | **420.15** |

* As at April 01, 2015, gratuity was unfunded

## Note - 22: Other Non current Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Deferred Retentions & Security deposit | - | 250.52 | 942.86 |
| Advances from customers | 6,404.03 | 8,891.40 | 18,746.34 |
| **Total** | **6,404.03** | **9,141.92** | **19,689.20** |

## Note - 23: Borrowings

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Secured | | | |
| Working Capital Loans | | | |
| From banks | 8,972.12 | - | 30,026.46 |
| Overdraft | - | 18.67 | - |
| **Total** | **8,972.12** | **18.67** | **30,026.46** |

**The requisite particulars in respect of secured borrowings are as under:**

| Particulars | Particulars of security/guarantee |
|---|---|
| **Loan repayable on demand from banks-** Working Capital Loans | Cash credit facilities and working capital demand loans from consortium of banks are secured by:<br>(i) Hypothecation against first charge of Stocks viz raw material, stocks in process, finished goods, stores and spares, packing material and book debts of the company.<br>(ii) Further secured by hypothection of plant & machinery (excepting to hypothecated to Banks and NBFCs)<br>(iii) Equitable mortgage of 6 properties (Land & Building) as per joint deed of Hypothecation belonging to the Directors and group company.<br>(iv) Corporate Guarantee of Taj Infrabuilders Private Limited.<br>(v) Personal guarantee of promoters. |

## Note - 24: Trade payables

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Due to parties registered under MSMED Act ( Refer note 24.1) | - | - | - |
| Due to other parties | 23,689.93 | 9,422.36 | 10,063.16 |
| **Total** | **23,689.93** | **9,422.36** | **10,063.16** |

## Note - 24.1:

Based on available information, there are no outstanding to parties to the extent of information received by Company under the Micro, Small & Medium Enterprises Development Act 2006

### Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Amount (₹ Lacs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| -Principal amount due to suppliers under MSMED Act,2006 | - | - | - |
| -Interest accrued,due to suppliers under MSMED Act on the above amount,and unpaid | - | - | - |
| -Payment made to suppliers(other than interest) beyond the appointed day/due date during the year | - | - | - |
| -Interest paid to suppliers under MSMED Act(other than Section 16) | - | - | - |
| -Interest paid to suppliers under MSMED Act(Section 16) | - | - | - |
| -Interest due and payable towards suppliers under MSMED Act for payments already made | - | - | - |
| -Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act | - | - | - |
| -Amount of further interest remaining due and payable in succeeding years | - | - | - |

## Note - 25: Other financial liabilities excluding provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **A. Current maturities of long term debt** | | | |
| -Term Loan From Banks | 1,841.35 | 522.56 | 2,851.88 |
| -Term Loan From NBFC'S | 337.85 | 44.43 | 48.04 |
| **Sub Total (A)** | **2,179.20** | **566.99** | **2,899.92** |
| **B. Others** | | | |
| Capital creditors | 874.95 | - | 4,062.60 |
| Due to Employees | 1,045.56 | 1,011.05 | 987.47 |
| Retention Money | 2,660.03 | 1,194.09 | 749.09 |
| Expenses payable | 3,925.53 | 2,084.36 | 2,316.95 |
| **Sub Total (B)** | **8,506.07** | **4,289.50** | **8,116.11** |
| **Total (A+B)** | **10,685.27** | **4,856.49** | **11,016.03** |

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 26: Other Current Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **- Other Advances** | | | |
| Advances from customers | 13,481.53 | 17,578.13 | 3,232.72 |
| **- Payable to Govt.** | | | |
| a. ESI / PF Payable | 35.67 | - | 19.77 |
| b. TDS Payable to Govt. | 184.69 | 250.42 | 248.59 |
| C. Labour Cess Payable to Govt. | - | 0.12 | 433.06 |
| d. Vat & WCT Payable to Govt. | 363.69 | 311.73 | 562.60 |
| e. Others | 169.97 | 140.99 | 146.90 |
| **Total** | **14,235.55** | **18,281.39** | **4,643.64** |

## Note - 27: Provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **-Employee Benefits** | | - | - |
| a. Provision for Leave Encashment | 33.75 | 31.37 | 21.94 |
| b. Provision for Gratuity | 145.34 | 127.82 | 85.24 |
| Provision for tax (Net of Advance of ₹ 4148.64 Lacs) (PY Provision ₹ 4200.77 Lacs Advance Tax TDS ₹ 4072.01 Lacs) | 1,883.43 | 1,864.95 | 1,686.18 |
| **Total** | **2,062.52** | **2,024.14** | **1,793.36** |

## Note - 28: Revenue from operations

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Contract Revenue | 1,67,596.24 | 1,99,206.44 |
| **Other Operating Revenue** | | |
| (a) Sale of Material | 1,081.88 | 1,931.70 |
| (b) Sale of Scrap material | 233.29 | 277.95 |
| **Total** | **1,68,911.41** | **2,01,416.09** |

**Bifurcation of Contract Turnover are as under:**

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| **Contract Revenue** | | |
| Road | 1,66,044.15 | 1,89,849.53 |
| Airport Runways | 1,424.37 | 8,935.21 |
| Power Projects | 10.91 | 421.70 |
| Others | 116.81 | |
| **Total** | **1,67,596.24** | **1,99,206.44** |

## Note - 29: Other Income

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| **Interest Income** | | |
| From Bank | 609.45 | 317.51 |
| From Others | 2,420.10 | 517.46 |
| Profit / Loss On Sale Of Fixed Assets | - | 30.56 |
| Other non-operating income<br>(Includes income arising on account of fair valuation of Retention money) | 1,625.81 | 1,306.39 |
| Profit on sale of Share in PNC Power Private Ltd. | 0.11 | |
| Profit on sale of Share in Jaora Nayagoan Tollways Private Ltd. | - | 361.73 |
| **Total** | **4,655.46** | **2,533.65** |

## Note - 30: Raw material consumed

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| **Raw Material Consumed** | **81,679.62** | **87,946.64** |

## Note - 31: Increase/ (Decrease) in Finished Goods and Work in Progress

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Opening Stock of work in progress | 3,797.70 | 7,248.36 |
| Closing Stock of work in progress | 1,316.44 | 3,797.70 |
| **(Increase)/decrease in work-in-progress** | **2,481.26** | **3,450.66** |

## Note - 32: Employee Benefit Expenses

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Salaries,Wages and Bonus | 9,683.52 | 7,899.79 |
| Contribution to provident and other funds | 204.93 | 244.06 |
| Workmen and Staff Welfare Expenses | 145.38 | 208.02 |
| **Total** | **10,033.83** | **8,351.87** |

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 33: Finance Cost

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| **Interest Expenses on:** | | |
| - Loan | 875.23 | 2,844.45 |
| - Retentions | 499.61 | 670.78 |
| Loan Processing Charges | 73.22 | 52.69 |
| Guarantee Charges | 582.97 | 426.05 |
| **Total** | **2,031.03** | **3,993.97** |

## Note - 34: Depreceiation and amortization Expense

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Depreciation on property, plant and equipment | 4,621.87 | 5,203.83 |
| Amortization on Intangible assets | 40.04 | 42.67 |
| Amortisation of deferred retention asset | 671.50 | 457.93 |
| **Total** | **5,333.41** | **5,704.43** |

## Note - 35: Other Expenses

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Consumption of stores and spare parts* | 3,269.93 | 2,967.44 |
| Power and fuel | 226.03 | 253.66 |
| Contract paid | 34,497.96 | 55,437.12 |
| Hire charges of machinery | 705.77 | 515.38 |
| Other manufacturing and construction expenses | 1,214.86 | 3,294.62 |
| Repairs to buildings | 1.12 | 10.03 |
| Tender and survey expenses | 162.51 | 97.70 |
| Hire charges of vehicles | 50.30 | 64.12 |
| Rent | 365.17 | 437.97 |
| Rates and taxes** | 10,058.91 | 9,942.42 |
| Insurance | 396.68 | 366.32 |
| Travelling and Conveyance | 252.26 | 323.66 |
| Legal and professional Expense | 338.28 | 354.28 |
| Directors sitting fees | 7.90 | 4.95 |
| Corporate Social Responsibility Expenses# | 199.15 | 255.16 |
| Miscellaneous expenses | 632.43 | 693.44 |
| Loss on sale/ write off of Fixed Assets (net) | 154.73 | - |
| Impairment of project expenses | 41.14 | - |
| Auditor Remuneration*** | 39.68 | 46.41 |
| **Total** | **52,614.81** | **75,064.68** |

* Being all material repair jobs are done in-house, the expenses of repair to plant and machinery are not significant, and also because numerous repair jobs are done and it is difficult to segregate the repair expenses from consumption of store & spares.

** Includes sales/works contract tax (net) of ₹ 7259.27 lacs (Previous year ₹ 6973.96 lacs)

*** Auditor Remuneration includes:

| | | |
|---|---|---|
| Audit Fees | 29.33 | 29.20 |
| Tax matters | 1.73 | 0.67 |
| Certification Fees and Other Services | 8.62 | 15.35 |
| For Reimbursment of Expenses | - | 1.19 |

**# CORPORATE SOCIAL RESPONSIBILITY**

The Company planned towards CSR activities at least two per cent of the average net profits of The Company made during the three immediately preceding financial years. Accordingly Company was required to spend ₹ 301.66 Lacs (P.Y. 247.06 lacs) for the Financial Year 2016-17. However, Company was able to spend ₹ 199.15 (P.Y. 255.16 )Lacs only. Reason being that The Company was looking for genuine and socially useful opportunity, where the money can be fruitfully used.

## Note - 36: Tax Expense

### A. Income Tax Expenses

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| **(a) Current tax** | | - |
| Current tax on profit for the period | 4,145.76 | 4,200.77 |
| Adjustments for current tax of prior periods | (2,524.42) | (3,894.87) |
| **Total Current tax expense** | **1,621.34** | **305.90** |
| **(b) Deferred tax** | | |
| Decrease (increase) in deferred tax assets | (245.14) | 492.99 |
| (Decrease) increase in deferred tax Liabilities | 307.17 | (617.41) |
| **Total Deffered Tax Expenses** | **62.03** | **(124.42)** |
| **(c) MAT** | | |
| Mat Credit Entitlement | (3,259.06) | (4,200.77) |
| **Total Income tax Expense** | **(1,575.69)** | **(4,019.29)** |

### B. Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Profit before tax | 19,392.91 | 19,437.49 |
| **Tax at Indian tax rate of 34.608% (F.Y. 2015-16-34.608%)** | **6,711.50** | **6,726.93** |
| **Tax Adjustments for earlier years** | | |
| Current Tax | (2,524.42) | (3,894.87) |
| **Others:** | | |
| Income Tax Exempt under Tax Holiday | (5,885.20) | (6,939.67) |
| Expenses not allowed for tax puposes | 122.43 | 88.30 |
| **Income Tax expenses Charged to P/L** | **(1,575.69)** | **(4,019.31)** |

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 37: Earning Per Share

In accordance with Ind-AS 33 on 'Earning Per Share', the following table reconciles the numerator and denominator used to calculate Basic and Diluted earnings per Share:

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| (a) Profit/(Loss) available to Equity Shareholders (₹ In lakhs) | 20,969 | 23,457 |
| (b) Weighted Average number of Equity Shares | 25,65,39,165 | 24,88,41,080 |
| (c ) Nominal value of Equity Shares (in ₹) | 2.00 | 2.00 |
| (d) Basic and Diluted Earnings Per Share [(a)/(b)] | **8.17** | **9.43** |

## Note - 38: Contingent Liabilities & Assets

Amount (₹ Lacs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **Claims against The Company not acknowledged as debts** | | | |
| Disputed demand of Income Tax (includes, net of advance tax & TDS under verification, adjusted from demand of ₹ 33.51 crore arised in assessment of search proceedings up to AY 2012-13) for which company has won the appeal, but limitation of period for further appeal has not expired. | 1,125.93 | 1,125.93 | 1,125.93 |
| Disputed demand of Sales Tax/ VAT for which company preferred appeal | 1,870.48 | 3,115.15 | 2,088.86 |
| Disputed demand of Service Tax for which company preferred appeal | 526.90 | 503.39 | 481.17 |
| Disputed demand of Entry Tax for which company preferred appeal | 98.41 | 757.85 | 1,031.62 |
| Others (including motor accident, labour & civil matters) | 463.13 | 1,033.04 | 994.24 |
| (Interest and penalties if any, on above cases will be decided at the time of settlement) | | | |
| **c) Other** | | | |
| - Letter of Credit outstanding | 760.04 | 1,596.53 | 249.79 |
| - Being difference between normat tax and MAT for FY 2015-16* | - | - | - |
| (In case normal tax liability is crystalised, MAT credit entitlement reversal wil take place) | | | |

* Contingent Liability of ₹ 2779.63 Lacs being difference between normal tax and MAT for FY 2015-16 has not been disclosed as MAT Liability has been accepted by the department in previous year's assessement.

## Note - 38.1: The status of various project claims in arbitrations is as under :

(a) The Company had initiated arbitral proceedings against the Uttar Pradesh Public Works Department (UP PWD) for compensation for ₹ 851.31 lacs (including interest) towards extra cost incurred on procurement of different material, distant source in relation to the project "rehabilitation Road (Gomat) under Uttar Pradesh State Road Project. The arbitral Tribunal has pronounced its unanimous award dt. March 07, 2014 for ₹ 702.31 lacs (including interest) in favors of the Company. The respondent UP PWD has preferred objection against the aforesaid award before the Distt. Judge Mathura and the case is still pending with Hon. Distt. Judge Mathura. Treatment of the same will be done on final settlement.

(b) Further, The Company has filed four arbitration claims including claims for delay damages and interest which are pending at arbitration stage. The same will be accounted for on final settlement.

## Note - 39: Guarantees

Amount (₹ Lacs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| (i) Bank Guarantees - Executed in favour of National Highways Authority of India and others | 1,41,898.19 | 1,02,469.12 | 90,754.99 |
| (ii) Corporate guarantee - <br>- The outstanding liability at reporting date against the corporate guarantee of ₹ 20500.00 Lacs issued in favour of bank , jointly & severally along-with a joint venture partner and further indemnified by another joint venture partner to the extent of its shareholding for credit facilities extended to an associate ( the entire share capital of which is held by Company and the said two joint venture partners) | 11,063.73 | 11,504.44 | 11,594.40 |
| - The outstanding liability at reporting date against the corporate guarantee of ₹ 5361.00 Lacs in favour of India Infrastructure Finance Company Limited for securing their debt to a subsidiary PNC Raibareli Highways Private Limited for discharging the differential between the secured obligation and termination payment. | 5,361.00 | 5,361.00 | 3,650.37 |
| The Company has issued a corporate guarantee in favour of Posco Engineering & construction Limited for onwards issuance of corporate guarantee to dedicated freight corporation of India Limited against bid security in the name of Posco-PNC joint venture* | | | 1,800.00 |

*Joint Venture with POSCO construction India Limited having share of 45%. The corporate guarantee has returned on 30.05.2015

## Note - 40: Commitments

Amount (₹ Lacs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Net of advance | 1,005.14 | 384.34 | 8,661.03 |
| (b) Capital Commitment for equity (Net of Investment) | | | |
| Jaora Nayagaon Toll Road Company Private Limited | - | - | |
| PNC Bareilly Nainital Highways Private Limited. | - | - | |
| PNC Delhi Industrialinfra Private Limited. | - | - | |
| PNC Raibareily highways Private Limited | - | - | 6,505.00 |
| PNC Rajasthan highways Private Limited | 62.47 | - | - |

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 41: Leases

Disclosure as required under Ind As - 17 "Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 for The Company is given below:

(a) The Company has entered into cancellable/non-cancellable leasing agreement for office, residential and warehouse premises renewable by mutual consent on mutually agreeable terms.

(b) Future minimum lease payments under non-cancellable operating lease are as under:

Amount (₹ Lacs)

| Particulars | Future Minimum Lease Rentals | | | Period of |
|---|---|---|---|---|
| | Less Than 1 Year | Between 1 to 5 Years | More than 5 Years | Lease |
| Office Premises | 78.80 | 294.79 | - | 10 Years |

Other than disclosed above, The Company has various operating lease for premises, the lease are renewable on periodic basis and cancelable in nature, amounting to ₹ 365.17 Lacs ( PY ₹368.44 Lacs).

The lease rentals have been included under the head "Rent" under Note No.35

## Note - 42: Disclosure pursuant to Indian Accounting Standard-11 "Construction Contracts"

Amount (₹ Lacs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| **Total Contract revenue** | 1,67,596.24 | 1,99,206.44 |
| **Particulars about contracts in progress at the end of the period:** | | |
| Aggregate amount of cost incurred up to period end | 1,47,539.89 | 1,79,645.92 |
| Aggregate amount of profit / (Loss) Recognized | 20,056.35 | 19,560.52 |
| Advance Received | 19,885.56 | 26,469.52 |
| Retention Amount | 19,890.05 | 8,305.76 |
| Gross Amount due from customers for contract work | - | - |
| Gross amount due to customers for contract work | - | - |

**Notes annexed to and forming part of the Balance Sheet as at March 31, 2017**

## Note - 43: Related Party Disclosures

The names of related parties where control exist and/or with whom transactions have taken place during the year and description of relationship as identified and certified by the management are:

**A. List of Related Parties and Relationships**
**Subsidiaries (The Ownership Directly or Indirectly through subsidiaries)**

1. MP Highways Private Limited
2. PNC Kanpur Highways Limited
3. PNC Delhi Industrialinfra Private Limited.
4. PNC Power Private Limited. (Up to 10.03.2017)

5. Hospet Bellary Highways Private Limited.
6. PNC Infra Holdings Limited
7. Ferrovia Transrail Solutions Private Limited
8. PNC Kanpur Ayodhya Tollways Private Limited
9. PNC Raebareli Highways Private Limited
10. PNC Bareilly Nainital Highways Private Limited.
11. PNC Rajasthan Highways Private Limited

**Joint Ventures**

1. PNC BEL Joint Venture
2. PNC TRG Joint Venture
3. PNC-SPSCPL JV (Koilwar to Bhojpur)
4. PNC-SPSCPL JV (Bhojpur to Baxur)

**Associates**

1. Pradeep Kumar Jain HUF
2. Naveen Kumar Jain HUF
3. Yogesh Kumar Jain HUF
4. Ghaziabad Aligarh Expressway Private Limited
5. Smt. Premwati Devi Smriti Nyas

**Key Managerial Personal (KMP)**

| | | |
|---|---|---|
| 1. | Pradeep Kumar Jain | (Chairman and Managing Director) |
| 2. | Naveen Kumar Jain | (Whole Time Director) |
| 3. | Chakresh Kumar Jain | (Managing Director) |
| 4. | Yogesh Kumar Jain | (Managing Director) |
| 5. | Anil Kumar Rao | (Whole Time Director) |
| 6. | D K Agarwal | (Chief Financial Officer) |
| 7. | B K Dash | (Company Secretary) (Up to 23.07.2016) |
| 8. | Tapan Jain | (Company Secretary) (From 20.01.2017) |

**Relatives of KMP**

| | | |
|---|---|---|
| 1. | Abhinandan Jain | (Son of Pradeep Kumar Jain) |
| 2. | Meena Jain | (W/o Pradeep Kumar Jain) |
| 3. | Renu Jain | (W/o Naveen Kumar Jain) |
| 4. | Madhvi Jain | (W/o Chakresh Kumar Jain) |
| 5. | Ashita Jain | (W/o Yogesh Kumar Jain) |
| 6. | Ashish Jain | (Brother In Law of promotor directors) |
| 7. | Ishu Jain | (Daughter in Law of Pradeep Kumar Jain) |

**Entities controlled/ influenced by KMP and their relatives with whom Transections have taken place during the period**

1. MA Buildtech Private Limited
2. Taj Infra Builders Private Limited
3. Ideal Buildtech Private Limited
4. Subhash International Private Limited
5. Exotica Buildtech Private Limited

# **NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

**Notes annexed to and forming part of the Balance Sheet as at March 31, 2016**

**B. Transactions with Related Parties**

Amount (₹ Lacs)

| S. No. | Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|---|
| | **Transactions during the Year** | | |
| 1 | **Receipt on account of EPC and Other Contract** | | |
| | **Subsidiaries Companies** | | |
| | MP Highways Private Limited | 627.32 | - |
| | PNC Kanpur Highways Limited | 1,529.37 | 1,195.28 |
| | PNC Bareilly Nainital Highways Private Limited | 310.14 | 10,588.44 |
| | PNC Raebareli Highways Private Limited | 196.41 | 1,145.44 |
| | PNC Kanpur Ayodhya Tollways Pvt Ltd | 3,567.04 | 3,916.08 |
| | PNC Rajasthan Highways Pvt. Ltd. | 3,342.88 | - |
| | Others | - | 74.14 |
| | **Associates Compay** | - | - |
| | Ghaziabad Aligarh Expressway Private Limited | 3,469.21 | 3,281.20 |
| | **Joint Venture Companies** | | |
| | PNC SPSCPL-JV | 169.74 | - |
| | PNC TRG Joint Venture | 848.74 | 4,186.87 |
| | **Entities controlled/influenced by KMP and their relatives** | | |
| | Ideal Buildtech Private Limited | 50.01 | 965.50 |
| | **Total** | **14,110.86** | **25,352.95** |
| 2 | **Payment of Rent/Services** | | |
| | **Entities controlled/influenced by KMP and their relatives** | | |
| | Subhash International Private Limited | 69.53 | 69.53 |
| | Exotica Buildtech Private Limited | 8.61 | 8.40 |
| | Smt. Premwati Devi Smriti Nyas | - | 140.00 |
| | Others | 119.66 | 81.59 |
| | | **197.80** | **299.52** |
| **3** | **Sale/ Purchase of Investment/ Loan and Shares Application Money in Equity Share Capital** | | |
| | PNC Infraholdings Limited | 336.00 | 6,554.70 |
| | Jaora Nayagaon Toll Road Company Private Limited | - | 397.66 |
| | PNC Delhi Industrialinfra Private Limited | 2,350.00 | 1,750.00 |
| | PNC Bareilly Nainital Private Limited | 1,350.00 | 2,450.00 |
| | M P Highways Pvt. Ltd. | - | 100.00 |
| | PNC Raebareli Highways Pvt. Ltd. | - | 600.00 |
| | PNC Kanpur Highways Limited | - | 2,000.00 |
| | PNC Power Pvt. Ltd. | 15.11 | - |
| | **Total** | **14,632.69** | **18,668.36** |

Amount (₹ Lacs)

| S. No. | Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|---|
| 4 | **Interest Income** | | |
| | Ghaziabad Aligarh Expressway Private Limited | 1,398.15 | - |
| | PNC Bareilly Nainital Highways Pvt. Ltd. | 147.33 | - |
| | PNC Raebareli Highways Pvt. Ltd. | 139.59 | - |
| | PNC Delhi Industrial Infra Pvt. Ltd. | 654.53 | 517.46 |
| | **Total** | **2,339.61** | **517.46** |
| 5 | **Key management personnel compensation** | | |
| | Short Term Employee Benefits | 793.78 | 726.32 |
| | Post-employemnt benefits * | - | - |
| | **Total Compensation** | **793.78** | **726.32** |

* The above post employment benefits excludes gratuity and leave encashment which can not be separately identified from the composite amount advised by the actuary.

**C. Balances Outstanding at Reporting Date**

| S. No. | Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|---|
| 1 | **Amount Recoverable** | | | |
| | Ghaziabad Aligarh Expressway Private Limited | 7,634.02 | 12,083.66 | 13926.86 |
| | PNC Rajasthan Highways Pvt. Ltd. | 3,046.59 | - | - |
| | PNC Delhi Industrialinfra Private Limited | 9,204.54 | 6,265.46 | - |
| | PNC Bareilly Nainital Highways Private Limited | 3,179.37 | 1,809.69 | - |
| | PNC Raebareli Highways Private Limited | 180.08 | 9,658.39 | - |
| | PNC Infraholdings Limited | - | 11.97 | - |
| | PNC Kanpur Ayodhya Tollways Private Limited | 818.42 | 378.72 | - |
| | MP Highways Private Limited | 606.20 | 187.56 | - |
| | Jaora Nayagaon Toll road company Private Limited | - | - | 472.99 |
| | Ferrovia Transrail Solutions Private Limited | 3.71 | - | - |
| | PNC Kanpur Highways Limited | 251.11 | 235.30 | - |
| | Others | - | - | 0.10 |
| | | **24,924.04** | **30,630.75** | **14,399.95** |
| 2 | **Amount Payable** | | | |
| | Siddhi Readymix Concrete Private Limited | - | - | 9.08 |
| | MP Highways Private Limited | - | - | 66.98 |
| | Others | - | - | 4.83 |
| | **Total** | **-** | **-** | **80.89** |

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

**(D) Terms and Conditions**

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances are unsecured and will be settled in cash.

## Note - 44.1: Detail of Employee Benefit Expenses

The disclosures required by Ind- AS-19 "Employee Benefits" are as under:

**(a) Defined Contribution Plan**

i) The contribution to providend fund is charged to accounts on accrual basis. The contribution made by The Company during the year is ₹ 218.29 Lacs (previous year ₹ 92.97 lacs)

ii) In respect of short term employee benefits, The Company has at present only the scheme of cumulative benefit of leave encashment payable at the time of retirement/ cessation and the same have been provided for on accrual basis as per actuarial valuation.

**(b) Defined Benefit Plan**

i) Liability for retiring gratuity as on March 31, 2017 is ₹ 398.08 Lacs (Previous year ₹ 318.69 Lacs). The Liability for Gratuity is actuarially determined and provided for in the books.

ii) Details of the company's post-retirement gratuity plans and leave encashment for its employees including whole-time directors are given below, which is certified by the actuary and relied upon by the auditors

| Particulars | Gratuity | |
|---|---|---|
| | **2016-17** | **2015-16** |
| **1. Change in Present Value of Obligation** | | |
| Present value of obligation at the beginning of the period | 535.20 | 425.11 |
| Acquisition cost | - | - |
| Interest cost | 42.82 | 34.01 |
| Current service cost | 86.60 | 71.94 |
| Benefits paid | | |
| Actuarial gain/(loss) on obligation | | |
| a) Effect of changes in demographic assumptions | - | (12.09) |
| b) Effect of changes in financial assumptions | 17.35 | - |
| c) Effect of experience adjustments | (62.40) | 16.23 |
| **Present value of obligation at end of period** | **619.57** | **535.20** |
| Current Obligation | 145.34 | 127.83 |
| Non Current Obligation | 474.23 | 407.36 |
| **2. Change in Fair Value of Plan Assets** | | |
| Fair value of plan assets at the beginning of the period | 201.25 | - |
| Acquisition adjustment | | |
| Actual return on plan assets | | |
| Interest Income | 16.91 | 8.05 |
| Contributions | 14.80 | 195.79 |
| Benefits paid | | |
| Actuarial gain/(loss) on plan assets | (11.47) | (2.59) |
| Fair value of plan assets at the end of the period | 221.49 | 201.25 |

| Particulars | | Gratuity | |
|---|---|---|---|
| | | 2016-17 | 2015-16 |
| 3. | **Amount to be recognised in Balance Sheet** | | |
| | Present value of obligation as at end of the period | 619.56 | 535.20 |
| | Fair value of plan assets as at the end of the period | (221.48) | (201.25) |
| | Funded Status | 398.08 | 333.95 |
| | Net Asset/(liability) recognised in Balance Sheet | 398.08 | 333.95 |
| 4. | **Expenses recognised in the statement of profit & loss.** | | |
| | Current service cost | 86.60 | 71.94 |
| | Net Interest cost | | |
| | Interest Expense on DBO | 42.82 | 34.01 |
| | Interest (income) on plan assets | 16.91 | 8.05 |
| | Total Net Interest Cost | 25.91 | 25.96 |
| | Net actuarial (gain)/loss recognised in profit/loss | - | - |
| | Expenses recognised in the statement of Profit & Loss | 112.51 | 97.90 |
| 5. | **Recognised in other comprehensive income for the year** | | |
| | a) Effect of changes in demographic assumptions | - | (12.09) |
| | b) Effect of changes in financial assumptions | 17.35 | - |
| | c) Effect of experience adjustments | (62.40) | 16.23 |
| | d) (Return) on plan assets (excluding interest income) | (11.47) | (2.59) |
| | e) Changes in asset ceiling (excluding interest income) | - | - |
| | f) Total remeasurements included in OCI | (33.58) | 6.72 |
| | Actuarial gain / (loss) for the year on PBO | 4.50 | (4.13) |
| | Returns above interest cost | (11.47) | (2.59) |
| | Actuarial gain /(loss) for the year on Asset | - | - |
| | Unrecognized actuarial gain/(loss) at the end of the year | - | - |
| 6. | **Maturity Profile of Defined Benefit Obligation** | | |
| | 1. Within the next 12 months (next annual reporting period) | 145.34 | 127.83 |
| | 2. Between 2 and 5 years | 387.15 | 345.64 |
| | 3. Between 6 and 10 years | 202.21 | 188.46 |
| 7. | **Quantitative sensitivity analysis for significant assumptions is as below** | | |
| | Impact of the change in discount rate | | |
| | Present Value of Obligation at the end of the period | | |
| | a. Impact due to increase of 100 Basis Points | 599.26 | 518.16 |
| | b. Impact due to decrease of 100 Basis Points | 641.39 | 553.71 |
| | Impact of the change in salary increase | | |
| | Present Value of Obligation at the end of the period | | |

# **NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

| Particulars | Gratuity | |
|---|---|---|
| | 2016-17 | 2015-16 |
| a. Impact due to increase of 1% | 637.40 | 550.57 |
| b. Impact due to decrease of 1% | 602.51 | 520.72 |
| Attrition Rate | | |
| Present Value of Obligation at the end of the period | | |
| a. Impact due to increase of 1% | 614.90 | 532.20 |
| b. Impact due to decrease of 1% | 624.40 | 538.53 |

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

**(ii) Sensitivity Analysis Method**

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

| **8. Actuarial assumptions** | | | |
|---|---|---|---|
| a) Economic Assumptions | | | |
| i. Discounting Rate -current year | 7% | 8% | 7% |
| Discounting Rate - Previous Year | 8% | 8% | |
| ii. Salary escalation | 9% | 9% | 9% |
| iii. Attrition rate | 25% | 25% | |
| b) Demographic Assumption | | | |
| i) Retirement Age (Years) | 58 | 58 | 60 |
| ii) Mortality rates inclusive of provision for disability | IALM (2006 - 08) Ultimate | | IALM (2006 - 08) Ultimate |
| Withdrawal rate | | | 25 |
| Mortality Rates for specimen ages | | | |

| Age | Mortality Rate | Age | Mortality Rate |
|---|---|---|---|
| 18 | 0.0008 | 43 | 0.00235 |
| 23 | 0.000961 | 48 | 0.003983 |
| 28 | 0.001017 | 53 | 0.006643 |
| 33 | 0.001164 | 58 | 0.009944 |
| 38 | 0.001549 | 60 | 0.011534 |

**(c) Defined Term Employee Benefits Leave Obligation**

| Particulars | Leave Enchasement | |
|---|---|---|
| | 2016-17 | 2015-16 |
| Present Value of unfunded obligation | 135.24 | 122.50 |
| Expeses recognised in Statement of Profit and Loss | 12.74 | 20.30 |
| Discount rate (p.a) | 7% | 8% |
| Salary excalation rate (p.a) | 9% | 9% |

## Note - 45: Fair Value Measurement

**Financial instruments by category** (₹ in Lakhs)

| Particulars | As at March 31, 2017 | | | As at March 31, 2016 | | | As at April 1, 2015 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Amortised Cost | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI |
| **Financial Asset** | | | | | | | | | |
| Investments | | | | | | | | | |
| -Investments in equity instruments | | 55.54 | | | 55.54 | | | 3,108.50 | |
| Trade receivables | 63,086.22 | | | 37,629.80 | - | - | 36,673.77 | - | - |
| Cash and Bank Balances | 442.86 | - | - | 7,446.92 | - | - | 621.11 | - | - |
| Bank Balances | 3,106.46 | | | 2,258.12 | | | 1,494.48 | | |
| Others | 36,421.44 | | - | 21,564.96 | | - | 14,163.04 | | - |
| **Total Financial Assets** | **1,03,056.98** | **55.54** | **-** | **68,899.80** | **55.54** | **-** | **52,952.40** | **3,108.50** | **-** |
| **Financial Liabilities** | | | | | | | | | |
| Borrowings | 16,913.99 | - | - | 1,188.72 | - | - | 35,302.58 | - | - |
| Trade payables | 23,689.93 | - | - | 9,422.36 | - | - | 10,063.16 | - | - |
| Other Financial Liabilities | 20,681.29 | | - | 11,392.46 | | - | 11,291.64 | | - |
| **Total Financial Liabilities** | **61,285.21** | **-** | **-** | **22,003.54** | **-** | **-** | **56,657.38** | **-** | **-** |

### (i) Fair Value Hierarchy

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

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

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

## **NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

(₹in Lakhs)

| Particulars | Fair Value Measurement using | | |
|---|---|---|---|
| | Quoted price in Active Market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **(A) Financial Asset and Liabilities masured at fair value through profit and loss or other comprehensive income at April 1, 2015** | | | |
| **-Investment in Equity** | | 3,108.50 | |
| **Total** | **-** | **3,108.50** | **-** |
| **Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at April 1, 2015** | | | |
| **(i) Financial Assets** | | | |
| - Security Deposit | | | 4,473.01 |
| **Total** | **-** | **-** | **4,473.01** |
| **(ii) Financial Liabilities** | | | |
| - Borrowings | | 5,276.12 | |
| - Retentions | | | 4,605.10 |
| - Others | | 275.60 | |
| **Total** | | **5,551.72** | **4,605.09** |

( ₹in Lakhs)

| Particulars | Fair Value Measurement using | | |
|---|---|---|---|
| | Quoted price in Active Market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| -Investment in Equity | | 55.54 | |
| **Total** | **-** | **55.54** | **-** |
| **Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2016** | | | |
| **(i) Financial Assets** | | | |
| - Security Deposit | | | 7,021.52 |
| **Total** | **-** | **-** | **7,021.52** |
| **(ii) Financial Liabilities** | | | |
| - Borrowings | | 1,170.05 | |
| - Retentions | | | 5,793.18 |
| - Others | | 742.79 | |
| **Total** | | **1,912.84** | **5,793.18** |

(₹ in Lakhs)

| Particulars | Fair Value Measurement using | | |
|---|---|---|---|
| | Quoted price in Active Market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **(A) Financial Asset and Liabilities masured at fair value through profit and loss or other comprehensive income at March 31, 2017** | | | |
| -Investment in Equity | | 55.54 | |
| **Total** | **-** | **55.54** | **-** |
| **Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017** | | | |
| **(i) Financial Assets** | | | |
| - Security Deposit | | | 9,465.87 |
| **Total** | **-** | **-** | **9,465.87** |
| **(ii) Financial Liabilities** | | | |
| - Borrowings | | 7,941.88 | |
| - Retentions | | | 5,554.06 |
| - Others | | 4,441.96 | |
| **Total** | | **12,383.83** | **5,554.06** |

**(ii) Valuation techniques used to determine Fair value**

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

Specific valuation technique used to value financial instrument includes:

- the use of quoted market prices or dealer quotes for similar financial instruments.
- the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis

**The following method and assumptions are used to estimate fair values:**

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value , due to their short term nature

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by The Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for The Company is considered to be insignificant in valuation.

Financial assets and liabilities measured at fair value and the carrying amount is the the fair value.

## Note - 46: Financial Risk Management

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company principal financial asset includes loan , trade and other receivables, and cash and short-term deposits that arise directly from its operations.

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

**The Company's activities are exposed to market risk, credit risk and liquidity risk.**

## I. Market risk

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio .

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Variable rate borrowings | 8,972.12 | 18.67 | 30,026.46 |
| Fixed rate borrowings | 7,941.88 | 1,170.06 | 5,726.13 |
| **Total borrowings** | **16,914.00** | **1,188.73** | **35,752.59** |

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

| Particulars | As at March 31, 2017 | | | As at March 31, 2016 | | |
|---|---|---|---|---|---|---|
| | Weighted average interest rate | Balance | % of total loans | Weighted average interest rate | Balance | % of total loans |
| Cash Credit Limit | 9.44% | 8,972.12 | 53.05% | 10.56% | 18.67 | 1.57% |
| **Net exposure to cash flow interest rate risk** | | **8,972.12** | | | **18.67** | |

(iii) Sensitivity

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

(Amount in Lakhs)

| Particulars | Increase/ Decrease in Basis Points | | Impact on Profit before Tax | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| INR | +50 | +50 | 44.86 | 0.09 |
| | - 50 | - 50 | (44.86) | (0.09) |

### (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not operates internationally and as The Company has not obtained any foreign currency loans but import certain machineries and have foreign currency trade payables outstanding and is therefore, exchange to foreign exchange risk

The Company does not hedges its exposure of foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary liabilities at the end of the reporting period as follows:

(Amount in Lakhs)

| Foreign currency exposure as at 31st March, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Trade payables | | | |
| - Exposure in Euros | 4,988.94 | 870.73 | 336.33 |

**Foreign currency sensitivity**

5% increase or decrease in foreign exchange rates will have the following impact on profit before tax and other comprehensive income:

| Particulars | 2016-17 | | 2015-16 | |
|---|---|---|---|---|
| | 5% increase | 5% decrease | 5% increase | 5% decrease |
| Euros | 37.48 | 536.37 | 116.32 | 29.25 |

**(c) Price Risk**

The Company exposure to equity securities price risk arises from the investments held by company and classified in the balance sheet at fair value through profit and loss. The Company does not have any investments whose value will be based on the market observable input at the current year end and previous year which are held for trading. Therefore no sensitivity is provided.

**II. Credit risk**

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an on going basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation

(iv) Significant increase in credit risk an other financial instruments of the same counterparty

(v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

The Company major exposure is from trade receivables, which are unsecured and derived from external customers. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in deposit with Bank for specified time period

The history of Trade Receivable shows a negligible allowance for bad & doubtful debts.

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

**Expected credit loss for trade receivable on simplified approach :**

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

| Ageing | Less than 180 days | More than 180 days and Less than 365 days | More than one year | Total |
|---|---|---|---|---|
| **As at March 31, 2017** | | | | |
| Gross Carrying Amount | 52,143.50 | 6,816.57 | 4,126.16 | 63,086.23 |
| Expected Credit Loss (in ₹) | - | - | - | - |
| Carrying Amount (net of impairment) | 52,143.50 | 6,816.57 | 4,126.16 | 63,086.23 |
| **As at March 31, 2016** | | | | |
| Gross Carrying Amount | 35,727.76 | 56.05 | 1,845.99 | 37,629.80 |
| Expected Credit Loss (in ₹) | | - | - | - |
| Carrying Amount (net of impairment) | 35,727.76 | 56.05 | 1,845.99 | 37,629.80 |
| **As at April 1, 2015** | | | | |
| Gross Carrying Amount | 32,628.16 | 4,045.61 | - | 36,673.77 |
| Expected Credit Loss (in ₹) | - | - | - | - |
| Carrying Amount (net of impairment) | 32,628.16 | 4,045.61 | - | 36,673.77 |

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. In case of probability of non collection, default rate is 100%

c) The following table summarises the change in the loss allowances measured using expected credit loss model (ECL):

| Particulars | ECL for Trade Receivables |
|---|---|
| As at 01-04-2015 | - |
| Provided/Reversal during the year | |
| As at 31-03-2016 | - |
| Provided/Reversal during the year | |
| As at 31-03-2016 | - |

**III. Liquidity Risk**

Liquidity risk refers to the risk of financial distress or estraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requring financing.The Company requires funds both for short term operational needs as well as for long term capital expenditure growth project. The Company generates sufficient cash flow for operations, which together with the availabe cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropreate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilties and reserve borrowing facilities, by continuosly monitoring forecast and actual cash flows and by matching the matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

| As at March 31, 2017 | Carrying Amount | On Demand | Less than One Year | More than one year and less than three year | More than 3 Years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 16,914.00 | 8,972.12 | 2,179.21 | 1,932.96 | 3,829.71 | 16,914.00 |
| Trade payables | 23,689.93 | | 23,689.93 | | - | 23,689.93 |
| Other Liabilities | 39,141.66 | | 22,741.62 | 16,400.04 | | 39,141.66 |
| **Total** | **79,745.59** | **8,972.12** | **48,610.76** | **18,333.00** | **3,829.71** | **79,745.59** |
| **As at March 31, 2016** | **Carrying Amount** | **On Demand** | **Less than One Year** | **More than one year and less than three year** | **More than 3 Years** | **Total** |
| Borrowings | 1,188.73 | 18.67 | 567.00 | 485.44 | 117.62 | 1,188.73 |
| Trade payables | 9,422.36 | | 9,422.36 | | | 9,422.36 |
| Other Liabilities | 37,998.26 | | 22,570.88 | 15,427.38 | | 37,998.26 |
| **Total** | **48,609.35** | **18.67** | **32,560.24** | **15,912.82** | **117.62** | **48,609.35** |
| **As at April 01, 2015** | **Carrying Amount** | **On Demand** | **Less than One Year** | **More than one year and less than three year** | **More than 3 Years** | **Total** |
| Borrowings | 35,302.60 | 30,026.46 | 2,899.93 | 1,952.38 | 423.82 | 35,302.59 |
| Trade payables | 10,063.16 | | 10,063.16 | | | 10,063.16 |
| Other Liabilities | 36,386.79 | | 12,759.75 | 23,627.04 | | 36,386.79 |
| **Total** | **81,752.54** | **30,026.46** | **25,722.84** | **25,579.42** | **423.82** | **81,752.54** |

**Financing arrangements**

The group had access to the following undrawn borrowing facilities at the end of reporting period:

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Cash Credit | 56,027.88 | 64,981.33 | 34,973.54 |
| Bank Gaurantee | 21,886.00 | 64,982.00 | 29,965.00 |
| **Total** | **77,913.88** | **1,29,963.33** | **64,938.54** |

## Note - 47: Capital Management

**(a) Risk Management**

The primary objective of the Company's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. The principle source of fudning of The Company has been and is expected to continue to be, cash generated from its operation supplemented by funding from bank borrowing and the capital market. The Company is not subject to any externally imposed capital requirements.

The Company reqularly considers other financing opportunities to diversify its debt profile, reduse Interest cost.

The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital.

# NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Debt | 16,914 | 1,189 | 35,303 |
| Cash & bank balances | (443) | (7,447) | (621) |
| Net Debt | 16,471 | (6,258) | 34,681 |
| Total Equity | 1,57,217 | 1,37,837 | 73,592 |
| **Gearing Ratio** | **0.10** | **NIL** | **0.47** |

**Notes-**

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

**(b) Loan Covenants**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the current years and previous years.

**(C) Dividends**

| | Recognized in the year ending | |
|---|---|---|
| | **March 31, 2017** | **March 31, 2016** |
| **(i) Dividends Recognized** | | |
| Final dividend for the year ended 31st March 2016 of ₹ 2.5/- per equity share of ₹ 10 each<br>( 31st March 2015 ₹ 1.5/- per equity share of ₹ 10 each) | 1610.58 | 926.29 |
| **(ii) Dividend proposed but not recognised in the books of accounts*** | | |
| In addition to the above dividends, for the year ended 31st March 2017 the directors have recommended the payment of a final dividend of ₹ 0.50/-equity share of ₹2 each.<br>( 31st March 2016- ₹ 2.5/- per equity share of ₹ 10 each) | 1,610.58 | 1610.58 |

* The proposed dividend is subject to the approval of shareholders in the ensuing general meeting

## Note 48(A) : Exemptions and exceptions opted by the company on the date of transition :-

Ind AS 101 allows first-time adopters certain exemptions and exceptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions and exceptions:

**a) Exemptions from retrospective application**

**Deemed Cost**

Ind As 101 permits first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition .This exemption can also be used for intangible assets covered by Ind AS 38 intangible Assets. Accordingly, the group has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

**Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind As 17,this assessment should be carried out at the inception of the contract or arrangement. Ind As 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind As, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.

**Investments in Subsidiaries, joint ventures and associates**

The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiaries, associates and joint ventures at deemed cost as on the date of transition to Ind AS.

**b) Exceptions from retrospective application**

i) Classification and measurement of financial assets :-

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exists at the date of transition to Ind AS.

ii) Estimates

An entity's estimates in accordance with Ind Ass at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP(after adjustments to reflect any difference in accounting policies),unless there is objective evidence that those estimates were in error.

Ind As estimates at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

## Note - 48 (B): Reconciliation between balance sheet, statement of profit and loss and cash flow statement prepared under pevious IGAAP and those presented under Ind AS

**(a) Effect of Ind AS adoption on the Balance Sheet as at April 1, 2015**

| Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **(1) Non - current assets** | | | | |
| (a) Property, plant and equipment | | 21,034.45 | - | 21,034.45 |
| (b) Capital work - in - progress | | 566.34 | - | 566.34 |
| (c) Intangible Asset | | 13.20 | - | 13.20 |
| (d) Intangible Asset Under Development | | 130.54 | - | 130.54 |
| (e) Financial assets | | | | |
| (i) Investments | 1 | 42,353.72 | 610.59 | 42,964.31 |
| (ii) Other Financial Assets | | 4,952.13 | - | 4,952.13 |
| (f) Deferred Tax Assets | 3 | | 172.14 | 172.14 |
| (g) Other non - current assets | | 6,059.92 | - | 6,059.92 |
| **Sub Total (Non Current Assets)** | | **75,110.30** | **782.73** | **75,893.03** |
| **(2) Current assets** | | | | |
| (a) Inventories | | 22,252.62 | - | 22,252.62 |
| (b) Financial assets | | - | - | - |
| (i) Trade receivables | | 36,673.77 | - | 36,673.77 |
| (ii) Cash and cash equivalents | | 621.11 | - | 621.11 |
| (iii) Bank Balances other than (ii) Above | | 1,494.48 | - | 1,494.48 |
| (iv) Other Financial Assets | | 9,210.91 | - | 9,210.91 |
| (c) Current tax assets (net) | | - | - | - |
| (d) Other current assets | | 12,354.98 | - | 12,354.98 |

# **NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

| Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|
| **Sub Total (Current Assets)** | | **82,607.87** | **-** | **82,607.87** |
| **Total Assets** | | **1,57,718.17** | **782.73** | **1,58,500.90** |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| (a) Equity share capital | | 3,980.78 | | 3,980.78 |
| (b) Other equity | | 67,863.40 | 1,747.82 | 69,611.22 |
| **Sub Total (Equity)** | | **71,844.18** | **1,747.82** | **73,592.00** |
| **LIABILITIES** | | | | |
| (1) Non - current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | | 2,376.20 | - | 2,376.20 |
| (ii) Other financial liabilities excl. provisions | | 4,880.70 | - | 4,880.70 |
| (b) Provisions | | 420.15 | - | 420.15 |
| (c) Deffered Tax Liability | | 38.80 | (38.80) | - |
| (d) Other non - current liabilities | | 19,689.20 | - | 19,689.20 |
| **Sub Total (Non Current Liability)** | | **27,405.05** | **(38.80)** | **27,366.25** |
| (2) Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | | 30,026.46 | - | 30,026.46 |
| (ii) Trade payables | | 10,063.16 | - | 10,063.16 |
| (iii) Other financial liabilities excl. provisions | | 11,016.03 | - | 11,016.03 |
| (b) Other current liabilities | | 4,643.64 | | 4,643.64 |
| (c) Current tax liability | | - | - | - |
| (d) Provisions | 4 | 2,719.65 | (926.29) | 1,793.36 |
| **Sub Total (Current Liability)** | | **58,468.94** | **(926.29)** | **57,542.65** |
| **Total Equity & Liabilities** | | **1,57,718.17** | **782.73** | **1,58,500.90** |

**(b) Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016**

| Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **(1) Non - current assets** | | | | |
| (a) Property, plant and equipment | | 21,059.19 | - | 21,059.19 |
| (b) Capital work - in - progress | | 186.82 | - | 186.82 |
| (c) Intangible Asset | | 193.21 | - | 193.21 |
| (d) Intangible Asset Under Development | | - | | - |
| (e) Financial assets | | | | |
| (i) Investments | | 46,436.35 | - | 46,436.35 |

| Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|
| (ii) Other Financial Assets | 5 | 8,481.08 | (906.63) | 7,574.45 |
| (f) Deferred Tax Assets | 3 | 298.84 | 0.01 | 298.85 |
| (g) Other non - current assets | 5 | 15,510.59 | 885.07 | 16,395.66 |
| **Sub Total (Non Current Assets)** | | **92,166.08** | **(21.55)** | **92,144.53** |
| **(2) Current assets** | | | | |
| (a) Inventories | | 23,637.74 | - | 23,637.74 |
| (b) Financial assets | | | | |
| (i) Trade receivables | | 37,629.80 | - | 37,629.80 |
| (ii) Cash and cash equivalents | | 7,446.92 | - | 7,446.92 |
| (iii) Bank Balances other than (ii) Above | | 2,258.12 | - | 2,258.12 |
| (iv) Other Financial Assets | | 13,990.51 | - | 13,990.51 |
| (c) Current tax assets (net) | | - | - | - |
| (d) Other current assets | | 11,895.43 | - | 11,895.43 |
| **Sub Total (Current Assets)** | | **96,858.52** | | **96,858.52** |
| **Total Assets** | | **1,89,024.60** | **(21.55)** | **1,89,003.05** |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| (a) Equity share capital | | 5,130.78 | - | 5,130.78 |
| (b) Other equity | | 1,31,095.68 | 1,610.59 | 1,32,706.27 |
| **Sub Total (Equity)** | | **1,36,226.46** | **1,610.59** | **1,37,837.05** |
| **LIABILITIES** | | | | |
| **(1) Non - current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | | 603.06 | - | 603.06 |
| (ii) Other financial liabilities excl. provisions | 5 | 6,808.04 | (272.07) | 6,535.97 |
| (b) Provisions | | 282.01 | - | 282.01 |
| (c) Deffered Tax Liability | | - | - | - |
| (d) Other non - current liabilities | 5 | 8,891.40 | 250.52 | 9,141.92 |
| **Sub Total (Non Current Liability)** | | **16,584.50** | **(21.55)** | **16,562.96** |
| **(2) Current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | | 18.67 | - | 18.67 |
| (ii) Trade payables | | 9,422.36 | - | 9,422.36 |

# **NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

| Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|
| (iii) Other financial liabilities excl. provisions | | 4,856.49 | - | 4,856.49 |
| (b) Other current liabilities | | 18,281.39 | - | 18,281.39 |
| (c) Current tax liability | | - | | - |
| (d) Provisions | 4 | 3,634.73 | (1,610.59) | 2,024.14 |
| **Sub Total (Current Liability)** | | **36,213.64** | **(1,610.59)** | **34,603.05** |
| **Total Equity & Liabilities** | | **1,89,024.60** | **(21.55)** | **1,89,003.05** |

**(c) Reconciliation to statement of profit and loss as previously reported as on March 31, 2016 under IGAAP to Ind AS**

| | Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|---|
| I | Revenue from Operations | | 2,01,416.09 | - | 2,01,416.09 |
| II | Other income | 1,5 | 2,015.53 | 518.12 | 2,533.65 |
| III | **Total Income ( I+II )** | | **2,03,431.62** | **518.12** | **2,03,949.74** |
| IV | **Expenses :** | | | | |
| | Cost of materials consumed | | 87,946.64 | - | 87,946.64 |
| | Purchase of stock In trade | | | | - |
| | Change in inventories of finished goods, work-in-progress and Stock-in-Trade | | 3,450.66 | - | 3,450.66 |
| | Employee benefit expense | 2 | 8,358.60 | (6.73) | 8,351.87 |
| | Finance Cost | 5 | 3,323.19 | 670.78 | 3,993.97 |
| | Depreciation and amortization expenses | 5 | 5,246.49 | 457.94 | 5,704.43 |
| | Other Expenses | | 75,064.68 | | 75,064.68 |
| | **Total Expenses (IV)** | | **1,83,390.26** | **1,121.99** | **1,84,512.25** |
| V | Profit/(Loss) before exceptional items & Tax (III-IV) | | **20,041.36** | **(603.87)** | **19,437.49** |
| VI | Exceptional Items | | | | - |
| VII | **Profit/(Loss) before tax (V-VI)** | | **20,041.36** | **(603.87)** | **19,437.49** |
| VIII | Tax expense : | | | | |
| | Current tax | | 4,200.77 | - | 4,200.77 |
| | MAT Credit Adjustment | | (4,200.77) | - | (4,200.77) |

| | Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|---|
| | Taxes for earlier years | | (3,894.87) | - | (3,894.87) |
| | Deferred tax | 3 | (337.64) | 213.22 | (124.42) |
| IX | **Profit & (Loss) for the period (VII-VIII)** | | **24,273.87** | **(817.09)** | **23,456.78** |
| X | Other Comprehensive Income | | | | |
| | A (i) Items that will not be reclassified to profit or loss | | | | - |
| | - Acturial Gain and losses on defined benefit plans | **2** | **-** | **(6.72)** | (6.72) |
| | (ii) Income tax relating to items that will not be reclassified to profit or Loss | **2** | **0.00** | **2.29** | 2.29 |
| **XI** | **Total Comprehensive Income for the period ( IX + X)** | | **24,273.87** | **(821.52)** | **23,452.35** |

**(d) Equity Reconciliation as at March 31, 2016**

| Particulars | Notes to first time adoption | 31st March 2016 | | | | |
|---|---|---|---|---|---|---|
| | | Share Capital | General Reseve | Securities Premium Reserve | Retained Earnings | Total |
| Total Equity (shareholder's fund) as per previous GAAP | | 5,130.78 | 128.96 | 59,009.66 | 71,957.06 | 1,36,226.47 |
| **Adjustment**: | | | | | | |
| De- Recognition of proposed dividend, including tax | 4 | - | - | - | 1,610.58 | 1,610.58 |
| Fair Valuation of Retention/ Security Deposits | 5 | - | - | - | (0.01) | (0.01) |
| Fair valuation of Investments | 1 | - | - | - | - | - |
| Deferred Tax | 3 | - | - | - | 0.01 | 0.01 |
| **Total Adjustment** | | **-** | **-** | **-** | **1,610.58** | **1,610.58** |
| **Total Equity as per Ind AS** | | **5,130.78** | **128.96** | **59,009.66** | **73,567.64** | **1,37,837.05** |

## (e) Equity Reconciliation as at April 01, 2015

| Particulars | 1st April 2015 | | | | | |
|---|---|---|---|---|---|---|
| | Notes to first time adoption | Share Capital | General Reseve | Securities Premium Reserve | Retained Earnings | Total |
| Total Equity (shareholder's fund) as per previous GAAP | | 3,980.78 | 128.96 | 18,440.66 | 49,293.78 | 71,844.19 |
| **Adjustment:** | | | | | | |
| De- Recognition of proposed dividend, including tax | 4 | - | - | - | 926.29 | 926.29 |
| Fair Valuation of Retention/ Security Deposits | 5 | - | - | - | - | - |
| Fair valuation of Investments | 1 | - | - | - | 610.59 | 610.59 |
| Deferred tax | 3 | - | - | - | 210.93 | 210.93 |
| **Total Adjustment** | | **-** | **-** | **-** | **1,747.81** | **1,747.81** |
| **Total Equity as per Ind AS** | | **3,980.78** | **128.96** | **18,440.66** | **51,041.59** | **73,592.00** |

# **NOTES TO FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

### Cash flow Statement

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS.

### Notes to the first time of adoption to Ind AS

**1) Fair Value of Investments**

Under Indian GAAP current investments are measured at the lower of cost or market price and non-current investments are measured at cost less any permanent diminution in value of investment.

Under IND AS investments are designated as Fair Value through Other Comprehensive Income (FVOCI), Fair Value through Profit and Loss (FVTPL) and carried at amortised cost. For investment designated as FVOCI, difference between the fair value and carrying value is recognised in OCI. For investment designated as FVTPL, difference between the fair value and carrying value is recognised in profit and loss. For investment designated at amortised cost, accrual of interest is recognised in profit and loss with which value of investment will be equal to maturity date contractual cash flows which includes solely payments of interest and principal.

**2) Defined benefit liabilities**

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.

**3) Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, The Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**4) Dividend**

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by The Company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability for the year ended on 31 March 2015 recorded for dividend has been derecognised against retained earnings on 1 April 2015. The proposed dividend for the year ended on 31 March 2016 recognized under Indian GAAP was reduced with a corresponding impact in the retained earnings.

**5) Retentions**

Under the previous GAAP, long term retentions are recognised at their transaction value. Under Ind As, long term retentions are measured at fair value at initial recognition and subsequently at amortised cost. Difference between the transaction price and fair value has been deffered and amortised over term of retention on straight line basis.

## Note - 49: Operating Segment Information

The Company's operations predominantly consisit of infrastructure development and construction/project activities, hence there are no reportable segments under Ind AS-108 'Segment Reporting'.

The Chairman and Managing directors of The Company have been identified as The Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

## Note - 50:

During the year, The Company has sold Investment in equity shares of PNC Power (P) Ltd. for a consideration of ₹ 15.10 Lacs and during the financial year ended March 31, 2016, The Company had sold its investment in equity shares of Joara Nayagaon Toll Road Co. Pvt. Ltd for a consideration of ₹ 3419.32 lakhs

## Note - 51:

In financial year ending March 31, 2016, The Company has changed the accounting policy with respect to revenue recognition. As against accounting for revenue on the basis of stage of completion linked to certified completion, it is now based on physical completion of work as acknowledged by the client. The impact of change in accounting policy, while not ascertainable, is expected to be negligible.

## Note - 52 (a):

The Company was subject to search U/s 132 of the Income tax Act, 1961 in the month of August 2011. The assessment for returns filed in response of search proceedings has been completed by the Department wherein certain additions were made and partial allowance of claims U/s 80IA which were claimed in the return filed and subsequently allowed by the CIT (A) in favour of the Company. However the adjustments will be accounted for on expiry of limitation of period for further appeal.

## Note - 52 (b):

During the year income tax assessment of FY 2013-14 was made by assessing officer allowing the benefit of section 80 IA (4) (i) and tax liability arise as per MAT provision, accordingly, company has reversed ₹ 1128.83 Lacs. Further, the MAT liability of ₹ 2184.83 lacs for the said year is eligible for MAT credit, and has been recognized accordingly. The adjustment for FY 2014-15 will be made upon completion of assessments.

## Note - 53:

During the Current year claim of UEDI has been settled out of Court for ₹ 1500.00 Lacs against enchasement of performance guarantee of ₹ 1841.11 Lacs which had been forfeited in year 2012-13 for likely additional liability to be incurred on the balance work.

## Note - 54: The details of utilization of IPO proceeds is as under:

| Sr. No. | Particulars | Objects of the Issue as per Prospectus | Total utilization up to March 31, 2016 | Total utilization up to March 31, 2017 | Amount pending utilization |
|---|---|---|---|---|---|
| 1 | Funding working capital requirement | 15,000.00 | 15,000.00 | 15,000.00 | - |
| 2 | Investment in our subsidiary, PNC Raebareli Highways Private Limited for part-financing the Raebareli-Jaunpur Project | 6,500.00 | 6,500.00 | 6,500.00 | - |
| 3 | Investment in capital equipment | 8,170.00 | 6,947.00 | 8,170.00 | - |
| 4 | Repayment / prepayment of certain indebtedness | 3,514.00 | 3,514.00 | 3,514.00 | - |
| 5 | General corporate purposes | 8,535.00 | 8,110.00 | 8,535.00 | - |
| 6 | Issue related expenses (only those apportioned to our company) | 1,751.00 | 1,751.00 | 1,751.00 | - |
| | **Total** | **43,470.00** | **41,822.00** | **43,470.00** | **-** |

**Note 55 :** **Details of Specified Bank Notes ("SBNs") held and transacted during the period from 08th November 2016 to 30th December 2016 as defined in MCA notification G.S.R. 308 (E) dated March 31, 2017 provided in the table below:**

| Particulars | SBNs | Other Denomination Notes | Total |
|---|---|---|---|
| **Closing cash in hand as on 08.11.2016** | 2,09,53,500.00 | 1,02,95,350.10 | 3,12,48,850.10 |
| (+) Permitted receipts | - | 1,76,52,030.00 | 1,76,52,030.00 |
| (-) Permitted payments | - | 2,43,12,182.00 | 2,43,12,182.00 |
| (-) Amount deposited in Banks | 2,09,53,500.00 | 4,61,729.00 | 2,14,15,229.00 |
| **Closing cash in hand as on 30.12.2016** | **-** | **31,73,469.10** | **31,73,469.10** |

## Note - 56:

**Standards issued but not yet effective** The standard issued, but not yet effective up to the date of issuance of The Company financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

**Ind AS 115 Revenue from Contracts with Customers** Ind AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after 1st April 2018. The Company will adopt the new standard on the required effective date. During the current year, The Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

**Amendment to Ind AS 7**: In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards)(Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7. The amendments are applicable for the reporting period beginning on or after April 1, 2017 The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow items, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

## Note - 57:

Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification

**As per our report of even date attached.**

For **S.S. Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

Place: Agra
Date: May 24, 2017

**Tapan Jain**
*Company Secretary*

**D K Agarwal**
*Chief Financial Officer*

# INDEPENDENT AUDITORS' REPORT

**To**
**The Members of**
**PNC INFRATECH LIMITED**

## Report on the Consolidated Financial Statements

We have audited the accompanyingConsolidated Ind AS financial statements of PNC INFRATECH LIMITED (hereinafter referred to as "the Holding Company")andits subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group")its associates and its jointly controlled entities/Joint Venturejoint operations,comprisingof the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act")that give a true and fair view of the consolidated financial position, consolidated financial performance (in¬cluding other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Jointly controlled entities/Joint Venture and Joint operations in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 / Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and ofits associates and jointly controlled entities/joint venture and joint operationsare responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its jointly controlled entities/joint venture and joint operations and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) ofthe Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Group,its associates , jointly controlled entities / joint venture and Joint operationsas at 31st March, 2017, and theirconsolidated profit/loss(financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## Other Matters

We did not audit the financial statements of 10 subsidiaries, whose financial statements reflect total assets of ₹. 3,92,391.66 lakhs as at 31st March, 2017, the total revenue of ₹. 63,073.59 Lakhs and net cash flows of ₹. 258.52 lakhs for the year ended 31st March 2017. The Financial Statement of 9 subsidiaries have been audited by other auditors and 1 subsidiary have been audited by one of the joint auditor. The reports of which have been furnished to us, and our opinion on the financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditor.

We also did not audit the result of one associate whose loss after tax is ₹. 5921.11 lakhs for the year ended 31st March 2017. The reports of which have been furnished to us and these are management certified, and our opinion on the financial results, to the extent they have been derived from such financial statements is based solely on the certification of management.

We also did not audit the result of one Joint Venture whose loss after tax is ₹. 258.52 lakhs for the year ended 31st March 2017, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements / results, in so far as it relates to the amounts and disclosures included in respect of joint venture is based solely on such unaudited financial statements /financial information Operations of one joint venture has yet to commence

### Report on Other Legal and Regulatory Requirements

As required bySection143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of ourknowledge and belief were necessary for the purposesof our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 /Indian Accounting Standards specified under section 133 of the act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities/ joint ventures and joint operations incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entities/ joint venture and joint operationsincorporatedin India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled entities/ joint ventures and joint operations incorporated in India and operating effectiveness of such controls, refer to our separate report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on theconsolidated financial position of the Group, its associates and jointly controlled entities/ joint ventures and joint operations. Refer note no 34 to the consolidated financial statement

   ii. The Group, its associates and jointly controlled entities/ joint venture and joint operations did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March 2017.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled entities/ joint ventures and joint operations incorporated in India during the year ended 31st Match 2017.

   iv. The company has provided requisite disclosure in its Consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. And on the basis of information & explanation provided these are in accordance with the books of accounts maintained by the company. Refer Note 61 to the Consolidated Ind AS financial statements.

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| | |
|---|---|
| **For S.S. Kothari Mehta & Co.** | **Purushottam Agrawal &Co.** |
| Chartered Accountants | Chartered Accountants |
| Firm Registration no. 000756N | Firm Registration. no. 000731C |
| **(Neeraj Bansal)** | **(Sanjay Agarwal)** |
| Partner | Partner |
| Membership No. : 095960 | Membership No. : 072696 |

Place: Agra
Date: May 24, 2017

# ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OFPNC INFRATECH LIMITED

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

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") In conjunction with our audit of the consolidated financial statements of the PNC Infratech Limited ('Company') as of and for the year ended March 31, 2017,

We have audited the internal financial controls over financial reporting of PNC Infratech Limited (hereinafter referred to as "the Holding Company") andits subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group")its associates, jointly controlled entities and its Joint Venture, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary companies, its associate companies, jointly controlled and Joint venture companies, which are companies incorporated in India, are 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 the respective 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.

### Auditor's 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") issued by the ICAI 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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence , we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### 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.

### Other Matters

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 10 subsidiaries and 1 associate. internal financial controls over financial reporting of 9 subsidiaries have been audited by other auditors and 1 subsidiaries have been audited by one of the Joint Auditor,whose reportshave been furnished to us, and our opinion on the financial results, to the extent they have been derived from such financial statements is based solely on the report of such other auditor and

One out of two joint venture has remained unaudited and the operation of the other one are yet to commence.

**Opinion**

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.In our opinionbased on summarised observations on Internal Financial Control Report, the Group has, in all respect, an adequate internal financialcontrols system over financial reporting and such internal financial controls over financialreporting were generally operating effectively as at March 31, 2017, based on "theinternal control over financial reporting system & procedures", criteria established by the Company considering theessential components of internal control stated in the Guidance Note on Audit of InternalFinancial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **S.S. Kothari Mehta & Co.**
*Chartered Accountants*
Firm Registration no. 000756N

**(Neeraj Bansal)**
*Partner*
Membership No. : 095960

**Purushottam Agrawal &Co.**
*Chartered Accountants*
Firm Registration. no. 000731C

**(Sanjay Agarwal)**
*Partner*
Membership No. : 072696

Place: Agra
Date: May 24, 2017

## **CONSOLIDATED BALANCE SHEET** as at March 31, 2017

(₹ in Lakhs)

| Particulars | Notes | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **(1) Non - current assets** | | | | |
| (a) Property, plant and equipment | 3 | 35,121.03 | 21,699.81 | 21,683.69 |
| (b) Capital work - in - progress | 4 | 781.62 | 186.82 | 566.34 |
| (c) Intangible Asset | 5 | 2,05,361.60 | 2,23,019.36 | 1,43,587.43 |
| (d) Intangible Asset Under Development | 6 | - | - | 80,139.79 |
| (e) Financial assets | | | | |
| (i) Investments | 7 | 3,516.29 | 5,588.83 | 9,898.50 |
| (ii) Trade receivables | 8 | 1,16,118.70 | 1,09,049.87 | 79,311.37 |
| (iil) Other Financial Assets | 9 | 16,971.12 | 7,276.44 | 5,018.49 |
| (f) Deffered Tax Asset | 10 | 6,333.49 | 5,180.07 | 1,540.79 |
| (g) Other Non - current assets | 11 | 28,093.46 | 17,972.79 | 7,527.49 |
| **Sub Total (Non Current Assets)** | | **4,12,297.31** | **3,89,973.99** | **3,49,273.89** |
| **(2) Current assets** | | | | |
| (a) Inventories | 12 | 15,347.87 | 23,637.75 | 22,252.62 |
| (b) Financial assets | | | | |
| (i) Investments | 13 | 6,753.01 | 1,028.98 | 87.82 |
| (ii) Trade receivables | 14 | 65,237.12 | 41,056.72 | 30,206.29 |
| (iii) Cash and cash equivalents | 15 | 1,548.71 | 6,648.29 | 2,532.14 |
| (iv) Bank balances other than (iii) above | 16 | 3,106.46 | 4,009.88 | 1,591.27 |
| (v) Other Financial Assets | 17 | 254.64 | 7,251.73 | 4,916.17 |
| (c) Current tax assets (net) | | - | - | - |
| (d) Other current assets | 18 | 23,528.28 | 15,104.38 | 13,474.47 |
| **Sub Total (Current Assets)** | | **1,15,776.09** | **98,737.73** | **75,060.78** |
| **Total Assets** | | **5,28,073.40** | **4,88,711.72** | **4,24,334.67** |
| **EQUITY AND LIABILITIES** | | | | |

The accompanying notes form an integral part of the financial statements
**As per our report of even date attached.**

For **S.S. Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

Place: Agra
Date: May 24, 2017

**Tapan Jain**
*Company Secretary*

**D K Agarwal**
*Chief Financial Officer*

# **CONSOLIDATED BALANCE SHEET** as at March 31, 2017

(₹ in Lakhs)

| Particulars | Notes | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|---|
| **EQUITY** | | | | |
| (a) Equity share capital | 19 | 5,130.78 | 5,130.78 | 3,980.78 |
| (b) Other equity | 20 | 1,40,972.35 | 1,30,655.81 | 70,156.70 |
| **Equity Attributable to Owners** | | **1,46,103.13** | **1,35,786.59** | **74,137.48** |
| Non Controlling Interest | | 0.84 | 5.10 | 5.13 |
| **Total Equity** | | **1,46,103.97** | **1,35,791.69** | **74,142.61** |
| **(3) LIABILITIES** | | | | |
| **(i) Non - Current Liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 21 | 1,67,336.56 | 1,57,134.21 | 1,30,416.33 |
| (ii) Trade Payables | 22 | 1,10,380.57 | 1,18,946.12 | 1,24,914.44 |
| (iii) Other financial liabilities | 23 | 11,287.72 | 6,497.13 | 5,758.47 |
| (b) Provisions | 24 | 6,488.31 | 1,725.19 | 1,113.44 |
| (c) Deffered Tax Liability | 10 | 6,222.39 | 6,315.73 | 3,219.68 |
| (d) Other non - current liabilities | 25 | 6,404.03 | 9,132.97 | 19,689.20 |
| **Sub Total (Non Current Liability)** | | **3,08,119.58** | **2,99,751.35** | **2,85,111.56** |
| **(ii) Current Liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 26 | 12,128.66 | 2,991.72 | 32,834.51 |
| (ii) Trade payables | 27 | 27,677.15 | 20,462.26 | 11,113.52 |
| (iii) Other financial liabilities | 28 | 17,127.37 | 8,974.28 | 13,700.90 |
| (b) Other current liabilities | 29 | 14,818.60 | 18,810.96 | 5,689.20 |
| (c) Current tax liability | 30 | 106.10 | - | - |
| (d) Provisions | 31 | 1,991.96 | 1,929.46 | 1,742.37 |
| **Sub Total (Current Liability)** | | **73,849.84** | **53,168.68** | **65,080.50** |
| **Total Equity & Liabilities ( C+D+E )** | | **5,28,073.40** | **4,88,711.72** | **4,24,334.67** |

The accompanying notes form an integral part of the financial statements
**As per our report of even date attached.**

For **S.S. Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

Place: Agra
Date: May 24, 2017

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

**Tapan Jain**
*Company Secretary*

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

**D K Agarwal**
*Chief Financial Officer*

## **STATEMENT OF CONSOLIDATED PROFIT AND LOSS** for the year ended March 31, 2017

(₹ in Lakhs)

| | Particulars | Note No. | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|---|---|
| I | Revenue from operations | 32 | 2,25,233.20 | 2,83,678.42 |
| II | Other income | 33 | 4,059.57 | 2,474.64 |
| III | **Total Income ( I+II )** | | **2,29,292.77** | **2,86,153.06** |
| IV | Expenses: | | | |
| | Cost of materials consumed | 34 | 81,679.62 | 88,047.72 |
| | (Increase)/decrease in inventories of work-in-progress | 35 | 2,481.26 | 3,450.66 |
| | Employee benefits expense | 36 | 11,896.25 | 9,524.59 |
| | Finance costs | 37 | 31,019.21 | 25,740.03 |
| | Depreciation and amortization expense | 38 | 24,156.73 | 21,272.83 |
| | Other expenses | 39 | 66,768.45 | 1,20,421.96 |
| | **Total Expenses (IV)** | | **2,18,001.52** | **2,68,457.79** |
| V | **Profit /(loss)before share of an associate and a joint venture, exceptional items and tax (III-IV)** | | **11,291.25** | **17,695.27** |
| VI | -Add/(Less): Share in profit/(loss) of Associates | | (2,072.54) | (1,256.82) |
| VII | **Profit /(loss)before exceptional items and tax (V+VI)** | | **9,218.71** | **16,438.45** |
| VIII | Exceptional items | | - | - |
| IX | **Profit /(loss)before tax from continuing operations (VII+VIII)** | | **9,218.71** | **16,438.45** |
| X | Tax expense: | 40 | | |
| | Current Tax | | 4,271.84 | 4,260.27 |
| | Mat Credit Entitlement | | (3,301.04) | (4,244.46) |
| | Taxes of earlier years including MAT Credit Entitlement | | (2,530.74) | (3,894.87) |
| | Deferred Tax Charge/(Credit) | 5 | (1,049.16) | (548.84) |
| | **Total Tax (B)** | | **(2,609.10)** | **(4,427.90)** |
| XI | **Profit & (Loss) for the period (IX-X)** | | **11,827.81** | **20,866.35** |
| XII | **Other Comprehensive Income** | | | |
| (A) | (i) Items that will not be reclassified to profit or loss | | | |
| | - Acturial Gain and losses on defined benefit plans | | **48.75** | **(6.72)** |
| | (ii) Income tax relating to above items | | **(16.10)** | **2.29** |

# STATEMENT OF CONSOLIDATED PROFIT AND LOSS for the year ended March 31, 2017

(₹ in Lakhs)

| | Particulars | Note No. | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|---|---|
| XIII | **Total Comprehensive Income for the period ( XI+XII)** | | **11,860.46** | **20,861.92** |
| | **Profit for the year attributable to:** | | | |
| | - Owners of the parent | | 11,827.81 | 20,866.46 |
| | - Non- Controlling Interest | | 0.00 | (0.11) |
| | **Other comprehensive income for the year attributable to:** | | | |
| | - Owners of the parent | | 32.65 | (4.44) |
| | - Non- Controlling Interest | | - | - |
| | **Total comprehensives income for the year attributable to:** | | | |
| | - Owners of the parent | | 11,860.46 | 20,862.03 |
| | - Non- Controlling Interest | | 0.00 | (0.11) |
| | Earnings per equity share of ₹. 2/- each | | | |
| | **Basic (in ₹.)** | 41 | **4.62** | **8.13** |
| | **Diluted (in ₹.)** | | **4.62** | **8.13** |

The accompanying notes form an integral part of the financial statements
**As per our report of even date attached.**

For **S.S. Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

Place: Agra
Date: May 24, 2017

**Tapan Jain**
*Company Secretary*

**D K Agarwal**
*Chief Financial Officer*

## **CONSOLIDATED CASH FLOW STATEMENT** for the year ended March 31, 2017

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Net Profit before tax and exceptional items** | 9,218.71 | 16,438.45 |
| **Adjustments for:** | | |
| Depreciation and amortization expenses | 24,156.73 | 21,272.83 |
| Finance cost | 31,019.21 | 25,740.03 |
| Interest Income | (3,261.27) | (1,211.70) |
| Loss/(Profit) on Sale of Investments(Net) | (0.11) | (972.32) |
| Loss/(Profit) on Sale of Fixed Assets(Net) | 154.73 | (30.56) |
| Miscellaneous Expenses written off | 6.30 | 11.69 |
| Other Non- Cash items | 91.43 | (19.64) |
| **Operating Profit Before Working Capital Changes** | **61,385.73** | **61,228.78** |
| **Adjustments for changes in Working Capital :** | | |
| (Increase)/Decrease in Inventories | 8,289.88 | (1,385.12) |
| (Increase)/Decrease in Trade Receivables | (31,249.23) | (40,588.94) |
| (Increase)/Decrease in Other Assets | (21,352.71) | (19,770.87) |
| Increase/(Decrease) in Trade Payables | (1,350.66) | 3,380.42 |
| Increase/(Decrease) in Other Liabilities | 11,225.59 | 2,656.11 |
| **Cash Generated From Operations** | **26,948.60** | **5,520.38** |
| Taxes Paid ( net of refunds) | (970.80) | (15.81) |
| **Cash Generated before Prior Period Item** | **25,977.80** | **5,504.57** |
| Tax for Earlier Years | 2,530.74 | 3,894.87 |
| **Net Cash Generated after Prior Period Item** | **28,508.54** | **9,399.44** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of Fixed Assets | (20,914.23) | (20,909.39) |
| (including Capital work in progress) | - | - |
| Sale of Fixed Assets | 244.51 | 738.43 |
| Sale of Investments | 2,061.17 | 5,281.12 |
| Purchase of Investments | (5,708.94) | (931.47) |
| Investment in term deposit & others bank balance | 903.42 | (2,418.61) |
| Interest Income | 3,261.27 | 1,211.70 |
| **Net Cash Used in Investing Activities** | **(20,152.80)** | **(17,028.22)** |

# STATEMENT OF CASH FLOW for the year ended March 31, 2017

(₹ in Lakhs)

| | | | |
|---|---|---|---|
| **C.** | **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| | Proceeds from Issue of Share Capital | - | 1,150.00 |
| | Proceeds from Security Premium | - | 40,569.83 |
| | Proceeds from Long Term Borrowings | 14,947.31 | 32,469.95 |
| | Repayment of Long Term Borrowings | (4,744.96) | (5,752.07) |
| | Proceeds from Working Capital Borrowings from Banks (Net) | 8,972.12 | (30,026.46) |
| | Finance cost paid | (31,019.21) | (25,740.03) |
| | Dividend Paid (including tax thereon) | (1,610.58) | (926.29) |
| | **Net Cash Used in Financing Activities** | **(13,455.32)** | **11,744.93** |
| | **Net Increase/(Decrease) in Cash & Cash Equivalents** | **(5,099.58)** | **4,116.15** |
| | **Opening Cash and Cash Equivalents** | 6,648.29 | 2,532.14 |
| | **Closing Cash and cash equivalents** | **1,548.71** | **6,648.29** |

The accompanying notes form an integral part of the financial statements
**As per our report of even date attached.**

For **S.S. Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

Place: Agra
Date: May 24, 2017

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

**Tapan Jain**
*Company Secretary*

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

**D K Agarwal**
*Chief Financial Officer*

# **STATEMENT OF CHANGES IN EQUITY** for the year ended March 31, 2017

### A. Equity Share Capital

(₹ in Lakhs)

| As at April 1, 2015 | Changes during the year 2015-16 | As at March 31, 2016 | Changes during the year 2016-17 | As at March 31, 2017 |
|---|---|---|---|---|
| 3,980.78 | 1,150.00 | 5,130.78 | - | 5,130.78 |

### B. Other Equity

(₹ in Lakhs)

| Particulars<br>Securities premium account | Reserves & Surplus | | | | Non-Controlling Interest | Total |
|---|---|---|---|---|---|---|
| | Securities Premium Account | General Reserve | Capital Reserve | Retained earnings | | |
| Restated Balance as at April 1, 2015 | 18,448.90 | 128.96 | - | 51,578.83 | 5.13 | 70,156.69 |
| Profit for the year | - | - | - | 20,866.35 | (0.11) | 20,866.24 |
| Other Comprehensive Income | - | - | - | (4.44) | | (4.44) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **20,861.92** | **(0.11)** | **20,861.81** |
| Dividend paid, including tax | | | | (926.29) | | (926.29) |
| Shares issued during the year | 42,320.00 | | | | | 42,320.00 |
| Adjustment during the year | | (6.33) | | | 0.08 | (6.25) |
| Utilisation of reserve | (1,750.17) | | - | | | (1,750.17) |
| **Balance as at March 31, 2016** | **59,018.73** | **122.63** | **-** | **71,514.46** | **5.10** | **1,30,660.91** |
| Profit for the year | - | - | - | 11,827.81 | 0.00 | 11,827.81 |
| Other Comprehensive Income | - | - | - | 32.65 | | 32.65 |
| Total comprehensive income for the year | - | - | - | 11,860.46 | 0.00 | 11,860.46 |
| Other Adjustments | (9.05) | 75.70 | | | | |
| Sales of Share of PNC Power | | | | | (4.26) | (4.26) |
| Shares issued during the year | - | | | | | - |
| Dividend paid, including tax | - | - | - | (1,610.58) | | (1,610.58) |
| **Balance as at March 31, 2017** | **59,009.68** | **198.33** | **-** | **81,764.34** | **0.84** | **1,40,973.18** |

The accompanying notes form an integral part of the financial statements
**As per our report of even date attached.**

For **S.S. Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

Place: Agra
Date: May 24, 2017

**Tapan Jain**
*Company Secretary*

**D K Agarwal**
*Chief Financial Officer*

# **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

## Note - 1: Company Overview

PNC Infratech Limited was incorporated on 9th August 1999 as PNC Construction Company Private Limited. The Company was converted into a limited company in 2001 and was renamed PNC InfratechLimited in 2007. The Company has raised the equity capital by issue & allotment of equity share through Initial Public Offer (IPO) during the current year in May 2015 and listed with National Stock Exchange and Bombay Stock Exchange.

The Company is engaged in India's infrastructure development through the construction of highways including BOT (built, operate and transfer projects), airport runways, bridges, flyovers and power transmission projects, among others.

In case of BOT, the company bid as a sponsor either alone or in the joint venture with other venturer and once the project is awarded then it is executed by incorporating a company (special purpose vehicle).

The Company's registered office is located in New Delhi, corporate office in Agra and operations are spread across Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamilnadu, Uttar Pradesh, Uttarakhand, Assam, West Bengal and Bihar among others.

The Company is ISO 9001:2008-certified, awarded 'SS' (Super Special) class from the Military Engineering Services as well as appreciation from NHAI and the Military Engineer Services, Ministry of Defence.

The Consolidated financial statements were authorised for issue in accordance with the resolution of the directors on 24Th May 2017.

## Note - 2: Summary of Significant Accounting Policies

**2.1. Basis of Preparation**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company, with effect from 1 April 2016, has adopted Indian Accounting Standards (the 'Ind AS') notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amended) Rules, 2016. For all periods up to and including the year ended 31st March 2016, the Company had prepared its Consolidated financial statements in accordance with accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 (referred to as 'Indian GAAP').

These Consolidated financial statements are the Company's first Ind AS Consolidated financial statements. The Company has adopted all the Ind AS standards and the adoptions was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. Previous period numbers in the financial statements have been restated to Ind AS. Reconciliations and descriptions of the effect of the transition has been summarized in Note 51B to 51F. The details of the first time adoption exemptions availed by the Company is given in Note 51A.

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.

The Consolidated financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

These Consolidated financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments & Provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

**2.2 Principles of Consolidation and equity accounting**

The consolidated financial statements comprise the financial statements of the Company, its Subsidiaries and associates as at 31 March 2017.

In the case of subsidiaries, control is achieved when the group is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee ( i.e. existing rights that give it the current ability to direct the relevant activities of the investee )
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Associates are all entities over which the group has significant influence but not control or joint control. Investment in associates is accounted for using the equity method of accounting (see note (d) of consolidation procedures mentioned below.

The group re-assesses whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, Liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the Group ceases to control the subsidiary.

**Note - 2: Summary of Significant Accounting Policies** *(contd.)*

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statement in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e. year ended on 31 March.

Profit or loss, each component of other comprehensive income (OCI) is attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if the results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

**Consolidation Procedure:**

(a) The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets,liabilities, equity, income and expenses. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combination policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

(d) The build, operate and transfer (BOT) contracts are governed by concession agreement with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "Toll collection rights" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchange with the grantor against the toll colletion rights, profit from such contracts is considered as realised.

Accordingly, BOT contracts awarded to group companies (operator), where work is subcontracted to fellow group companies or "the company", the intra group transaction on BOT contacts and the profits arising there on are taken as realised and hence not eliminated.

(e) Under the equity method of accounting, the investment are initially recognised at cost and adjusted thereafter to recognise the group's share of post-acquisition profit or losses of the investee in profit or loss and the group's share of the other comprehensive income of the investee in other comprehensive income

(f) Figures pertaining to the subsidiaries, associates and joint ventures have been reclassified wherever necessary to bring them in line with the parent's company financial statements.

### 2.3 Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make estimates and assumptions that affect the reported balances ofassets and liabilities and disclosure of contingent liabilities at the date of financial statements and results of operations during the reporting period. The Management believes that the estimates used in preparation of financial statements are prudent andreasonable.Differences between actual results and estimates are recognized in the year in which the results are shown /materialized.

### 2.4 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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 2: Summary of Significant Accounting Policies *(contd.)*

- 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 realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

### 2.5. Property Plant & Equipment

The Company has adopted optional exemption under Ind AS-101 and elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statement at the date of transition i.e. at 1st April, 2015, measured as per the previous GAAP and used that as its deemed cost as at the transition date.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost includes cost of acquisitions or construction including incidental expenses thereto and other attributable cost of bringing the assets to its working condition for the intended use and is net of recoverable duty /tax credits.

### 2.6. Intangible Asset

Thecompany recognises theintangible assetaccording to Ind AS-38 which is stated at cost of acquisition net of accumulated amortization and impairment losses, if any.

In accordance with Ind AS 38,Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment wheneverthere is an indication that the intangible asset may be impaired. Other intangible assetsare amortised on straight line basis over the period in which it is expected to be available for use by the company.

### 2.7. Intangible Asset under Development

Expenditure related to and incurred during development of Assets are included under "Intangible assets under development". The same will be transferred to the respective assets on its completion.

### 2.8. Capital Work in Progress

Capital work in progress comprises of expenditure, direct or indirect incurred on assets which are yet to be brought into working condition for its intended use.

### 2.9. Depreciation and Amortization

Depreciation on Fixed Assets is provided on straight line method (other than specified Plant & Machinery which are depreciated on written down value basis) based on useful life stated in schedule II to the Companies Act 2013, and is on pro-rata basis for addition and deletions. In case of Plant & Machinery as per technical estimate, (excluding Cranes & Earthmoving Equipment's), the useful life is more than as stated in Schedule II as mentioned below:.

| | |
|---|---|
| Earth Moving Equipment | 15 years |
| Piling Equipment | 15 Years |

### 2.10. Cash & Cash Equivalent

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

### 2.11. Service Concession Arrangements:

The company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for the specified period of time.

Under Appendix A to Ind AS 11 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration.

The intangible asset model is used to the extent that the Company receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used when the company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component.

## Note - 2: Summary of Significant Accounting Policies *(contd.)*

The company manages concession arrangements which include constructing road, redevelopment and maintenance of industrial estate etc. forpublic use. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided.

The right consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible assets and financial receivable models are applied. Income from the concession arrangements earned under the intangible asset model consists of the (i) fairvalue of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible assets is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the company, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost.

Any assets carried under concession arrangements are derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial assets expire.

In the case of Operation and Maintenance arrangements, Intangible asset is recognized at fair value of the concession fee payable over the arrangement period.

### 2.12. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, irrespective of fact whether payment is received or not. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Construction Contract: Contract revenue is recognized under percentage of completion method. The Stage of Completion is determined on the basis of physical completion of work as acknowledged by the client.

Revenue related claims are accounted in the year in which arbitration award is awarded/settled or accepted by customer or there is a tangible evidence of acceptance received.

Other sales are accounted on dispatch of material and exclude applicable sales tax/VAT and are net of discount.

Revenue from Joint Venture contract is accounted for net of joint venture share, under turnover, in these financial statements. Agency charges, if any, are accounted on receipt basis as other operating income.

The income from Toll contracts on BOT/OMT basis are recognized on actual collection of toll revenue.

**Interest Income**

Interest income is generally recognized on a time proportion basis by considering the outstanding amount and effective interest rate.

In the absence of ascertainment with reasonable certainty the quantum of accruals in respect of claims recoverable, the same is accounted for on receipt basis. Income from investments is accounted for on accrual basis when the right to receive income is established.

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

**Dividend**

Dividends are recognised in profit or loss only when:

(i) the company's right to receive payment of the dividend is established;

(ii) It is probable that the economic benefits associated with the dividend will flow to the entity; and

(iii) The amount of dividend can be measured reliably.

### 2.13.Inventories

The stock of raw material, stores, spares and embedded goods and fuel is valued at lower of cost or net realizable value. Cost is computed on first in first out basis.

Work-in- progress is valued at the item rate contracts in case of completion of activity by project department, in case where the Work-in-progress is not on item rate contract stage then item rate contract are reduced by estimated margin or estimated cost of completion and/or

# **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

## **Note - 2: Summary of Significant Accounting Policies** *(contd.)*

estimated cost necessary to make the items rates equivalent to Stage of Work-in- progress.

### 2.14.Leases

**Where the Company is the lessee**

A lease is classified at the inception date as a finance lease or an operating lease. Payments made under Leases, being in the nature of operating leases, are charged to statement of Profit and Loss on straight line basis as per terms of the Lease Agreement over the period of lease.

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. 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 recognized as 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 borrowing cost. A leased asset is amortized 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 amortized over the shorter of the estimated useful life of the asset and the lease term.

### 2.15.Employee benefits

**Short Term:**

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

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

**Long Term:**

**"Provident Fund:** The contribution to provident fund is in the nature of defined contribution plan. The Company makes contribution to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952.The contribution paid or payable is recognized as an expense in the period in which services are rendered.

**Gratuity:** The cost is determined using the projected unit credit method with actuarial valuation being carried at cash at each Balance Sheet date by an independent actuary. The retirement benefits obligation recognized in the Balance Sheet represent the present value of defined benefit obligation as adjusted for recognized past service cost

Actuarial gains and losses are recognized in full in the other comprehensive income for the period in which they occur.

**Other long term employee benefits:**

The cost of long term employee benefits is determined using project unit credit method and is present value of related obligation, determined by actuarial valuation done on Balance Sheet date by an independent actuary. The unrecognized past service cost and actuarial gain & losses are recognised immediately in the Statement of Profit & Loss in which they occur. "

### 2.16.Borrowing Costs

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

### 2.17.Segment reporting

The Chief Operational Decision maker monitors the operating results of its business segments separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of the nature of products / services.

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
2. Expenses that are directly identifiable with / allocable to segment are considered for determining the segment result. Expenses which relate to the company as a whole and not allocable to segment are included under unallocableexpenditure.

## Note - 2: Summary of Significant Accounting Policies *(contd.)*

3. Income which relates to the company as a whole and not allocable to segments is included in unallocableincome.
4. Segment results includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the company.
5. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

### 2.18.Earnings per share:

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The Weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, buy back of shares, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

### 2.19.Taxation

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 datein the countries where the Company operates and generates taxable income. Current income tax is charged at the end of reporting period to profit & loss.

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).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.

**Deferred Tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. 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."

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 utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

### 2.20.Impairment of Financial Assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

### 2.21. Impairment of Non-Financial Assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an Individual asset basis unless the asset does not generate cash flows that are largely Independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 2: Summary of Significant Accounting Policies *(contd.)*

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**2.22.Claims & Counter Claims:**

Claims and counter claims including under arbitrations are accounted for on their final settlement/ Award. Contract related claims are recognized when there is a reasonable certainty

**2.23. Provisions, Contingent liabilities and Contingent assets**

**Provisions**

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.

The expense relating to a provision is presented in the statement of profit and loss.

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

**Contingent liabilities and assets**

Contingent liabilities are disclosed in respect of possible obligation that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimates of the obligation cannot be made.

Contingent assets are disclosed where an inflow of economic benefit is probable. An entity shall not recognise the contingent assets unless the recovery is virtually certain.

**2.24. 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.

**Initial recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

Subsequent measurement

**A. Financial Assets**

For the purpose of subsequent measurement, financial assets are classifies in three broad categories:

(i) Financial Assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**Note - 2: Summary of Significant Accounting Policies** *(contd.)*

B. **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition :-**

A. Financial Assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized when:

(i) The contractual right to receive cash flows from the assets have expired, or

(ii) The company has transferred its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

B. Financial Liability

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

**Reclassification of financial assets**

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities.

**2.25. Foreign currencies**

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

iii. Exchange differences:

The company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items by recognizing the exchange differences as income or as expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions

**2.26.Fair Value Measurement**

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

# **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

## Note - 2: Summary of Significant Accounting Policies *(contd.)*

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

## Note - 3: Critical accounting estimates and Judgements

**i. Estimated useful life of intangible asset and property, plant and equipment**

The Company assess the remaining useful lives of Intangible assets and property, plant and equipment on the basis of internal technical estimates. Management believes that assigned useful lives are reasonable.

Before transition to IND AS, the company has revisited the useful life of the assetsduring financial year 2014-15 in accordance with Schedule II of Companies Act, 2013 and the impact of change in life is considered in opening carrying values of that year.

**ii. Income taxes:**

Deferred tax assets are recognised for the unused tax credit to the extent that it is probable that taxable profits will be available against which the losses will be utilized. Significant management judgment 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.

**iii. Defined benefit plans and other long term benefits :**

The cost of the defined benefit plan and other long term benefit and their present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The most sensitive is discount rate. Future salary increases and gratuity increases are based on expected future inflation rates.

**iv. Contingent liabilities:**

Management judgment is required for estimating the possible outflow of resources, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.The management believes the estimates are reasonable and prudent.

## Note -3: Property, plant & equipment

**Year ended 31st March 2016** (₹ in Lakhs)

| Particulars | Freehold Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Computers | Temporary Constructions | Total |
|---|---|---|---|---|---|---|---|---|---|
| Gross Block | | | | | | | | | - |
| At April 1, 2015 | 145.29 | 661.88 | 32,304.79 | 248.30 | 1,180.33 | 242.61 | 630.66 | 3,550.00 | 38,963.86 |
| Addition during the year | - | 35.45 | 4,582.73 | 44.12 | 319.43 | 94.67 | 70.88 | 274.47 | 5,421.75 |
| Disposal / Adjustments | | | 373.68 | | 4.21 | | | | 377.89 |
| **At March 31, 2016** | **145.29** | **697.33** | **36,513.84** | **292.42** | **1,495.55** | **337.28** | **701.54** | **3,824.47** | **44,007.72** |
| **Accumulated Depreciation** | | | | | | | | | |
| At April 1, 2015 | | 43.87 | 13,606.92 | 132.21 | 447.87 | 134.06 | 444.65 | 2,470.61 | 17,280.19 |
| For the year | | 21.41 | 3,787.85 | 25.56 | 139.88 | 93.83 | 204.38 | 1,107.46 | 5,380.37 |
| Disposal / Adjustments | | | 348.63 | | 4.00 | | | | 352.63 |
| **At March 31, 2016** | **-** | **65.28** | **17,046.14** | **157.77** | **583.75** | **227.89** | **649.03** | **3,578.07** | **22,307.93** |
| **Net carrying value as at March 31, 2016** | **145.29** | **632.05** | **19,467.70** | **134.65** | **911.80** | **109.39** | **52.51** | **246.40** | **21,699.79** |

**Year ended 31st March 2016** (₹ in Lakhs)

| Particulars | Freehold Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipments | Computers | Temporary Constructions | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | | | | |
| At April 1, 2016 | 145.29 | 697.33 | 36513.84 | 292.42 | 1495.55 | 337.28 | 701.54 | 3824.47 | 44,007.72 |
| Addition during the year | 57.40 | 0.00 | 17541.72 | 107.66 | 389.29 | 159.77 | 101.68 | 288.44 | 18,645.97 |
| Disposal / Adjustments | | | 967.88 | 97.21 | 121.87 | 153.24 | 104.54 | | 1,444.75 |
| **At March 31, 2017** | **202.69** | **697.33** | **53087.69** | **302.87** | **1762.97** | **343.81** | **698.68** | **4112.91** | **61,208.94** |
| **Accumulated Depreciation** | | | | | | | | | |
| At April 1, 2016 | 0.00 | 65.28 | 17046.14 | 157.77 | 583.75 | 227.89 | 649.03 | 3578.07 | 22,307.93 |
| Addition during the year | | 21.28 | 4223.14 | 24.81 | 174.75 | 82.37 | 92.49 | 195.12 | 4,813.96 |
| Disposal / Adjustments | | | 634.56 | 78.21 | 94.52 | 137.03 | 89.60 | | 1,033.92 |
| **At March 31, 2017** | **0.00** | **86.56** | **20634.72** | **104.37** | **663.98** | **173.23** | **651.92** | **3773.19** | **26,087.97** |
| **Net carrying value as at March 31, 2017** | **202.69** | **610.77** | **32,452.96** | **198.50** | **1,098.99** | **170.58** | **46.76** | **339.72** | **35,120.97** |

**Notes :**

(i) Property, plant and equipment pledged as security except as project assets.

(ii) Opening balances of Gross block and accumulated depreciation have been regrouped/reclassifed/ rearranged wherever considered necessary.

(iii) Borrowing cost capitalised during the period is nil.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

### Note - 4: Capital Work in Progress

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| **Capital Work in Progress** | | | |
| Opening Cost | **186.82** | **566.34** | **157.93** |
| Addition during the year | 781.62 | 578.96 | - |
| Capitalized/Adjustments during the year | (186.82) | (958.48) | (157.93) |
| Capital Goods in Transit | - | - | 566.34 |
| **Total** | **781.62** | **186.82** | **566.34** |

### Note - 5: Intangible assets

**Year ended March 31, 2016** (₹ in Lakhs)

| Particulars | Computer software | Concession Rights | Goodwill on Consolidation | Total |
|---|---|---|---|---|
| **Gross carrying value** | | | | |
| As at April 1, 2015 | 28.18 | 1,61,206.11 | 11.59 | 1,61,245.88 |
| Addition during the year | 222.67 | 94,643.80 | - | 94,866.47 |
| Disposals/Adjustments | - | - | - | - |
| **As at March 31, 2016** | **250.85** | **2,55,849.91** | **11.59** | **2,56,112.35** |
| **Amortisation** | | | | |
| As at April 1, 2015 | 12.37 | 17,646.09 | - | 17,658.46 |
| For the year | 43.07 | 15,391.47 | - | 15,434.54 |
| Disposals/Adjustments | | | | - |
| **As at March 31, 2016** | **55.44** | **33,037.56** | **-** | **33,093.00** |
| **Net carrying value as at March 31, 2016** | **195.41** | **2,22,812.34** | **11.59** | **2,23,019.34** |

**Year ended March 31, 2017** (₹ in Lakhs)

| Particulars | Computer software | Concession Rights | Goodwill on Consolidation | Total |
|---|---|---|---|---|
| **Gross carrying value** | | | | |
| As at March 31, 2016 | 250.85 | 2,55,849.91 | 11.59 | 2,56,112.35 |
| Addition during the year | 45.85 | 976.64 | 2.70 | 1,025.19 |
| Disposals/Adjustments | | | 11.59 | 11.59 |
| **As at March 31, 2017** | **296.70** | **2,56,826.55** | **2.70** | **2,57,125.95** |
| **Amortisation** | | | | |
| As at March 31, 2016 | 55.44 | 33,037.56 | - | 33,093.00 |
| For the year | 41.10 | 18,630.26 | - | 18,671.36 |
| Disposals/Adjustments | | | | - |
| **As at March 31, 2017** | **96.54** | **51,667.82** | **-** | **51,764.36** |
| **Net carrying value as at March 31, 2017** | **200.16** | **2,05,158.73** | **2.70** | **2,05,361.59** |

## Note - 6: Intangible Assets under development

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| **Gross Carrying Value** | |
| As at April 1., 2015 | 80,139.79 |
| Addition during the year | 90.36 |
| Capitalized/Adjustments during the year | (80,230.15) |
| **As at March 31, 2016** | **-** |
| Addition during the year | - |
| Capitalized/Adjustments during the year | - |
| **As at March 31, 2017** | **-** |

## Note - 7: Non-Current Investments

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Equity Shares fully paid-up:** | | | |
| **(i) Investment in Associates** | | | |
| 67,900,000 equity shares (Previous Year 67,900,000) of Ghaziabad Aligarh Expressway Private Limited of ₹. 10/- each ( Face value ₹. 10/- each) | | | |
| Opening Carrying value | 5,533.29 | 6,790.00 | 6,790.00 |
| Less- Loss of Associate transferred from Reserves | (2,072.54) | (1,256.71) | - |
| Closing Carrying value | **3,460.75** | **5,533.29** | **6,790.00** |
| (ii) Investment in Others | | | |
| 555,370 equity shares (Previous Year 555,370) of Indian Highways Management Company limited of ₹ 10/- each ( Face value ₹ 10/- each) | 55.54 | 55.54 | 55.54 |
| 24423700(Previous Year 22890000) of Jaora Nayagaon toll road company* | - | - | 3,052.96 |
| **Total** | **3,516.29** | **5,588.83** | **9,898.50** |

Out of the Investments of the Company following investments are pledged with the Financial Institutions /Banks for security against the financial assistance extended to the companies under the same management and others:

| Name of the Company | Relationship | As at March 31, 2017 | As at March 31, 2016 | As at March 31, 2015 |
|---|---|---|---|---|
| Ghaziabad Aligarh Expressway Private Limited | Associates | 1,49,55,240 | 1,49,55,240 | 1,49,55,240 |
| Jaora Nayagaon Toll Road Co. Pvt. Ltd. | Others | - | - | 1,68,32,550 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 8: Non Current trade receivable

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Unsecured, Considered goods | 1,16,118.70 | 1,09,049.87 | 79,311.37 |
| | **1,16,118.70** | **1,09,049.87** | **79,311.37** |

## Note - 9: Other Non-current financial assets

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Other Bank balances (having maturity of more than 12 months)* | | | |
| -Term deposits as margin money for bank guarentees | 658.78 | 540.43 | 468.12 |
| -Earnest money deposits (in the form of term deposits, NSC etc) | 13.10 | 12.50 | 11.00 |
| Share Warrants in Ghaziabad Aligarh Expressway Pvt. Limited# | 6,736.56 | - | - |
| (Unsecured, Considered good unless otherwise stated) | | | |
| Retentions & Security Deposits | | | |
| With government departments & other clients | 8,644.87 | 5,839.95 | 3,796.93 |
| with related parties | 824.23 | 750.01 | 684.15 |
| with others | 76.96 | 126.42 | 52.93 |
| Others | 16.62 | 7.13 | 5.36 |
| **Total** | **16,971.12** | **7,276.44** | **5,018.49** |

# The share warrants are convertible into equity shares or unsecured Debentures as per the following condition:

1. Warrants entitle the Warrant-holder to subscribe to one equity share of ₹.10/- (Face Value of ₹ 10 per share) in the Company (GAEPL) for each warrant held by the Warrant-Holder, subject to a re-characterisation event not having taken place on the maturity of the Warrants, that is, at the end of the Tenure (60 months). If the Warrant-holder opts not to subscribe to equity shares in the Company (GAEPL), the amount paid on the Warrants will be fully forfeited, and thereupon, the Warrant will be deemed to have expired.
2. In case of re-characterization event taking place as per terms of the issue, the warrant shall be deemed to have been converted into unsecured debenture.

   On occurrence of any of the following events, the Warrants shall, on and from the notification Date (provided for below), be deemed to have been converted into Debt Obligations, with features provided for herein::

   - Change of control over the Company (GAEPL).
   - The Company (GAEPL) not achieving Final COD for its project within 2.5 years from the date of the issuance of the Warrants.
   - The Company (GAEPL) not achieving revenue and/or Cash accrual as per the Projected cash flow with a (+/-) 20% variation.

The tenure of debenture shall be 17 years from the date of issue. The debenture shall carry interest @ 14% p.a. payable only when the company (GAEPL) has distributable cash profits.

## Note - 10: Deferred Tax

**The balance comprises temporary differences attributable to:**

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **(a) Deferred Tax Assets** | | | |
| Trade payables | 34,085.56 | 36,819.65 | 38,658.12 |
| Fixed Assets | 28.28 | 119.05 | -251.29 |
| Retention Assets | 706.32 | 311.24 | 315.04 |
| Provision for Doubtful debts | - | - | 12.04 |
| Deferred Retention Liabilities | 7.32 | 112.32 | 366.47 |
| Gratuity & Leave encashment | 205.28 | 150.61 | 179.24 |
| Investments | - | - | 210.91 |
| Pre IPO & Preoperative Expenses | 13.99 | 20.39 | - |
| Major Maintenance | 1,881.20 | 445.52 | 213.83 |
| Total (Deferred Tax Assets) | 36,927.95 | 37,978.78 | 39,704.36 |
| Less: Set off from Deferred tax liabilities | **30,594.46** | **32,798.72** | **38,163.58** |
| **Nett Deferred Tax Assets** | **6,333.49** | **5,180.06** | **1,540.78** |

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **(b) Deferred Tax Liabilities** | | | |
| Retention Liabilities | 8.20 | 121.24 | 366.47 |
| Investment | 7.68 | 3.02 | - |
| Deferred Retention Assets | 701.54 | 303.75 | 315.04 |
| Pre IPO & Preoperative Expenses | - | - | 18.70 |
| Intangible Asset | 2,513.13 | 4,918.65 | 14,888.66 |
| Trade Receivable | 33,524.50 | 33,699.86 | 25,720.30 |
| Borrowings | 61.81 | 67.93 | 74.08 |
| Total (Deferred Tax Liabilities) | 36,816.86 | 39,114.45 | 41,383.25 |
| Less: Set off to Deferred tax assets | 30,594.46 | 32,798.72 | 38,163.58 |
| **Nett Deferred Tax Liabilities** | **6,222.40** | **6,315.73** | **3,219.67** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

### Note - 11: Other Non Current Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Advance tax & tax deducted at source (Net)* | 4,091.56 | 3,466.71 | 950.41 |
| Tax & Duty deposited under protest | 1,314.90 | 1,269.58 | 197.26 |
| Mat Credit Entitlement | 11,388.72 | 6,615.72 | - |
| **Advances Other than Capital Advance** | | | |
| Balance with Government authorities | 3,991.45 | 5,183.40 | 3,867.64 |
| Mobilization advance to sub-contractors | 240.29 | 624.53 | 1,259.43 |
| Deferred Retention | | | |
| a. Held with departments | 1,998.54 | 736.91 | 764.90 |
| b. Held with related party | - | 70.04 | 140.07 |
| c. Others | - | 5.43 | 10.86 |
| Deferred Share warrant Assets | 5,068.42 | - | - |
| **Miscellaneous Expenditure:** | | | |
| Preliminary expenses | (0.42) | 0.29 | 83.07 |
| Pre- Operative Expenses | (0.00) | 0.18 | 28.26 |
| Pre IPO/Pre Private Equity Expenses | - | - | 225.59 |
| **Total** | **28,093.46** | **17,972.79** | **7,527.49** |

*The refund receivable for certain years, are held up by tax authorities for verification of TDS certificates internally or with other issuing departments.

### Note - 12: Inventories

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Raw Materials (construction material) | 12,085.01 | 18,212.18 | 12,766.76 |
| Raw Material in transit | - | 263.40 | 11.80 |
| Work-in-progress | 1,316.44 | 3,797.70 | 7,248.36 |
| Stores and spares | 1,946.42 | 1,364.47 | 2,225.54 |
| Stores and spares in transit | - | - | 0.16 |
| **Total** | **15,347.87** | **23,637.75** | **22,252.62** |

### Note - 13: Current Investment

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Investments In Mutual Funds** | | | |
| Axis Mutual Fund- 1,00,72,336.172 Units (Previous year 57,917.384 Units) | 1,793.84 | 971.34 | - |
| BP Liquid Fund Investment - 4,195.876 Units (Previous year 1220.253 Units) | 83.78 | 21.46 | 87.82 |
| HDFC Liquid Fund Investment- 3,29,18,783.258 Units (Previous year 1211.113 Units) | 4,875.39 | 36.18 | - |
| | **6,753.01** | **1,028.98** | **87.82** |

## Note - 14: Trade Receivables

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Unsecured, considered good unless otherwise stated | 65,237.12 | 41,056.72 | 30,206.29 |
| **Total** | **65,237.12** | **41,056.72** | **30,206.29** |

## Note - 15: Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Cash & Cash Equivalents | | | |
| Cash in hand | 299.69 | 299.20 | 256.25 |
| Bank Balances with Scheduled Bank: | | | |
| In Current Account | 1,249.02 | 4,782.49 | 1,340.77 |
| In Term Deposits (Less than 3 months) | - | 1,566.60 | 935.12 |
| **Total** | **1,548.71** | **6,648.29** | **2,532.14** |

## Note - 16: Other Bank balance

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **(with maturity less than 3 months maturity)** | | | |
| Earmarked Term deposits as Margin money for bank guarentee | 920.66 | 585.98 | 380.10 |
| Earnest money deposits (in the form of term deposits, NSC etc) | 354.14 | 353.63 | 127.03 |
| FDR In Hand (Earmarked) | - | 1,559.00 | - |
| Current Account (Earmarked) | - | 89.06 | - |
| **(with maturity more than 3 months but upto 12 months)** | | | |
| Earmarked Term deposits as Margin money for bank guarentee | 1,798.52 | 1,301.53 | 1,051.94 |
| Earnest money deposits (in the form of term deposits, NSC etc) | 33.14 | 30.77 | 32.20 |
| Fixed Deposits (More than 3 months and less than 12 Month) | - | 89.91 | - |
| **Total** | **3,106.46** | **4,009.88** | **1,591.27** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

### Note - 17: Other current financial assets

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Retentions & Security Deposits with others | 106.37 | 100.56 | 100.63 |
| Loans and advances to related parties | - | 7,024.96 | - |
| Balance with others | - | - | 4,666.76 |
| Interest accrued but not due on Margin money & Earnest money deposits | 148.27 | 126.21 | 148.78 |
| **Total** | **254.64** | **7,251.73** | **4,916.17** |

### Note - 18: Other Current Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Retentions & Security Deposits** | | | |
| with government and other clients | 8,646.13 | 1,503.13 | 121.05 |
| Balance with Government Authorities | 7,731.73 | 7,567.70 | - |
| Mobilization advance to sub-contractors | 386.55 | 722.81 | 1,361.48 |
| **Advances to suppliers/Contractors** | | | |
| Unsecured, considered good | 3,551.26 | 3,159.79 | 6,289.34 |
| (+) Doubtful | 35.42 | 30.12 | 35.42 |
| (-) Provision for Doubtful advances | (35.42) | (30.12) | (35.42) |
| Other advances | 1,129.24 | 765.25 | 2,701.51 |
| Others | 492.02 | - | 2,981.10 |
| **Miscellaneous Expenses** | | | |
| Preliminary expenses | - | - | 12.97 |
| Pre operative expenses | - | - | 7.02 |
| Income accrued but not billed | 1,591.35 | 1,385.70 | - |
| **Total** | **23,528.28** | **15,104.38** | **13,474.47** |

## Note - 19: Share Capital

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Authorised** | | | |
| Equity Shares of ₹ 2/- each | | | |
| 27,50,00,000 (Previous Year 27,50,00,000) | 5,500.00 | 5,500.00 | 5,500.00 |
| | 5,500.00 | 5,500.00 | 5,500.00 |
| **Issued ,Subscribed & Fully Paid up** | | | |
| Equity Shares of ₹ 2/- each | | | |
| 25,65,39,165 (Previous Year 25,65,39,165) | 5,130.78 | 5,130.78 | 3,980.78 |
| **Total** | **5,130.78** | **5,130.78** | **3,980.78** |

**A Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:**

| Particulars | Nos. | Nos. | Nos. |
|---|---|---|---|
| Opening | 25,65,39,165 | 19,90,39,165 | 19,90,39,165 |
| Add: Issued during the period | - | 5,75,00,000 | - |
| Less:Deductions | - | - | - |
| Closing | 25,65,39,165 | 25,65,39,165 | 19,90,39,165 |

**B Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

| Particulars | 31st March 2017 | | 31st March 2016 | | 1st April 2015 | |
|---|---|---|---|---|---|---|
| | No of Shares | % Holdings | No of Shares | % Holdings | No of Shares | % Holdings |
| PPPL Construction Private Limited | 2,39,21,250 | 9.32 | - | - | - | - |
| HDFC Mutual Fund | 1,82,67,660 | 7.12 | 1,67,81,160 | 6.54 | - | - |
| Madhvi Jain | 1,79,98,500 | 7.02 | 1,79,98,500 | 7.02 | 1,79,98,500 | 9.04 |
| Naveen Kumar Jain | 1,77,58,125 | 6.92 | 1,77,58,125 | 6.92 | 1,77,58,125 | 8.92 |
| Yogesh Kumar Jain | 1,64,56,125 | 6.41 | 1,64,56,125 | 6.41 | 1,64,56,125 | 8.27 |
| Pradeep Kumar Jain | 1,63,63,125 | 6.38 | 1,50,11,625 | 5.85 | 1,50,11,625 | 7.54 |
| Alberta Realtors Private Limited | 1,58,12,500 | 6.16 | - | - | - | - |
| NYLIM Jacob Ballas India (FVCI) Fund III, LLC | - | - | 1,67,17,180 | 6.52 | 2,84,34,165 | 14.29 |
| Alberta Merchants Private Limited | | | 1,58,12,500 | 6.16 | 1,58,12,500 | 7.94 |
| Renu Jain | - | - | - | - | 1,16,71,500 | 5.86 |
| PNC Project Private Limited | - | - | - | - | 1,06,65,000 | 5.36 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

**C Rights and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ₹. 2 per share. Each shareholder is eligible for one vote per share held. In case any dividend is proposed by the Board of Directors the same is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend. There are no restrictions attached to Equity Shares after the issue of 1,29,21,708 shares, prior to the IPO, the equity shares were subject to restriction as per investment agreement dated 11th January 2011 and subsequent amendment thereto.

D The company has split the face value of its Equity shares to ₹ 2 per shares as approved by the shareholderof the company through postal ballot on 19th July 2016, as per IND AS 33 "Earning per Share" per share calculation for the corresponding period presented above are based on increased number of Equity Share.

E No Bonus Shares/Shares have been issued for consideration other than cash and no Shares have been bought back during the period of five years immediately preceding the current financial year.

### Note - 20: Other Equity

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Securities premium reserves** | | | |
| Opening Balance | 59,018.72 | 18,448.90 | 18,448.90 |
| (+) Addition During the period | - | 42,320.00 | - |
| (-) Utilization During the period | 9.05 | 1,750.17 | - |
| **Closing Balance** | **59,009.67** | **59,018.73** | **18,448.90** |
| General Reserve | | | |
| Opening Balance | 122.63 | 128.96 | 293.62 |
| (+) Current period Transfer from Statement of Profit & Loss | - | - | - |
| (-) Adjustment during the period | 75.70 | (6.33) | 164.66 |
| **Closing Balance** | **198.33** | **122.63** | **128.96** |
| **Surplus in Statement of Profit and Loss** | | | |
| Balance as at the beginning of the year | 71,514.48 | 51,578.83 | 42,450.41 |
| (+) Net Profit for the current period | 11,827.81 | 20,866.35 | - |
| - Remeasurement of Defined Benefit Obligation | (32.65) | 4.44 | (9,128.42) |
| Amount available for appropriation | 83,374.94 | 72,440.74 | 51,578.83 |
| (-) Proposed Dividends on Equity Shares, Including DDT | 1,610.58 | 926.29 | - |
| **Closing Balance** | **81,764.36** | **71,514.45** | **51,578.83** |
| **Total** | **1,40,972.35** | **1,30,655.81** | **70,156.70** |

### Note - 20.1:

This is the item of comprehensive income directly booked in retained earnings

## Note - 20.2: Nature and purpose of Reserves

**Securities Premium Reserves**

Securities premium reserves is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**General Reserve**

This represents appropriation of profit by the company.

**Retained Earnings**

This comprise company's undistributed profit after taxes.

## Note - 21 Long Term Borrowings

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Secured | | | |
| Term loans -from banks | 1,66,720.97 | 1,57,130.70 | 1,30,359.03 |
| Term loans -from NBFCs | 615.59 | 3.51 | 57.30 |
| **Total** | **1,67,336.56** | **1,57,134.21** | **1,30,416.33** |

**The requisite particulars in respect of secured borrowings are as under:**

(₹ in Lakhs)

| Particulars | | Total Loan Outstanding | Non - Current Maturity | Current Maturity |
|---|---|---|---|---|
| **Term Loan From Banks** | At March 31, 2017 | 1,77,566.01 | 1,66,720.97 | 10,845.03 |
| | At March 31, 2016 | 1,61,831.23 | 1,57,130.70 | 4,700.53 |
| | At April 01, 2015 | 1,36,063.06 | 1,30,359.03 | 5,704.03 |
| **Term Loan from NBFC** | At March 31, 2017 | 953.44 | 615.59 | 337.85 |
| | At March 31, 2016 | 47.94 | 3.51 | 44.43 |
| | At April 01, 2015 | 105.34 | 57.30 | 48.04 |
| **Total** | **At March 31, 2017** | **1,78,519.44** | **1,67,336.56** | **11,182.88** |
| | At March 31, 2016 | 1,61,879.17 | 1,57,134.21 | 4,744.96 |
| | At April 01, 2015 | 1,36,168.40 | 1,30,416.33 | 5,752.07 |

(i) The above loans are secured by way of hypothecation of asset financed out of said loans.

(ii) The above loans are repayable in monthly installment over the period of loan.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 22 Trade Payables

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Due of MSME parties* | - | - | - |
| Dues of Other than MSME parties | 1,10,380.57 | 1,18,946.12 | 1,24,914.44 |
| **Total** | **1,10,380.57** | **1,18,946.12** | **1,24,914.44** |

* There are no dues payable to parties to the extent of information received by Company under the Micro, small & medium Enterprises Development Act, 2006.

## Note - 23 Other Non current financial Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Retention from contractors/suppliers | 5,462.56 | 5,118.65 | 4,556.30 |
| Capital Creditors | 4,441.96 | 742.79 | 275.60 |
| Security received from contractor/suppliers | 89.88 | 47.11 | 48.79 |
| Interest payable | 1,293.32 | 588.58 | 877.78 |
| **Total** | **11,287.72** | **6,497.13** | **5,758.47** |

## Note - 24 Long Term Provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Provision for employee benefits** | | | |
| Gratuity | 314.10 | 192.23 | 341.17 |
| Leave Encashment (Unfunded) | 102.47 | 91.14 | 80.27 |
| Major Maintenance* | 6,071.74 | 1,441.82 | 692.00 |
| **Total** | **6,488.31** | **1,725.19** | **1,113.44** |

*The company has a constructive obligation to maintain and manage the revenue generating infrastructure due to which it is probable that economic resources will be required to settle the obligation. The management estimated the carrying amount of provisions of major maintainence that are subject to change to actual maintainence to be held in prospective years.

## Note - 24 .1 Movement of provision for Major Maintenance

(₹ in Lakhs)

| Particlars | 2016-17 | 2015-16 |
|---|---|---|
| **(a) Movement of provision for Major Maintenance** | | |
| Carrying amount at the beginning of the year | 1,441.82 | 692.00 |
| Additional provision made during the year | 4,629.92 | 749.82 |
| Amount used during the year | - | - |
| Amount reversed during the year | - | - |
| **Carrying amount at the end of the year** | 6,071.74 | 1,441.82 |

## Note - 25 Other non current liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Advances from customers | 6,404.03 | 8,891.39 | 18,746.34 |
| Deferred Retentions | - | 236.58 | 932.87 |
| Deferred Securties | - | 5.00 | 9.99 |
| **Total** | **6,404.03** | **9,132.97** | **19,689.20** |

## Note - 26 Short Term Borrowings

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Secured** | | | |
| Working Capital Loans - repayable on demand | 8,972.12 | - | 30,026.46 |
| **Unsecured** | | | |
| Loan repayable on demand from Related party | 3,156.54 | 456.24 | - |
| Others Repayable on demand | - | 2,535.48 | 2,808.05 |
| **Total** | **12,128.66** | **2,991.72** | **32,834.51** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

**The requisite particulars in respect of secured borrowings are as under:**

| Particulars | Particulars of security/guarantee |
|---|---|
| Loan repayable on demand from banks- | |
| Working Capital Loans | Cash credit facilities and working capital demand loans from consortium of banks are secured by: |
| | (i) Hypothecation against first charge of Stocks viz raw material, stock in production process, finished goods, stores and spares, packing material and book debts of the company. |
| | (ii) Further secured by hypothecation of plant & machinery (excepting to hypothecated to Banks and NBFCs) |
| | (iii) Equitable mortgage of 6 properties (Land & Building) as per joint deed of Hypothecation belonging to the Directors and group company. |
| | (iv) Corporate Guarantee of Taj Infrabuilders Private Limited. |
| | (v) Personal guarantee of promoters. |

### Note - 27 Trade Payables

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Dues of MSME parties* | - | - | - |
| Dues of other than MSME parties** | 27,677.15 | 20,462.26 | 11,113.52 |
| **Total** | **27,677.15** | **20,462.26** | **11,113.52** |

* There are no dues payable to parties to the extent of information received by Company under the Micro, small & medium Enterprises Development Act, 2006.

### Note - 28 Other financial Current Liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Current maturities of long-term debt | | | |
| From Banks | 10,845.03 | 4,700.53 | 5,704.03 |
| From NBFCs | 337.85 | 44.43 | 48.04 |
| **Total Current maturity of long term debt** | **11,182.88** | **4,744.96** | **5,752.07** |
| **Others** | | | |
| Due to employees | 1,258.26 | 1,098.68 | 1,046.10 |
| Bank Overdraft (Book Overdraft) | - | 18.67 | - |
| Creditors - Capital Goods | 874.96 | - | 4,062.60 |
| Others | 3,811.27 | 3,111.97 | 2,840.13 |
| **Total Others** | **5,944.49** | **4,229.32** | **7,948.83** |
| **Total** | **17,127.37** | **8,974.28** | **13,700.90** |

## Note - 29 Other current liabilities

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Advance received from contract customer & others | 13,486.08 | 17,706.59 | 3,345.52 |
| Statutory dues | 1,050.78 | 929.09 | 2,235.18 |
| Deferred Retentions | 32.99 | 15.94 | - |
| Provision for employee benefits* | | | |
| Gratuity | 214.68 | 127.84 | 85.26 |
| Leave Encashment (unfunded) | 34.06 | 31.50 | 23.24 |
| **Total** | **14,818.60** | **18,810.96** | **5,689.20** |

* Refer to Note no. 49

## Note - 30 Current Tax Liability

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Provision For Income Tax | 106.10 | - | - |
| **Total** | **106.10** | **-** | **-** |

## Note - 31 Short Term Provisions

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Provisions for Income Tax | 1,991.96 | 1,929.46 | 1,742.37 |
| **Total** | **1,991.96** | **1,929.46** | **1,742.37** |

## Note - 32 Revenue from operations

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| Contract Turnover | 1,64,002.14 | 1,98,681.31 |
| Toll collection | 40,713.63 | 35,301.45 |
| Construction Revenue | 4,923.89 | 43,886.64 |
| Domenitasation Claim | 1,425.71 | - |
| Other operating revenues | | |
| Sale of material and others | 1,081.88 | 1,931.70 |
| Sale of scrap material | 233.29 | 277.94 |
| Other | 484.80 | 487.02 |
| Interest on Annuity Receivable | 12,367.86 | 3,112.36 |
| **Total** | **2,25,233.20** | **2,83,678.42** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 33 Other Income

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| Interest Income: | | |
| On Bank's FDR | 645.24 | 359.68 |
| On Interest from Others | 2,616.04 | 852.02 |
| Gain on disposal of Fixed Asset (Net) | - | 30.56 |
| Profit on sale of Investments (Net)* | 0.11 | 972.32 |
| Gain on fair valuation of Investments | 15.08 | 9.68 |
| Profit on sale of Mutual funds | 345.47 | 135.99 |
| Other non-operating income (net of expenses ) | 437.63 | 114.39 |
| **Total** | **4,059.57** | **2,474.64** |

* Refer to Note no. 55

## Note - 34 Cost of material consumed

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| Raw Material Consumed | 81,679.62 | 88,047.72 |
| **Total** | **81,679.62** | **88,047.72** |

## Note - 35 Increase/ Decrease of Work in progress

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| Opening stock of Work-in-progress | 3,797.70 | 7,248.36 |
| Closing stock of Work-in-progress | 1,316.44 | 3,797.70 |
| **(Increase)/decrease in work-in-progress** | **2,481.26** | **3,450.66** |

## Note - 36 Employee Benefit Expense

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| (a) Salaries and Wages | 11,415.87 | 9,047.01 |
| (b) Contributions to - Provident fund & other funds | 308.85 | 253.89 |
| (c) Staff welfare expenses | 171.53 | 223.69 |
| **Total** | **11,896.25** | **9,524.59** |

## Note - 37 Finance Cost

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| Interest expense | 18,353.97 | 12,379.45 |
| Interest on Financial Liabilities | 11,530.12 | 12,243.42 |
| Other borrowing costs | - | - |
| Loan processing charges | 73.22 | 60.76 |
| Guarantee charges | 593.57 | 454.61 |
| Other | 468.33 | 601.79 |
| **Total** | **31,019.21** | **25,740.03** |

## Note - 38 Depreciation and Amortization expenses

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| Depreciation on Property, Plant and Equipment | 4,813.93 | 5,380.37 |
| Amortization on Intangible Assets | 18,671.36 | 15,434.54 |
| Amortization of security Deposits | 671.44 | 457.92 |
| **Total** | **24,156.73** | **21,272.83** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

### Note - 39 Other Expenses

(₹ in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| Consumption of Stores & Spares* | 3,415.56 | 2,892.46 |
| Construction Cost | 4,821.52 | 40,188.48 |
| Power & Fuel | 724.05 | 592.12 |
| Contract Paid | 36,638.09 | 56,479.36 |
| Hire charges of Machineries | 773.75 | 515.38 |
| Other Manufacturing & Construction expenses | 1,998.42 | 5,524.32 |
| Rent | 422.95 | 475.38 |
| Insurance | 418.99 | 370.79 |
| Repairs to Buildings | 81.75 | 34.06 |
| Travelling and Conveyance | 280.19 | 355.01 |
| Postage & Telephone | 36.47 | - |
| Legal & Professional Expenses | 751.36 | 434.76 |
| Rates and Taxes** | 10,060.53 | 9,942.79 |
| Printing & Stationery | 18.76 | - |
| Auditor's Remuneration | | |
| Audit Fees | 38.53 | 38.23 |
| Tax matters | - | 0.67 |
| Certification Fees | 8.63 | 14.31 |
| For Reimbursment of Expenses | 1.73 | 1.18 |
| Advertisement Expenses | 4.25 | 21.97 |
| Tender & Survey Expenses | 162.51 | 97.70 |
| Hire charges of Vehicles | 50.30 | 110.59 |
| Director's sitting fees | 7.90 | 4.95 |
| Impairment of Project Expenses | 41.14 | - |
| Loss on disposal of Fixed assets (Net) | 154.73 | - |
| Major Maintenance Cost | 4,629.92 | 749.82 |
| Toll Plaza Expenses | - | 111.55 |
| Pre Initial Public Offer/Private Equity & Preliminary Expenses written off | 6.30 | 11.69 |
| Corporate Social Responsibility*** | 199.15 | 255.16 |
| Miscellaneous and General Expenses | 1,020.98 | 1,199.26 |
| **Total** | **66,768.45** | **1,20,421.96** |

* Being all material repair jobs are done in-house, the expenses of repair to plant and machinery are not significant, and also because numerous repair jobs are done and it is difficult to segregate the repair

** Includes sales/works contract tax (net) of ₹.7259.27 lakhs (Previous year ₹. 6973.96 lakhs)

***** CORPORATE SOCIAL RESPONSIBILITY**

a) The Company planned towards CSR activities at least two per cent of the average net profits of the company made during the three immediately preceding financial years. Accordingly Company was required to spend ₹. 301.66 Lacs (P.Y. 247.06 lacs) for the Financial Year 2016-17. However, Company was able to spend ₹. 199.15 (P.Y. 255.16 )Lacs only. Reason being that the Company was looking for genuine and socially useful opportunity, where the money can be fruitfully used.

## Note - 40 Tax Expense

### A. Income Tax Expenses

(₹. in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| **(a) Current tax** | | |
| Current tax on profit for the period | 4,271.84 | 4,260.27 |
| Adjustments for current tax of prior periods | (2,530.74) | (3,894.87) |
| **Total Current tax expense** | **1,741.10** | **365.40** |
| **(b) Deferred tax** | | |
| Decrease (increase) in deferred tax assets | 1,248.44 | 2,113.71 |
| (Decrease) increase in deferred tax Liabilities | (2,297.60) | (2,662.56) |
| **Total Deffered Tax Expenses** | **(1,049.16)** | **(548.85)** |
| **(c) MAT** | | |
| Mat Credit Entitlement | (3,301.04) | (4,244.46) |
| **Total Income tax Expense** | **(2,609.10)** | **(4,427.91)** |

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

(₹. in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| Profit before tax | 11,291.24 | 17,695.27 |
| **Tax at Indian tax rate of 34.608% (F.Y. 2015-16-34.608%)** | **3,907.67** | **6,123.98** |
| **Tax Adjustments for earlier years** | | |
| Current Tax including MAT credit entitlement | (2,530.74) | (3,894.87) |
| **Others:** | | |
| Tax at lower rates on subsidiary | 316.00 | 155.71 |
| Income Tax Exempt under Tax Holiday | (4,690.39) | (6,902.76) |
| Expenses not allowed for tax puposes | 122.43 | 88.30 |
| Minimum Alternate tax paid | 103.80 | 15.82 |
| Deferred tax not recognised on DTL | 162.11 | - |
| Carried forward losses adjust not previously recognised | - | (14.06) |
| **Income Tax expenses Charged to P/L** | **(2,609.10)** | **(4,427.88)** |

## Note - 41 Earning per equity shares

(₹. in Lakhs)

| Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|
| Weighted Average number of Equity Shares outstanding | 2,565.39 | 2,565.39 |
| Profit after tax as per Profit & Loss A/c | 11,827.81 | 20,866.46 |
| Nominal value per share | 2 | 2 |
| **Basic & Diluted Earnings per share** | **4.62** | **8.13** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 42 Contingent Liabilities & Assets

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| Claims against the Company not acknowledged as debts | | | |
| Disputed demand of Income Tax (includes, net of advance tax & TDS under verification, adjusted from demand of ₹ 33.51 crore arised in assessment of search proceedings up to AY 2012-13) for which company has won the appeal, but limitation of period for further appeal has not expired. | 1,125.93 | 1,125.93 | 1,125.93 |
| Disputed demand of Sales Tax/ VAT for which company preferred appeal | 1,870.48 | 3,115.15 | 2,088.86 |
| Disputed demand of Service Tax for which company preferred appeal | 526.90 | 503.39 | 481.17 |
| Disputed demand of Entry Tax for which company preferred appeal | 98.41 | 757.85 | 1,031.62 |
| Others (including motor accident, labour & civil matters) | 463.13 | 1,033.04 | 994.24 |
| (Interest and penalties if any, on above cases will be decided at the time of settlement) | | | |
| c) Other | | | |
| - Letter of Credit outstanding | 760.04 | 1,596.53 | 249.79 |
| - Being difference between normal tax and MAT for FY 2015-16* | - | - | - |
| (In case normal tax liability is crystallized, MAT credit entitlement reversal will take place) | | | |

* Contingent Liability of ₹. 2779.63 Lacs being difference between normal tax and MAT for FY 2015-16 has not been disclosed as MAT Liability has been accepted by the department in previous year's assessment.

## Note - 42.1 The status of various project claims in arbitrations is as under :

(a) The company had initiated arbitral proceedings against the Uttar Pradesh Public Works Department (UP PWD) for compensation for ₹ 851.31 lacs (including interest) towards extra cost incurred on procurement of different material, distant source in relation to the project "rehabilitation Road (Gomat) under Uttar Pradesh State Road Project. The arbitral Tribunal has pronounced its unanimous award dt. March 07, 2014 for ₹ 702.31 lacs (including interest) in favors of the Company. The respondent UP PWD has preferred objection against the aforesaid award before the Distt. Judge Mathura and the case is still pending with Hon. Distt. Judge Mathura. Treatment of the same will be done on final settlement.

(b) Further, the Company has filed four arbitration claims including claims for delay damages and interest which are pending at arbitration stage. The same will be accounted for on final settlement.

## Note - 43 Guarantees

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| (i) Bank Guarantees - Executed in favour of National Highways Authority of India and others | 1,41,898.19 | 1,02,469.12 | 90,754.99 |
| (ii) Corporate guarantee - <br>- The outstanding liability at reporting date against the corporate guarantee of ₹ 20500.00 Lacs issued in favour of bank , jointly & severally along-with a joint venture partner and further indemnified by another joint venture partner to the extent of its shareholding for credit facilities extended to an associate ( the entire share capital of which is held by Company and the said two joint venture partners) | 11,063.73 | 11,504.44 | 11,594.40 |
| - The outstanding liability at reporting date against the corporate guarantee of ₹ 5361.00 Lacs in favour of India Infrastructure Finance Compnay Limited for securing their debt to a subsidiary PNC Raibareli Highways Private Limited for discharging the differential between the secured obligation and termination payment. | 5,361.00 | 5,361.00 | 3,650.37 |
| The Company has issued a corporate guarantee in favour of Posco Engineering & construction Limited for onwards issuance of corporate guarantee to dedicated freight corporation of India Limited against bid security in the name of Posco-PNC joint venture* | - | - | 1,800.00 |

*Joint Venture with POSCO construction India Limited having share of 45%. The corporate guarantee has returned on 30.05.2015

## Note - 44 Commitments

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 01, 2015 |
|---|---|---|---|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for Net of advance | 1,005.14 | 384.34 | 8,661.03 |
| (b) Capital Commitment for equity (Net of Investment) | | | |
| PNC Raibareily highways Private Limited | - | - | 6,505.00 |
| PNC Rajasthan highways Private Limited | 62.47 | - | - |

## Note - 45 Leases

Disclosure as required under Ind As - 17 "Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 for the Company is given below:

(a) The Company has entered into cancellable/non-cancellable leasing agreement for office, residential and warehouse premises renewable by mutual consent on mutually agreeable terms.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

(b) Future minimum lease payments under non-cancellable operating lease are as under:

(₹ in Lakhs)

| Particulars | Future Minimum Lease Rentals | | | Period of |
|---|---|---|---|---|
| | Less Than 1 Year | Between 1 to 5 Years | More than 5 Years | Lease |
| Office Premises | 78.80 | 294.79 | - | 10 Years |

Other than disclosed above, the company has various operating lease for premises, the lease are renewable on periodic basis and cancellable in nature, amounting to ₹ 365.17 Lacs ( PY ₹368.44 Lacs).

The lease rentals have been included under the head "Rent" under Note No.39

## Note - 46 Disclosure pursuant to Indian Accounting Standard-11 "Construction Contracts"

(₹ in Lakhs)

| Particulars | Year ended March 31, 2017 | Year ended March 31, 2016 |
|---|---|---|
| **Total Contract revenue** | 1,64,002.14 | 1,98,681.31 |
| **Particulars about contracts in progress at the end of the period:** | | |
| Aggregate amount of cost incurred up to period end | 1,43,940.56 | 1,79,115.61 |
| Aggregate amount of profit / (Loss) Recognized | 20,061.58 | 19,565.70 |
| Advance Received | 19,890.12 | 26,597.98 |
| Retention Amount | 19,289.55 | 8,079.99 |
| Gross Amount due from customers for contract work | - | - |
| Gross amount due to customers for contract work | - | - |

## Note - 47 Related Party Disclosures

The names of related parties where control exist and/or with whom transactions have taken place during the year and description of relationship as identified and certified by the management are:

**A. List of Related Parties and Relationships**

**Associates**

1 Pradeep Kumar Jain HUF
2 Naveen Kumar Jain HUF
3 Yogesh Kumar Jain HUF
4 Ghaziabad Aligarh Expressway Private Limited
5 Smt. Premwati Devi Smriti Nyas

**Key Managerial Personal (KMP)**

| | | |
|---|---|---|
| 1 | Pradeep Kumar Jain | (Chairman and Managing Director) |
| 2 | Naveen Kumar Jain | (Whole Time Director) |
| 3 | Chakresh Kumar Jain | (Managing Director) |
| 4 | Yogesh Kumar Jain | (Managing Director) |
| 5 | Anil Kumar Rao | (Whole Time Director) |
| 6 | D K Agarwal | (Chief Financial Officer) |
| 7 | B K Dash | (Company Secretary) (Up to 23.07.2016) |
| 8 | Tapan Jain | (Company Secretary) (From 20.01.2017) |

**Relatives of KMP**

| | | |
|---|---|---|
| 1 | Abhinandan Jain | (Son of Pradeep Kumar Jain) |
| 2 | Meena Jain | (W/o Pradeep Kumar Jain) |
| 3 | Renu Jain | (W/o Naveen Kumar Jain) |
| 4 | Madhvi Jain | (W/o Chakresh Kumar Jain) |
| 5 | Ashita Jain | (W/o Yogesh Kumar Jain) |
| 6 | Ashish Jain | (Brother In Law of promotor directors) |
| 7 | Ishu Jain | (Daughter in Law of Pradeep Kumar Jain) |

**Entities controlled/ influenced by KMP and their relatives with whom Transections have taken place during the period**

2 MA Buildtech Private Limited
3 Taj Infra Builders Private Limited
4 Ideal Buildtech Private Limited
5 Subhash International Private Limited
6 Exotica Buildtech Private Limited

**B. Transactions with Related Parties**

(₹ in Lakhs)

| S. No. | Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|---|---|---|---|
| | **Transactions during the Year** | | |
| 1 | **Receipt on account of EPC and Other Contract** | | |
| | Associates Company | | |
| | Ghaziabad Aligarh Expressway Private Limited | 3,469.21 | 3,281.20 |
| | **Entities controlled/influenced by KMP and their relatives** | | |
| | Ideal Buildtech Private Limited | 50.01 | 965.50 |
| | **Total** | **3,519.22** | **4,246.70** |
| 2 | **Payment of Rent/Services** | | |
| | **Entities controlled/influenced by KMP and their relatives** | | |
| | Subhash International Private Limited | 69.53 | 69.53 |
| | Exotica Buildtech Private Limited | 8.61 | 8.40 |
| 3 | **Other Payments** | | |
| | Smt. Premwati Devi Smriti Nyas | - | 140.00 |
| | Others | 119.66 | 81.59 |
| | | **197.80** | **299.52** |
| 4 | **Interest Income** | | |
| | Ghaziabad Aligarh Expressway Private Limited | 1,398.15 | - |
| | **Total** | **1,398.15** | **-** |
| 5 | **Key management personnel compensation** | | |
| | Short Term Employee Benefits | 793.78 | 726.32 |
| | Post-employment benefits * | - | - |
| | **Total Compensation** | **793.78** | **726.32** |

* The above post employment benefits excludes gratuity and leave encashment which can not be separately identified from the composite amount advised by the actuary.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

**C Balances Outstanding at Reporting Date**

(₹ in Lakhs)

| S. No. | Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|---|
| 1 | **Amount Recoverable** | | | |
| | Ghaziabad Aligarh Expressway Private Limited | 7,634.02 | 12,083.66 | 13926.86 |
| | Jaora Nayagaon Toll road company Private Limited | - | - | 472.99 |
| | Others | - | - | 0.10 |
| | | **7,634.02** | **12,083.66** | **14,399.95** |
| 2 | **Amount Payable** | | | |
| | Siddhi Readymix Concrete Private Limited | - | - | 9.08 |
| | MP Highways Private Limited | - | - | 66.98 |
| | Others | - | - | 4.83 |
| | **Total** | **-** | **-** | **80.89** |

**(D) Terms and Conditions**

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances are unsecured and will be settled in cash.

## Note - 48 Interest in other entities

**(A) Subsidiaries**

The group's subsidiaries at 31 March 2017 are set out below. Unless otherwise stated, they have share capital consisting slely of wquity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| Name of entity | Place of business/ country of incorporation | Ownership interest held by the group | | | Ownership interest held by non-controlling interests | | | Principal activities |
|---|---|---|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | April 1, 2015 | March 31, 2017 | March 31, 2016 | April 1, 2015 | |
| | | % | % | % | % | % | % | |
| Hospet Bellary Highways Private Limited | India | 65 | 65 | 65 | 35 | 35 | 35 | BOT Project |
| Ferrovia Transrail Solutions Private Limited | India | 51 | 51 | 51 | 49 | 49 | 49 | Infrastructure development |
| PNC Power Private Limited | India | - | 73 | 73 | - | 27 | 27 | Infrastructure development |
| PNC Raebareli Highways Private Limited | India | 100 | 100 | 100 | - | - | - | Annuity Project |
| PNC Bareilly Nainital Highways Private Limited | India | 100 | 100 | 100 | - | - | - | BOT Project |
| PNC Infra Holdings Limited | India | 100 | 100 | 100 | - | - | - | Infrastructure development |
| PNC Kanpur Ayodhya Tollways Private Limited | India | 100 | 100 | 100 | - | - | - | OMT Project |
| PNC Kanpur Highways Limited | India | 100 | 100 | 100 | - | - | - | BOT Project |
| M. P. Highways Private Limited | India | 100 | 100 | 100 | - | - | - | BOT Project |
| PNC Delhi Industrialinfra Private Limited | India | 100 | 100 | 100 | - | - | - | Redevelopment & maintenance Project |
| PNC Rajasthan Highways Private Limited | India | 100 | 100 | 100 | - | - | - | HAM Project |

**(B) Non-controlling interests (NCI)**

Set out below is financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

| Summarised balance sheet | Hospet Bellary Highways Pvt. Ltd. | | | Ferrovia Transrail Solutions Private Limited | | | PNC Power Private Limited | | |
|---|---|---|---|---|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | April 1, 2015 | March 31, 2017 | March 31, 2016 | April 1, 2015 | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| Current assets | 0.83 | 0.86 | 2.00 | 2,131.50 | 1,907.00 | 2,516.43 | - | 2.10 | 2.34 |
| Current liabilities | (1,294.52) | (1,294.23) | (1,295.06) | (3,539.92) | (2,914.96) | (3,370.35) | - | (0.41) | (0.40) |
| **Net Current assets** | **(1,293.69)** | **(1,293.37)** | **(1,293.06)** | **(1,408.42)** | **(1,007.96)** | **(853.92)** | **-** | **1.69** | **1.94** |
| Non-current assets | - | - | - | 1,420.27 | 1,014.79 | 857.28 | - | 14.27 | 14.26 |
| Non-current liabilities | - | - | - | (10.23) | (5.84) | (2.49) | - | - | - |
| **Net Non-current assets** | **-** | **-** | **-** | **1,410.04** | **1,008.95** | **854.79** | **-** | **14.27** | **14.26** |
| **Net assets** | **(1,293.69)** | **(1,293.37)** | **(1,293.06)** | **1.62** | **0.99** | **0.87** | **-** | **15.96** | **16.20** |

| Summarised statement of profit and loss | Hospet Bellary Highways Pvt. Ltd. | | Ferrovia Transrail Solutions Private Limited | | PNC Power Private Limited | |
|---|---|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Revenue | - | - | 1,331.55 | 2,799.71 | - | - |
| Profit for the year | (0.32) | (0.31) | 0.23 | 0.13 | - | (0.24) |
| Other comprehensive income | - | - | | | - | - |
| **Total comprehensive income** | **(0.32)** | **(0.31)** | **0.23** | **0.13** | **-** | **(0.24)** |
| Profit allocated to NCI | (0.11) | (0.11) | 0.11 | 0.06 | - | (0.07) |
| Dividends paid to NCI | - | - | - | - | - | |

| Summarised cash flows | Hospet Bellary Highways Pvt. Ltd. | | Ferrovia Transrail Solutions Private Limited | | PNC Power Private Limited | |
|---|---|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| Cash flows from operating activities | (0.03) | (1.15) | (168.26) | 682.43 | - | (0.24) |
| Cash flows from investing activities | - | - | - | (8.88) | - | - |
| Cash flows from financing activities | - | - | 212.25 | (676.09) | - | - |
| **Net increase/(decrease) in cash and cash equivalents** | **(0.03)** | **(1.15)** | **43.99** | **(2.54)** | **-** | **(0.24)** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

**C. Interest in Associates**

Set out below are associates of the group as at March 31, 2017 which, are considered material to the group. The entity listed below have share capital of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

| Name of entity | Place of business/ country of incorporation | Ownership interest held by the group | | | Principal activities |
|---|---|---|---|---|---|
| | | March 31, 2017 | March 31, 2016 | April 1, 2015 | |
| | | % | % | % | |
| Ghaziabad Aligarh Expressway Private Limited | India | 35 | 35 | 35 | Infrastructure development |

| Summarised balance sheet | Ghaziabad Aligarh Expressway Private Limited | | |
|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
| Current assets | 881.94 | 1,034.04 | 5,526.22 |
| Current liabilities | (33,253.77) | (40,620.78) | (26,857.46) |
| Net Current assets | (32,371.83) | (39,586.74) | (21,331.24) |
| **Non-current assets** | **1,88,703.88** | **1,82,748.57** | **1,75,458.78** |
| Non-current liabilities | (1,47,126.81) | (1,28,035.06) | (1,35,050.18) |
| **Net Non-current assets** | **41,577.07** | **54,713.51** | **40,408.60** |
| **Net assets** | **9,205.24** | **15,126.77** | **19,077.36** |

| Summarised statement of profit and loss | Ghaziabad Aligarh Expressway Private Limited | |
|---|---|---|
| | March 31, 2017 | March 31, 2016 |
| Revenue | 24,491.89 | 19,314.92 |
| Profit for the year | (5,920.69) | (3,950.59) |
| Other comprehensive income | | |
| **Total comprehensive income** | **(5,920.69)** | **(3,950.59)** |

## Note - 49 Detail of Employee Benefit Expenses

The disclosures required by Ind- AS-19 "Employee Benefits" are as under:

**(a) Defined Contribution Plan**

i) The contribution to providend fund is charged to accounts on accrual basis. The contribution made by the company during the year is ₹ 218.29 Lacs (previous year ₹ 92.97 lacs)

ii) In respect of short term employee benefits, the company has at present only the scheme of cumulative benefit of leave encashment payable at the time of retirement/ cessation and the same have been provided for on accrual basis as per actuarial valuation.

**(b) Defined Benefit Plan**

i) Liability for retiring gratuity as on March 31, 2017 is ₹ 398.08 Lakhs (Previous year ₹ 318.69 Lakhs). The Liability for Gratuity is actuarially determined and provided for in the books.

ii) Details of the company's post-retirement gratuity plans and leave encashment for its employees including whole-time directors are given below, which is certified by the actuary and relied upon by the auditors

(₹ in Lakhs)

| Particulars | Gratuity | |
|---|---|---|
| | **2016-17** | **2015-16** |
| **1. Change in Present Value of Obligation** | | |
| Present value of obligation at the beginning of the period | 554.02 | 425.11 |
| Acquisition cost | - | - |
| Interest cost | 44.32 | 34.01 |
| Current service cost | 132.61 | 71.94 |
| Benefits paid | - | - |
| Actuarial gain/(loss) on obligation | - | - |
| a) Effect of changes in demographic assumptions | - | (12.09) |
| b) Effect of changes in financial assumptions | 18.85 | - |
| c). Effect of experience adjustments | (58.80) | 16.23 |
| **Present value of obligation at end of period** | **691.00** | **535.20** |
| Current Obligation | 145.34 | 127.83 |
| Non Current Obligation | 545.66 | 407.36 |
| **2. Change in Fair Value of Plan Assets** | | |
| Fair value of plan assets at the beginning of the period | 201.24 | - |
| Acquisition adjustment | - | - |
| Actual return on plan assets | - | - |
| Interest Income | 16.91 | 8.05 |
| Contributions | 14.80 | 195.79 |
| Benefits paid | - | - |
| Actuarial gain/(loss) on plan assets | (11.47) | (2.59) |
| Fair value of plan assets at the end of the period | **221.48** | **201.25** |
| **3. Amount to be recognised in Balance Sheet** | | |
| Present value of obligation as at end of the period | 690.99 | 535.20 |
| Fair value of plan assets as at the end of the period | (221.48) | (201.25) |
| Funded Status | 398.08 | 333.95 |
| Net Asset/(liability) recognised in Balance Sheet | 326.65 | 333.95 |
| **4. Expenses recognised in the statement of profit & loss.** | | |
| Current service cost | 132.61 | 71.94 |
| Net Interest cost | 1.51 | - |
| Interest Expense on DBO | 42.82 | 34.01 |
| Interest (income) on plan assets | 16.91 | 8.05 |
| Total Net Interest Cost | 25.91 | 25.96 |
| Net actuarial (gain)/loss recognised in profit/loss | - | - |
| Expenses recognised in the statement of Profit & Loss | **160.02** | **97.90** |
| **5. Recognised in other comprehensive income for the year** | | |
| a) Effect of changes in demographic assumptions | - | (12.09) |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

(₹ in Lakhs)

| Particulars | Gratuity | |
|---|---|---|
| | 2016-17 | 2015-16 |
| b) Effect of changes in financial assumptions | 17.35 | - |
| c) Effect of experience adjustments | (62.40) | 16.23 |
| d) (Return) on plan assets (excluding interest income) | (11.47) | (2.59) |
| e) Changes in asset ceiling (excluding interest income) | - | - |
| f) Total remeasurements included in OCI | **(33.58)** | **6.72** |
| Actuarial gain / (loss) for the year on PBO | 9.61 | (4.13) |
| Returns above interest cost | (11.47) | (2.59) |
| Actuarial gain /(loss) for the year on Asset | - | - |
| Unrecognized actuarial gain/(loss) at the end of the year | - | - |
| **6. Maturity Profile of Defined Benefit Obligation** | | |
| 1. Within the next 12 months (next annual reporting period) | 151.49 | 127.83 |
| 2. Between 2 and 5 years | 429.47 | 345.64 |
| 3. Between 6 and 10 years | 235.11 | 188.46 |
| **7. Quantitative sensitivity analysis for significant assumptions is as below** | | |
| Impact of the change in discount rate | | |
| Present Value of Obligation at the end of the period | 71.43 | - |
| a. Impact due to increase of 100 Basis Points | 667.50 | 518.16 |
| b. Impact due to decrease of 100 Basis Points | 716.29 | 553.71 |
| Impact of the change in salary increase | - | - |
| Present Value of Obligation at the end of the period | 71.43 | - |
| a. Impact due to increase of 1% | 711.86 | 550.57 |
| b. Impact due to decrease of 1% | 671.08 | 520.72 |
| Attrition Rate | | |
| Present Value of Obligation at the end of the period | 71.43 | - |
| a. Impact due to increase of 1% | 684.76 | 532.20 |
| b. Impact due to decrease of 1% | 697.47 | 538.53 |

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

**(ii) Sensitivity Analysis Method**

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

| | | | |
|---|---|---|---|
| **8. Actuarial assumptions** | | | |
| a) Economic Assumptions | | | |
| i. Discounting Rate -current year | 7% | 8% | 7% |
| Discounting Rate - Previous Year | 8% | 8% | |
| ii. Salary escalation | 9% | 9% | 9% |
| iii. Attrition rate | 25% | 25% | |
| b) Demographic Assumption | | | |
| i) Retirement Age (Years) | 58 | 58 | 60 |
| ii) Mortality rates inclusive of provision for disability | IALM (2006 - 08) Ultimate | | IALM (2006 - 08) Ultimate |
| Withdrawal rate | | | 25 |

Mortality Rates for specimen ages

| Age | Mortality Rate | Age | Mortality Rate |
|---|---|---|---|
| 18 | 0.0008 | 43 | 0.00235 |
| 23 | 0.000961 | 48 | 0.003983 |
| 28 | 0.001017 | 53 | 0.006643 |
| 33 | 0.001164 | 58 | 0.009944 |
| 38 | 0.001549 | 60 | 0.011534 |

**(c) Defined Term Employee Benefits Leave Obligation**

| Particulars | Leave Enchasement | |
|---|---|---|
| | 2016-17 | 2015-16 |
| Present Value of unfunded obligation | 135.24 | 122.50 |
| Expeses recognised in Statement of Profit and Loss | 12.74 | 20.30 |
| Discount rate (p.a) | 7% | 8% |
| Salary escalation rate (p.a) | 9% | 9% |

## Note - 50 Segment Information

.a. The Chairman and Managing directors of the parent company have been identified as The Chief Operating Decision Maker (CODM). The Chief operating decision maker identifies two Segment as reportable segment i.e. EPC Contract & BOT (Toll and Annutiy)

b. The Company has disclosed business segment as the Primery segment. Segment have been identitied taking into account the nature of work/ services, risk & return and organisation structure.

c. The Company operations predominatly related to EPC contract, Toll collection/ Annuity.

d. The company mainly operates with in India , so there is no requriement of disclosing the secondary segment i.e. geographical segment.

e. The expenses and Income which are not directly allocated between the segment are shown as unallocated expenses or Income.

f. Details of business segment information is given below:

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

(₹ in Lakhs)

| Particulars | Year Ended | |
|---|---|---|
| | 31-Mar-17 | 31-Mar-16 |
| | Audited | Audited |
| **Segment Revenue** | | |
| Contract | 1,65,318.00 | 2,00,890.95 |
| Toll/Annuity | 59,915.20 | 82,787.47 |
| **Total** | **2,25,233.20** | **2,83,678.42** |
| Less: Inter-segment revenue | - | - |
| **Net revenue from operations** | **2,25,233.20** | **2,83,678.42** |
| Segment Results | | |
| Contract | 16,298.29 | 21,288.70 |
| Toll/Annuity | 21,952.61 | 19,671.96 |
| **Total** | **38,250.90** | **40,960.66** |
| Less: Other unallocable expenditure | 31,019.21 | 25,740.03 |
| Add: Unallocable other income | 4,059.57 | 2,474.64 |
| **Profit before tax and non-controlling interests** | **11,291.26** | **17,695.27** |
| **Segment Assets** | | |
| Contract | 1,99,156.81 | 1,48,476.39 |
| Annuity | 3,28,916.58 | 3,40,235.33 |
| Unallocated | - | - |
| | **5,28,073.39** | **4,88,711.72** |
| **Segment Liabilities** | | |
| Contract | 85,707.36 | 51,166.00 |
| Annuity | 2,96,262.06 | 3,01,754.03 |
| Unallocated | - | - |
| | **3,81,969.42** | **3,52,920.03** |

**Notes on segment information :-**

**Business segments**

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Management evaluates the Company's performance and allocates resources based on ananalysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

## Note - 51 Fair Value Measurement

**Financial instruments by category** (₹ in Lakhs)

| Particulars | As at March 31, 2017 | | | As at March 31, 2016 | | | As at April 1, 2015 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Amortised Cost | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI |
| **Financial Asset** | | | | | | | | | |
| Investments | | 6,808.55 | | | 1,084.51 | | | 3,196.32 | |
| Trade receivables | 1,81,355.82 | | | 1,50,106.59 | - | - | 1,09,517.66 | - | - |
| Cash and Bank Balances | 4,655.17 | | | 10,658.17 | - | - | 4,123.40 | - | - |
| Others | 17,225.75 | | | 14,528.17 | | - | 9,934.65 | | - |
| **Total Financial Assets** | **2,03,236.74** | **6,808.55** | **-** | **1,75,292.93** | **1,084.51** | **-** | **1,23,575.71** | **3,196.32** | **-** |
| Financial Liabilities | | | | | | | | | |
| Borrowings | 1,91,941.43 | | | 1,65,459.48 | | | 1,69,880.69 | - | - |
| Trade payables | 1,38,057.72 | | | 1,39,408.38 | - | - | 1,36,027.96 | - | - |
| Other Financial Liabilities | 15,938.89 | | | 10,137.87 | | - | 12,829.53 | | - |
| **Total Financial Liabilities** | **3,45,938.03** | **-** | **-** | **3,15,005.73** | **-** | **-** | **3,18,738.18** | **-** | **-** |

### (i) Fair Value Hierarchy

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

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

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

( ₹.in Lakhs)

| Particulars | Fair Value Measurement using | | |
|---|---|---|---|
| | Quoted price in Active Market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **(A) Financial Asset and Liabilities masured at fair value through profit and loss or other comprehensive income at April 1, 2015** | | | |
| - Investment | 87.82 | 3,108.50 | - |
| **Total** | **87.82** | **3,108.50** | **-** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

| | | | |
|---|---|---|---|
| **(B) Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at April 1, 2015** | | | |
| (i) Financial Assets | | | |
| - Trade receivables | - | 79,311.37 | - |
| - Security Deposit | - | - | 4,534.01 |
| - Others | - | 484.48 | - |
| **Total** | **-** | **79,795.85** | **4,534.01** |
| (ii) Financial Liabilities | | | |
| - Borrowings | - | 1,37,046.18 | - |
| - Trade Payable | - | 1,24,914.44 | - |
| - Retentions | - | - | 4,556.30 |
| - Others | - | 324.39 | - |
| **Total** | | **2,62,285.01** | **4,556.30** |

( ₹.in Lakhs)

| Particulars | Fair Value Measurement using | | |
|---|---|---|---|
| | Quoted price in Active Market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **(A) Financial Asset and Liabilities masured at fair value through profit and loss or other comprehensive income at March 31, 2016** | | | |
| -Investment | 1,028.98 | 55.54 | - |
| **Total** | **1,028.98** | **55.54** | **-** |
| **Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2016** | | | |
| **(i) Financial Assets** | | | |
| - Trade receivables | - | 1,09,049.87 | - |
| - Security Deposit | - | - | 6,716.38 |
| - Others | - | 560.06 | - |
| **Total** | **-** | **1,09,609.93** | **6,716.38** |
| **(ii) Financial Liabilities** | | | |
| - Borrowings | - | 1,62,467.75 | - |
| - Trade Payable | - | 1,18,946.12 | - |
| - Retentions | - | - | 5,118.65 |
| - Others | - | 789.90 | - |
| **Total** | **-** | **2,82,203.77** | **5,118.65** |

| Particulars | Fair Value Measurement using | | |
|---|---|---|---|
| | Quoted price in Active Market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **(A) Financial Asset and Liabilities masured at fair value through profit and loss or other comprehensive income at March 31, 2017** | | | |
| -Investment | 6,753.01 | 55.54 | - |
| **Total** | **6,753.01** | **55.54** | **-** |
| **Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2017** | | | |
| **(i) Financial Assets** | | | |
| - Trade receivables | - | 1,16,118.70 | - |
| - Security Deposit | - | - | 9,546.06 |
| - Others | - | 688.49 | - |
| **Total** | **-** | **1,16,807.19** | **9,546.06** |
| **(ii) Financial Liabilities** | | | |
| - Borrowings | - | 1,79,812.77 | - |
| - Trade Payable | - | 1,10,380.57 | - |
| - Retentions | - | - | 5,462.56 |
| - Others | - | 4,531.84 | - |
| **Total** | **-** | **2,94,725.18** | **5,462.56** |

**(ii) Valuation techniques used to determine Fair value**

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

Specific valuation technique used to value financial instrument includes:

> the use of quoted market prices or dealer quotes for similar financial instruments.

> the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis

**The following method and assumptions are used to estimate fair values:**

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value , due to their short term nature

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

Financial assets and liabilities measured at fair value and the carrying amount is the the fair value.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 52 Financial Risk

**Management**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company principal financial asset includes loan , trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company's activities are exposed to **market risk, credit risk and liquidity risk**.

**I. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio .

(i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Variable rate borrowings | 1,82,706.23 | 1,63,700.83 | 1,63,276.78 |
| Fixed rate borrowings | 7,941.88 | 1,170.06 | 5,726.13 |
| **Total borrowings** | **1,90,648.11** | **1,64,870.89** | **1,69,002.91** |

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

| | As at March 31, 2017 | | | As at March 31, 2016 | | |
|---|---|---|---|---|---|---|
| Particulars | Weighted average interest rate | Balance | % of total loans | Weighted average interest rate | Balance | % of total loans |
| Cash Credit Limit | 9.44% | 8,972.12 | 4.71% | 10.56% | 18.67 | 0.01% |
| **Net exposure to cash flow interest rate risk** | | **8,972.12** | | | **18.67** | |

(iii) Sensitivity

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

(₹ in Lakhs)

| Particulars | Increase/ Decrease in Basis Points | | Impact on Profit before Tax | |
|---|---|---|---|---|
| | March 31, 2017 | March 31, 2016 | March 31, 2017 | March 31, 2016 |
| INR | +50 | +50 | 44.86 | 0.09 |
| INR | - 50 | - 50 | (44.86) | (0.09) |

**(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not operates internationally and as the Company has not obtained any foreign currency loans but import certain machineries and have foreign currency trade payables outstanding and is therefore, exchange to foreign exchange risk

The company does not hedges its exposure of foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary liabilities at the end of the reporting period as follows:

(₹ in Lakhs)

| Foreign currency exposure as at 31st March, 2017 | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Trade payables | | | |
| - Exposure in Euros | 4,988.94 | 870.73 | 336.33 |

**Foreign currency sensitivity**

5% increase or decrease in foreign exchange rates will have the following impact on profit before tax and other comprehensive income:

| Particulars | 2016-17 | | 2015-16 | |
|---|---|---|---|---|
| | 5% increase | 5% decrease | 5% increase | 5% increase |
| Euros | 37.48 | (37.48) | 29.25 | (29.25) |

**(c) Price Risk**

The company exposure to equity securities price risk arises from the investments held by company and classified in the balance sheet at fair value through profit and loss. The company does not have any investments whose value will be based on the market observable input at the current year end and previous year which are held for trading. Therefore no sensitivity is provided.

**II. Credit risk**

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an on going basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation

(iv) Significant increase in credit risk an other financial instruments of the same counterparty

(v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

The company major exposure is from trade receivables, which are unsecured and derived from external customers. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted securities and certificates of deposit which are funds deposited at a bank for a specified time period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

**Expected credit loss for trade receivable on simplified approach :**

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

| Ageing | Not Due | Less than 3o days | More than 30 days and Less than 180 days | More than 180 days and Less than 365 days | More than one year | Total |
|---|---|---|---|---|---|---|
| **As at April 1, 2015** | | | | | | |
| Gross Carrying Amount | 79,556.65 | | 24,691.65 | 4,167.06 | 1,102.30 | 1,09,517.66 |
| Expected Credit Loss (in ₹) | - | - | - | - | - | - |
| Carrying Amount (net of impairment) | 79,556.65 | - | 24,691.65 | 4,167.06 | 1,102.30 | 1,09,517.66 |
| **As at March 31, 2016** | | | | | | |
| Gross Carrying Amount | 1,09,000.85 | | 34,015.23 | 1,426.18 | 5,664.33 | 1,50,106.59 |
| Expected Credit Loss (in ₹) | - | | - | - | - | - |
| Carrying Amount (net of impairment) | 1,09,000.85 | - | 34,015.23 | 1,426.18 | 5,664.33 | 1,50,106.59 |
| **As at March 31,2017** | | | | | | |
| Gross Carrying Amount | 1,12,722.05 | | 52,512.26 | 8,158.02 | 7,963.49 | 1,81,355.82 |
| Expected Credit Loss (in ₹) | - | - | - | - | - | - |
| Carrying Amount (net of impairment) | 1,12,722.05 | - | 52,512.26 | 8,158.02 | 7,963.49 | 1,81,355.82 |

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. In case of probability of non collection, default rate is 100%

**c) following table summarises the change in the loss allowances measured using expected credit loss model (ECL):**

| Particulars | ECL for Trade Receivables |
|---|---|
| **As at 01-04-2015** | - |
| Provided/Reversal during the year | |
| **As at 31-03-2016** | **-** |
| Provided/Reversal during the year | |
| **As at 31-03-2017** | **-** |

**III. Liquidity Risk**

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in Lakhs)

| As at March 31, 2017 | Carrying Amount | On Demand | Less than One Year | More than one year and less than three year | More than 3 Years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 1,90,648.10 | 12,128.66 | 11,182.88 | 31,024.68 | 1,36,311.88 | 1,90,648.10 |
| Trade payables | 1,38,057.72 | | 49,609.70 | 50,664.19 | 37,783.82 | 1,38,057.72 |
| Other Liabilities | 38,560.94 | - | 20,869.19 | 17,691.76 | - | 38,560.94 |
| **Total** | **3,67,266.76** | **12,128.66** | **81,661.77** | **99,380.63** | **1,74,095.70** | **3,67,266.76** |
| **As at March 31, 2016** | **Carrying Amount** | **On Demand** | **Less than One Year** | **More than one year and less than three year** | **More than 3 Years** | **Total** |
| Borrowings | 164870.90 | 2,991.72 | 4,744.96 | 22,079.20 | 1,35,055.02 | 1,64,870.90 |
| Trade payables | 1,39,408.38 | - | 39,208.85 | 46,058.36 | 54,141.17 | 1,39,408.38 |
| Other Liabilities | 38,670.37 | - | 23,040.28 | 15,630.09 | - | 38,670.37 |
| **Total** | **3,42,949.65** | **2,991.72** | **66,994.09** | **83,767.65** | **1,89,196.19** | **3,42,949.65** |

| As at April 1, 2015 | Carrying Amount | On Demand | Less than One Year | More than one year and less than three year | More than 3 Years | Total |
|---|---|---|---|---|---|---|
| Borrowings | 1,69,002.92 | 32,834.52 | 5,752.07 | 15,556.99 | 1,14,859.34 | 1,69,002.92 |
| Trade payables | 1,36,027.96 | - | 30,742.00 | 40,679.15 | 64,606.81 | 1,36,027.96 |
| Other Liabilities | 39,085.70 | - | 13,638.03 | 25,447.67 | - | 39,085.70 |
| **Total** | **3,44,116.58** | **32,834.52** | **50,132.10** | **81,683.81** | **1,79,466.15** | **3,44,116.58** |

**Financing arrangements**

The group had access to the following undrawn borrowing facilities at the end of reporting period:

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Expiring within one year (Bank overdraft and other facilities) | | | |
| Cash Credit | 56,027.88 | 64,981.33 | 34,973.54 |
| Bank Guarantee | 21,886.00 | 64,982.00 | 29,965.00 |
| **Total** | **77,913.88** | **1,29,963.33** | **64,938.54** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

## Note - 53 Capital Management

**(a) Risk Management**

The primary objective of the group's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. The principle source of funding of the group has been and is expected to continue to be, cash generated from its operation supplemented by funding from bank borrowing and the capital market. **The group is not subject to any externally imposed capital requirements**

The group regularly considers other financing opportunities to diversify its debt profile, reduce interest cost.

The group monitors capital on the basis of following gearing ratio, which is net debt divided by total capital.

(₹ in Lakhs)

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| Debt | 1,91,941.43 | 1,65,459.48 | 1,69,880.69 |
| Cash & bank balances | 4,655.17 | 10,658.17 | 4,123.40 |
| Net Debt | 1,87,286.26 | 1,54,801.31 | 1,65,757.29 |
| Total Equity | 1,46,103.13 | 1,35,786.59 | 74,137.48 |
| **Net debt to equity ratio (Gearing Ratio)** | **1.28** | **1.14** | **2.24** |

**Notes-**

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

**(b) Loan Covenants**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

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

**(C) Dividends**

| | Recognized in the year ending | |
|---|---|---|
| | **March 31, 2017** | **March 31, 2016** |
| **(i) Dividends Recognized** | | |
| Final dividend for the year ended 31st March 2016 of ₹ 2.5/- per equity share of ₹. 10 each | | |
| ( 31st March 2015 ₹ 1.5/- per equity share of ₹. 10 each) | 1610.58 | 926.29 |
| **(ii) Dividend proposed but not recognised in the books of accounts*** | | |
| In addition to the above dividends, for the year ended 31st March 2017 the directors have recommended the payment of a final dividend of ₹ .50/-equity share of ₹.2 each. | 1610.58 | 1610.58 |
| ( 31st March 2016- ₹ 2.5/- per equity share of ₹. 10 each) | | |

* The proposed dividend is subject to the approval of shareholders in the ensuing general meeting

## Note - 54 A Exemptions and exceptions opted by the company on the date of transition :-

Ind AS 101 allows first-time adopters certain exemptions and exceptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions and exceptions:

**a) Exemptions from retrospective application**

**Deemed Cost**

Ind As 101 permits first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition .This exemption can also be used for intangible assets covered by Ind AS 38 intangible Assets. Accordingly, the group has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

**Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind As 17,this assessment should be carried out at the inception of the contract or arrangement. Ind As 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind As, except where the effect is expected to be not material.

The company has elected to apply this exemption for such contracts/arrangements.

Investments in Subsidiaries, joint ventures and associates

The company has elected to apply previous GAAP carrying amount of its equity investment in subsidiaries, associates and joint ventures at deemed cost as on the date of transition to Ind AS.

**b) Exceptions from retrospective application**

**i) Classification and measurement of financial assets :-**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exists at the date of transition to Ind AS.

**ii) Estimates**

An entity's estimates in accordance with Ind Ass at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP(after adjustments to reflect any difference in accounting policies),unless there is objective evidence that those estimates were in error.

Ind As estimates at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

## Note - 54 B Reconciliation between balance sheet, statement of profit and loss and cash flow statement prepared under previous IGAAP and those presented under Ind AS

**a. Effect of Ind AS adoption on the Balance Sheet as at April 1, 2015**

(₹ in Lakhs)

| Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **(1) Non - current assets** | | | | |
| (a) Property, plant and equipment | | 21,683.69 | - | 21,683.69 |
| (b) Capital work - in - progress | | 566.34 | - | 566.34 |
| (c) Intangible Asset | | 46,646.50 | 96,940.93 | 1,43,587.43 |
| (d) Intangible Asset Under Development | | 1,47,655.88 | (67,516.09) | 80,139.79 |
| (e) Financial assets | | | - | |
| (i) Investments | | 9,287.91 | 610.59 | 9,898.50 |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** as at and for the year ended March 31, 2017

(₹ in Lakhs)

| Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|
| (ii) Trade receivables | | | 79,311.37 | 79,311.37 |
| (iil) Other Financial Assets | | 1,386.27 | 3,632.21 | 5,018.49 |
| (f) Deffered Tax Asset | | - | 1,540.79 | 1,540.79 |
| (g) Other Non - current assets | | 11,233.53 | (3,706.04) | 7,527.49 |
| **Sub Total (Non Current Assets)** | | **2,38,460.12** | **1,10,813.76** | **3,49,273.89** |
| **(2) Current assets** | | | | |
| (a) Inventories | | 22,252.63 | (0.01) | 22,252.62 |
| (b) Financial assets | | | - | |
| (i) Investments | | 87.74 | 0.09 | 87.82 |
| (i) Trade receivables | | 26,441.76 | 3,764.52 | 30,206.29 |
| (iii) Cash and cash equivalents | | 884.08 | 1,648.06 | 2,532.14 |
| (iv) Bank balances other than (iii) above | | 3,225.54 | (1,634.27) | 1,591.27 |
| (v) Other Financial Assets | | 4,916.16 | 0.01 | 4,916.17 |
| (c) Current tax assets (net) | | - | - | - |
| (d) Other current assets | | 13,474.47 | - | 13,474.47 |
| **Sub Total (Current Assets)** | | **71,282.38** | **3,778.39** | **75,060.77** |
| **Total Assets** | | **3,09,742.50** | **1,14,592.15** | **4,24,334.66** |

(₹ in Lakhs)

| Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | |
| EQUITY | | | | |
| (a) Equity share capital | | 3,980.78 | - | 3,980.78 |
| (b) Other equity | | 83,127.34 | (12,970.64) | 70,156.70 |
| **Equity Attributable to Owners** | | **87,108.12** | **(12,970.64)** | **74,137.48** |
| Non Controlling Interest | | 5.13 | - | 5.13 |
| **Total Equity** | | **87,113.25** | **(12,970.64)** | **74,142.61** |
| **(3) LIABILITIES** | | | | |
| **(i) Non - current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | | 1,30,656.07 | (239.74) | 1,30,416.33 |
| (ii) Trade Payables | | - | 1,24,914.44 | 1,24,914.44 |
| (iii) Other financial liabilities | | 6,701.33 | (942.86) | 5,758.47 |
| (b) Provisions | | 421.43 | 692.00 | 1,113.44 |
| (c) Deffered Tax Liability | | 97.28 | 3,122.39 | 3,219.68 |
| (d) Other non - current liabilities | | 18,746.34 | 942.86 | 19,689.20 |
| **Sub Total (Non Current Liability)** | | **1,56,622.45** | **1,28,489.10** | **2,85,111.56** |

| | | | | | |
|---|---|---|---|---|---|
| **(ii)** | **Current liabilities** | | | | |
| | (a) Financial liabilities | | | | |
| | (i) Borrowings | | 32,834.52 | (0.00) | 32,834.51 |
| | (ii) Trade payables | | 11,113.52 | - | 11,113.52 |
| | (iii) Other financial liabilities | | 13,700.90 | - | 13,700.90 |
| | (b) Other current liabilities | | 5,689.19 | 0.01 | 5,689.20 |
| | (c) Current tax liability | | - | - | - |
| | (d) Provisions | | 2,668.67 | (926.29) | 1,742.37 |
| **Sub Total (Current Liability)** | | | **66,006.80** | **(926.29)** | **65,080.51** |
| **Total Equity & Liabilities ( C+D+E )** | | | **3,09,742.50** | **1,14,592.17** | **4,24,334.67** |

**(b) Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016**

(₹ in Lakhs)

| Particulars | | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **(1)** | **Non - current assets** | | | | |
| | (a) Property, plant and equipment | | 21,699.81 | - | 21,699.81 |
| | (b) Capital work - in - progress | | 186.82 | - | 186.82 |
| | (c) Intangible Asset | | 2,07,101.40 | 15,917.95 | 2,23,019.36 |
| | (d) Intangible Asset Under Development | | - | - | - |
| | (e) Financial assets | | | - | |
| | (i) Investments | | 5,538.42 | 50.41 | 5,588.83 |
| | (ii) Trade receivables | | - | 1,09,049.87 | 1,09,049.87 |
| | (iii) Other Financial Assets | | 1,516.14 | 5,760.30 | 7,276.44 |
| | (f) Deffered Tax Asset | | 317.09 | 4,862.98 | 5,180.07 |
| | (g) Other Non - current assets | | 23,810.01 | (5,837.22) | 17,972.79 |
| **Sub Total (Non Current Assets)** | | | **2,60,169.69** | **1,29,804.29** | **3,89,973.99** |
| **(2)** | **Current assets** | | | | |
| | (a) Inventories | | 23,637.75 | - | 23,637.75 |
| | (b) Financial assets | | - | - | - |
| | (i) Investments | | 1,019.20 | 9.78 | 1,028.98 |
| | (ii) Trade receivables | | 41,206.88 | (150.16) | 41,056.72 |
| | (iii) Cash and cash equivalents | | 6,648.28 | 0.00 | 6,648.29 |
| | (iv) Bank balances other than (iii) above | | 4,009.88 | - | 4,009.88 |
| | (v) Other Financial Assets | | 7,251.73 | - | 7,251.73 |
| | (c) Current tax assets (net) | | - | - | - |
| | (d) Other current assets | | 15,104.39 | (0.01) | 15,104.38 |
| **Sub Total (Current Assets)** | | | **98,878.11** | **(140.38)** | **98,737.73** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

(₹ in Lakhs)

| Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|
| **Total Assets** | | **3,59,047.80** | **1,29,663.91** | **4,88,711.71** |
| **EQUITY AND LIABILITIES** | | | | |
| **EQUITY** | | | | |
| a) Equity share capital | | 5,130.78 | - | 5,130.78 |
| b) Other equity | | 1,25,843.65 | 4,812.16 | 1,30,655.81 |
| **Equity Attributable to Owners** | | **1,30,974.43** | **4,812.16** | **1,35,786.59** |
| Non Controlling Interest | | 5.10 | - | 5.10 |
| **Total Equity** | | **1,30,979.53** | **4,812.16** | **1,35,791.69** |
| **(3) LIABILITIES** | | | | |
| (i) Non - current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | | 1,57,354.06 | (219.85) | 1,57,134.21 |
| (ii) Trade Payables | | - | 1,18,946.12 | 1,18,946.12 |
| (iii) Other financial liabilities | | 6,946.82 | (449.69) | 6,497.13 |
| b) Provisions | | 283.36 | 1,441.82 | 1,725.19 |
| (c) Deffered Tax Liability | | - | 6,315.73 | 6,315.73 |
| d) Other non - current liabilities | | 8,891.39 | 241.58 | 9,132.97 |
| **Sub Total (Non Current Liability)** | | **1,73,475.65** | **1,26,275.71** | **2,99,751.35** |
| (ii) Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | | 2,991.72 | - | 2,991.72 |
| (ii) Trade payables | | 20,462.26 | - | 20,462.26 |
| (iii) Other financial liabilities | | 8,803.59 | 170.69 | 8,974.28 |
| (b) Other current liabilities | | 18,795.02 | 15.94 | 18,810.96 |
| (c) Current tax liability | | - | - | - |
| (d) Provisions | | 3,540.03 | (1,610.58) | 1,929.46 |
| **Sub Total (Current Liability)** | | **54,592.62** | **(1,423.95)** | **53,168.68** |
| **Total Equity & Liabilities ( C+D+E )** | | **3,59,047.80** | **1,29,663.92** | **4,88,711.72** |

**(c ) Reconciliation to statement of profit and loss as previously reported as on March 31, 2016 under IGAAP to Ind AS**

| | Particulars | Notes to first time adoption | Amount as per IGAAP | Effects of transition to Ind AS | Amount as per IND AS |
|---|---|---|---|---|---|
| I | Revenue from operations | | 2,39,459.63 | 44,218.79 | 2,83,678.42 |
| II | Other income | | 1,664.63 | 810.01 | 2,474.64 |
| III | **Total Income ( I+II )** | | **2,41,124.26** | **45,028.80** | **2,86,153.06** |
| IV | Expenses: | | | | |
| | Cost of materials consumed | | 88,047.72 | - | 88,047.72 |
| | (Increase)/decrease in inventories of work-in-progress | | 3,450.66 | - | 3,450.66 |
| | Employee benefits expense | | 9,531.31 | (6.72) | 9,524.59 |
| | Finance costs | | 12,874.93 | 12,865.10 | 25,740.03 |
| | Depreciation and amortization expense | | 10,907.96 | 10,364.87 | 21,272.83 |
| | Other expenses | | 97,695.51 | 22,726.45 | 1,20,421.96 |
| | **Total Expenses (IV)** | | **2,22,508.09** | **45,949.70** | **2,68,457.79** |
| V | **Profit /(loss)before share of an associate and a joint venture, exceptional items and tax (III-IV)** | | 18,616.17 | (920.90) | 17,695.27 |
| VI | -Add/(Less): Share in profit/(loss) of Associates | | (1,307.12) | 50.41 | (1,256.71) |
| | -Add/(Less): Minority Interest | | - | (0.11) | (0.11) |
| VII | **Profit /(loss)before exceptional items and tax (V+VI)** | | 17,309.05 | (870.60) | 16,438.45 |
| VIII | Exceptional items | | - | | - |
| IX | **Profit /(loss)before tax from continuing operations (VII+VIII)** | | **17,309.05** | **(870.60)** | **16,438.45** |
| X | Tax expense: | | | | |
| | Current Tax | | 4,260.27 | - | 4,260.27 |
| | Mat Credit Entitlement | | (4,244.46) | - | (4,244.46) |
| | Taxes of earlier years including MAT Credit Entitlement | | (3,894.87) | - | (3,894.87) |
| | Deferred Tax Charge/(Credit) | | (422.28) | (126.56) | (548.84) |
| | **Total Tax (B)** | | **(4,301.34)** | **(126.56)** | **(4,427.90)** |
| XI | **Profit & (Loss) for the period (IX-X)** | | **21,610.39** | **(744.04)** | **20,866.35** |
| XII | **Other Comprehensive Income** | | | | |
| (A) | (i) Items that will not be reclassified to profit or loss | | | | |
| | - Acturial Gain and losses on defined benefit plans | | - | (6.72) | (6.72) |
| | (ii) Income tax relating to above items | | - | 2.29 | 2.29 |
| XIII | **Total Comprehensive Income for the period ( XI+XII)** | | **21,610.39** | **(748.47)** | **20,861.92** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

### (d) Equity Reconciliation as at March 31, 2016

(₹ in Lakhs)

| Particulars | Notes to first time adoption Retained Earnings | 31st March 2016 | | | | |
|---|---|---|---|---|---|---|
| | | Share Capital | General Reseve | Securities Premium Reserve | | Total |
| Total Equity (shareholder's fund) as per previous GAAP | | 5,130.78 | 122.63 | 59,018.72 | 66,702.28 | 1,30,974.41 |
| **Adjustment:** | | | | | | |
| De- Recognition of proposed dividend, including tax | | - | - | - | 1,610.58 | 1,610.58 |
| Provision for Major Maintenance | | - | - | - | (1,441.82) | (1,441.82) |
| Borrowings- Transaction cost adjustments | | - | - | - | 219.85 | 219.85 |
| Recognition of Trade Payables | | - | - | - | (1,18,946.12) | (1,18,946.12) |
| Recognition of Trade Receivables | | - | - | - | 1,08,899.71 | 1,08,899.71 |
| Fair Valuation and Derecognition of Intangibles Assets | | - | - | - | 15,917.95 | 15,917.95 |
| Fair valuation of Retntion/Security Deposits | | - | - | - | 4.62 | 4.62 |
| Share in profit and loss of associates | | - | - | - | 50.42 | 50.42 |
| Prelimenary Expenses written off | | - | - | - | (60.04) | (60.04) |
| Fair valuation of Investments | | - | - | - | 9.77 | 9.77 |
| Deferred tax | | - | - | - | (1,452.75) | (1,452.75) |
| **Total Adjustment** | | **-** | **-** | **-** | **4,812.17** | **4,812.17** |
| **Total Equity as per Ind AS** | | **5,130.78** | **122.63** | **59,018.72** | **71,514.46** | **1,35,786.58** |

### (e) Equity Reconciliation as at April 01, 2015

(₹ in Lakhs)

| Particulars | Notes to first time adoption Capital Reserve | 1st April 2015 | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Share Capital | General Reseve | Securities Premium Reserve | Capital Reserve | Retained Earnings | |
| Total Equity (shareholder's fund) as per previous GAAP | | 3,980.78 | 128.96 | 18,448.90 | 17,847.00 | 46,702.48 | 87,108.12 |
| Adjustment: | | | | | | | |
| De- Recognition of proposed dividend, including tax | | - | - | - | - | 926.29 | 926.29 |
| Provision for Major Maintenance | | - | - | - | - | (692.00) | (692.00) |
| Borrowings- Transaction cost adjustments | | - | - | - | - | 239.74 | 239.74 |
| Recognition of Trade Payables | | - | - | - | - | (1,24,914.44) | (1,24,914.44) |
| Recognition of Trade Receivables | | - | - | - | - | 83,075.89 | 83,075.89 |
| Fair Valuation and Derecognition of Intangibles Assets | | - | - | - | (17,847.00) | 47,271.84 | 29,424.84 |
| Prelimenary Expenses written off | | - | - | - | - | (60.04) | (60.04) |
| Fair valuation of Investments | | - | - | - | - | 610.68 | 610.68 |
| Deferred tax | | - | - | - | - | (1,581.61) | (1,581.61) |
| **Total Adjustment** | | **-** | **-** | **-** | **(17,847.00)** | **4,876.36** | **(12,970.64)** |
| **Total Equity as per Ind AS** | | **3,980.78** | **128.96** | **18,448.90** | **-** | **51,578.83** | **74,137.48** |

### Cash flow Statement

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS.

### Notes annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2017

Notes to the first time of adoption to Ind AS

**1) Fair Value of Investments**

Under Indian GAAP current investments are measured at the lower of cost or market price and non-current investments are measured at cost less any permanent diminution in value of investment.

Under IND AS investments are designated as Fair Value through Other Comprehensive Income (FVOCI), Fair Value through Profit and Loss (FVTPL) and carried at amortized cost. For investment designated as FVOCI, difference between the fair value and carrying value is recognised in OCI. For investment designated as FVTPL, difference between the fair value and carrying value is recognised in profit and loss. For investment designated at amortized cost, accrual of interest is recognised in profit and loss with which value of investment will be equal to maturity date contractual cash flows which includes solely payments of interest and principal.

**2) Defined benefit liabilities**

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.

**3) Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on temporary difference.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

**4) Dividend**

Under Indian GAAP, proposed dividends including DDT are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability for the year ended on 31 March 2015 recorded for dividend has been derecognized against retained earnings on 1 April 2015. The proposed dividend for the year ended on 31 March 2016 recognized under Indian GAAP was reduced with a corresponding impact in the retained earnings.

**5) Retentions**

Under the previous GAAP, long term retentions are recognised at their transaction value. Under Ind As, long term retentions are measured at fair value at initial recognition and subsequently at amortized cost. Difference between the transaction price and fair value has been differed and amortized over term of retention on straight line basis.

**6) Borrowings**

Under the previous GAAP, the company recognised the expense of upfront fees/processing charges as and when they are incurred. Under Ind As, loan is recorded at the net value i.e amount of the loan less upfront fees and upfront fee will be amortized over the period of loan.

**7) Intangible Asset**

Under the previous GAAP, the intangible asset was recognised in case when the company acquired the right to collect periodical cash flows (annuity) from the grantor. As per Ind As 11, such an arrangement does not give rise to intangible asset rather it recognizes the present value of annuity receivable as consideration at the fair value. Consequently, the intangible asset is derecognized.

Further as per Appendix A of Ind AS -11 , intangible asset (right to collect toll) acquired in mode of concession agreement are recorded at fair value and subsequently amortized it as per Ind AS 38.

**8) Annuity Receivable**

Under the previous GAAP, the annuity is recognised in the period in which it falls due. Under Ind As, the annuity receivable are measured at the present value of annuity receivable over the period of concession. Consequently, the annuity receivable is recognised at the date of transition and further unwanted in subsequent years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

**9) Trade Payables**

Under previous GAAP, the payment of concession fee is recognised as and when they are due. Under IND AS, as per the guidance of IND As 11, the payments are the consideration of the right to collect toll. Consequent to that, the company has recognised the present value of conscesion fee payment as trade payable and correspondingly the Intangible assets is recognised.

## Note - 55

During the year, the group has sold Investment in equity shares of PNC Power (P) Ltd. For a consideration of ₹. 15.10 Lacs and during the financial year ended March 31, 2016, the company had sold its investment in equity shares of Joara Nayagaon Toll Road Co. Pvt. Ltd for a consideration of ₹. 3419.32 lakhs

## Note - 56

In financial year ending March 31, 2016, the parent company has changed the accounting policy with respect to revenue recognition, as against accounting for revenue on the basis of stage of completion linked to certified completion, it is now based on physical completion of work as acknowledged by the client. The impact of change in accounting policy, while not ascertainable, is expected to be negligible.

## Note - 57

The Company was subject to search U/s 132 of the Income tax Act, 1961 in the month of August 2011. The assessment for returns filed in response of search proceedings has been completed by the Department wherein certain additions were made and partial allowance of claims U/s 80IA which were claimed in the return filed and subsequently allowed by the CIT (A) in favour of the Company. However the adjustments will be accounted for on expiry of limitation of period for further appeal.

## Note - 58

During the year income tax assessment of FY 2013-14 was made by assessing officer allowing the benefit of section 80 IA (4) (i) and tax liability arise as per MAT provision, accordingly, company has reversed ₹. 1128.83 Lacs. Further, the MAT liability of ₹. 2184.83 lacs for the said year is eligible for MAT credit, and has been recognized accordingly. The adjustment for FY 2014-15 will be made upon completion of assessments.

## Note - 59

During the Current year claim of UEDI has been settled out of Court for ₹. 1500.00 Lacs against encashment of performance guarantee of ₹ 1841.11 Lacs which had been forfeited in year 2012-13 for likely additional liability to be incurred on the balance work.

## Note - 60

The details of utilization of IPO proceeds is as under:

(₹ in Lakhs)

| Sr. No. | Particulars | Objects of the Issue as per Prospectus | Total utilization up to March 31, 2016 | Total utilization up to March 31, 2017 | Amount pending for utilization |
|---|---|---|---|---|---|
| 1 | Funding working capital requirement | 15,000.00 | 15,000.00 | 15,000.00 | - |
| 2 | Investment in our subsidiary, PNC Raebareli Highways Private Limited for part-financing the Raebareli-Jaunpur Project | 6,500.00 | 6,500.00 | 6,500.00 | - |
| 3 | Investment in capital equipment | 8,170.00 | 6,947.00 | 8,170.00 | - |
| 4 | Repayment / prepayment of certain indebtedness | 3,514.00 | 3,514.00 | 3,514.00 | - |
| 5 | General corporate purposes | 8,535.00 | 8,110.00 | 8,535.00 | - |
| 6 | Issue related expenses (only those apportioned to our company) | 1,751.00 | 1,751.00 | 1,751.00 | - |
| | **Total** | **43,470.00** | **41,822.00** | **43,470.00** | **-** |

## Note - 61

Details of Specified Bank Notes ("SBNs") held and transacted during the period from 08th November 2016 to 30th December 2016 as defined in MCA notification G.S.R. 308 (E) dated March 31, 2017 provided in the table below:

(₹ in Lakhs)

| Particulars | SBNs | Other Denomination Notes | Total |
|---|---|---|---|
| Closing cash in hand as on 08.11.2016 | 309.96 | 109.51 | 419.47 |
| (+) Permitted receipts | 900.24 | 1,342.83 | 2,243.07 |
| (-) Permitted payments | - | 252.88 | 252.88 |
| (-) Amount deposited in Banks | 1,210.20 | 1,092.52 | 2,302.72 |
| **Closing cash in hand as on 30.12.2016** | **-** | **106.94** | **106.94** |

## Note - 62

**Standards issued but not yet effective** The standard issued, but not yet effective up to the date of issuance of the Company financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective. **Ind AS 115 Revenue from Contracts with Customers** Ind AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after 1st April 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis. **Amendment to Ind AS 7**: In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7. The amendments is applicable to the company from April 1, 2017The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flow items, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

## Note - 63

Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification

The accompanying notes form an integral part of the financial statements
**As per our report of even date attached.**

For **S.S.Kothari Metha & Co.**
*Chartered Accountants*
Firm Registration No. 000756N

**Neeraj Bansal**
*Partner*
Membership No. 95960

**Purushottam Agrawal & Co.**
*Chartered Accountants*
Firm Registration No. 000731C

**Sanjay Agarwal**
*Partner*
Membership No. 72696

On behalf of the
*Board of Directors*

**Chakresh Kumar Jain**
*Managing Director*
*DIN : 00086768*

**Yogesh Kumar Jain**
*Managing Director*
*DIN : 00086811*

Place: Agra
Date: May 24, 2017

**Tapan Jain**
*Company Secretary*

**D K Agarwal**
*Chief Financial Officer*

# FORM AOC-1

## Statement containing salient features of the financial statements of Subsidiaries u/s 129(3)

**Part "A" : Subsidiaries**

| Names of Companies | Hospet Bellary Highways Pvt. Ltd. | PNC Bareilly Nainital Highways Pvt. Ltd. | Ferrovia Transrail Solutions Pvt. Ltd. | PNC Raebareili Highways Pvt. Ltd. | PNC Infra Holdings Ltd. | MP Highways Private Ltd. | PNC Kanpur Highways Ltd. | PNC Delhi Industrialinfra Pvt. Ltd. | PNC kanpur Ayodhya Tollways Pvt. Ltd. | PNC Rajasthan Highways Pvt. Ltd. |
|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| date since when subsidiary was acquired | 08.06.2012 | 28.09.2013 | 31.07.2012 | 25.09.2013 | 12.01.2011 | 17.03.2011 | 17.03.2011 | 11.07.2011 | 22.02.2013 | 22.08.2016 |
| Reporting Year | March 31, 2017 | March 31, 2017 | March 31, 2017 | March 31, 2017 | March 31, 2017 | March 31, 2017 | March 31, 2017 | March 31, 2017 | March 31, 2017 | March 31, 2017 |
| Reporting Currency | INR | INR | INR | INR | INR | INR | INR | INR | INR | INR |
| Exchange Rate on last day of Reporting year (In INR) | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| Share Capital | 1 | 7,460.00 | 1 | 13,960.00 | 8657.78 | 7,830.00 | 6,750.00 | 3,500.00 | 5.00 | 300.00 |
| Reserves & Surplus | -1,294.69 | -1,309.93 | 0.62 | 6,126.33 | 34,529.35 | -3227.09 | 1363.63 | 3610.32 | -14163.19 | -0.05 |
| Total Assets | 0.83 | 56,569.76 | 3551.77 | 97,823.95 | 43188.22 | 27,964.04 | 34,042.59 | 28,032.73 | 97754.39 | 3457.54 |
| Total Liabilities | 0.83 | 56,569.76 | 3551.77 | 97,823.95 | 43188.22 | 27,964.04 | 34,042.59 | 28,032.73 | 97754.39 | 3457.54 |
| Investments | 0 | 0 | 0 | 54.54 | 43163.25 | 1793.84 | 1318.33 | 0 | 83.78 | 0 |
| Turnover | 0 | 4147.38 | 1319.08 | 10,975.21 | 0 | 6,385.46 | 7306.06 | 3,083.90 | 25,849.36 | 3,408.99 |
| Profit/(Loss) before Tax | 0.32 | -2737.99 | 5.23 | 69.75 | -24.74 | -1069.77 | -489.80 | 507.2 | -4330.63 | -0.05 |
| Provision for Taxation | 0 | -234.06 | 5.00 | 362.47 | 2.15 | -252.93 | -216.23 | 227.1 | -1176.06 | 0 |
| Profit/(Loss) after Tax | 0.32 | -2503.92 | 0.23 | -292.72 | -26.89 | -816.84 | -273.57 | 280.18 | -3154.56 | -0.05 |
| Proposed Dividend | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| % of Shareholding (Effective) | 65% | 100% | 51% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Notes

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# CORPORATE INFORMATION

**Corporate Identification No :** L45201DL1999PLC195937

## BOARD OF DIRECTORS

**Chairman and Managing Director**
Pradeep Kumar Jain

**Managing Director(s)**
Chakresh Kumar Jain
Yogesh Kumar Jain

**Whole Time Director(s)**
Naveen Kumar Jain
Anil Kumar Rao

**Independent Director(s)**
C R Sharma
Subhash Chander Kalia
Ashok Kumar Gupta
Rakesh Kumar Gupta
Deepika Mittal

**Company Secretary**
Tapan Jain

## BANKERS

Bank of Baroda
Canara Bank
Central Bank of India
Punjab National Bank
Union Bank of India
ICICI Bank
Axis Bank Limited
Oriental Bank of Commerce

## AUDITORS

**M/s. Purushottam Agrawal & Co.**
Chartered Accountants
401, 4th Floor, 118/8 Maruti Plaza
Sanjay Place, Agra-282002 (UP), India

**M/s. S.S. Kothari Mehta & Co.**
Chartered Accountants
146-149 Tribhuvan Complex
Ishwar Nagar, Mathura Road,
New Delhi- 110065 (India)

## REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd
44, Community Centre,
2nd Floor, Near PVR Naraina, Phase-I
Naraina Industrial Area,
New Delhi - 110028.

## CORPORATE/HEAD OFFICE

PNC House,
3/22-D, Civil Lines, NH-2,
Agra-Delhi Bypass Road,
Agra-282005 (U.P.)

## REGISTERED OFFICE

NBCC Plaza, Tower-II, 4th Floor,
Pushp Vihar, Sector-V (Saket),
New Delhi-110017, India
Website: www.pncinfratech.com

PNC Infratech Limited
www.pncinfratech.com

CIN NO.: L45201DL1999PLC195937