OPPORTUNITIES GALORE HARNESSING COMPETENCIES

PNC INFRATECH LIMITED

ANNUAL REPORT 2017-18

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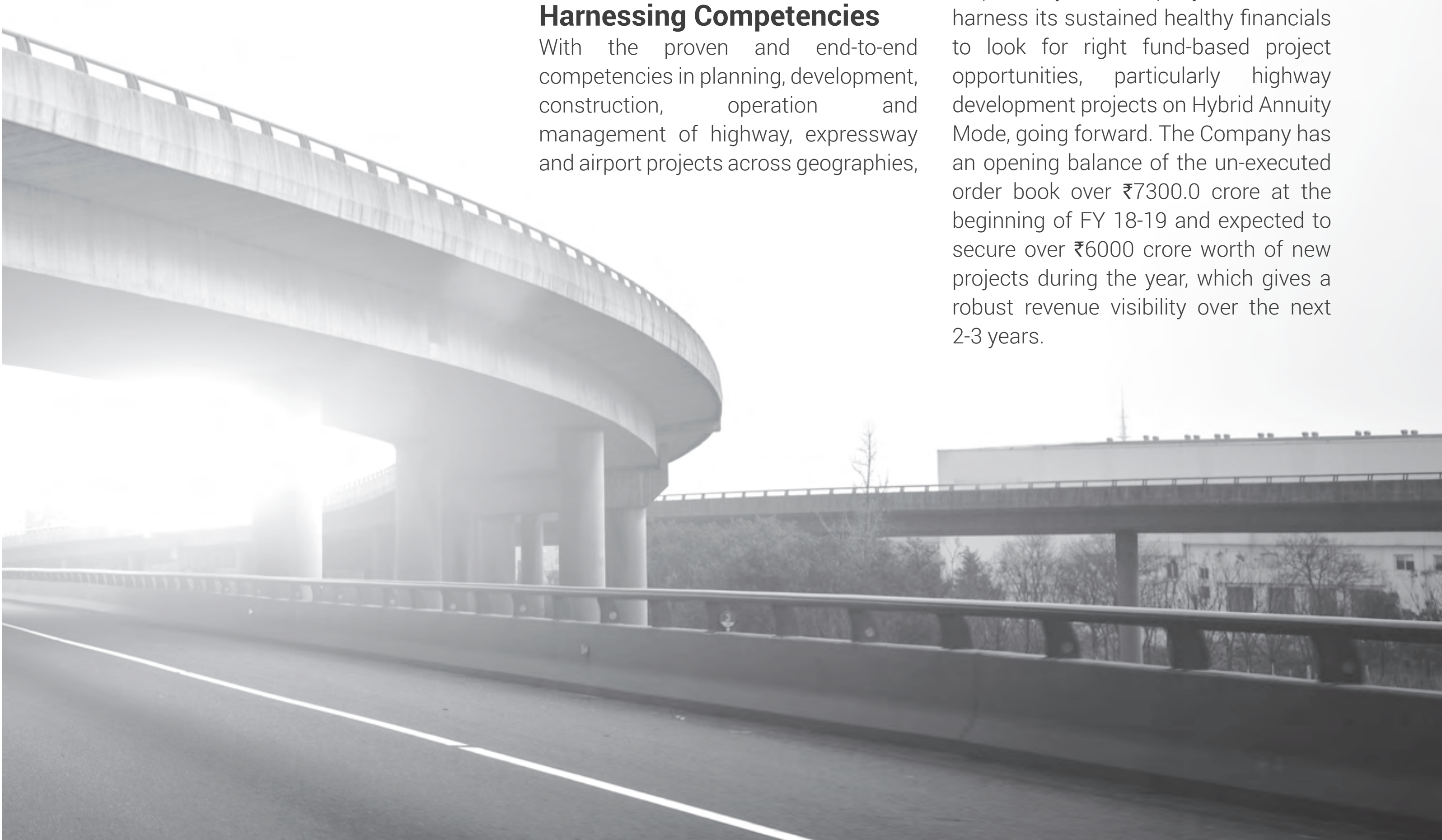
OPPORTUNITIES GALORE HARNESSING COMPETENCIES

Opportunities Galore

FY18 was a remarkable year for the infrastructure industry, particularly for the roads and highway sector. The year witnessed formal approval of an expansive infrastructure development initiative of the Government of India(GoI) -namely Bharatmala Pariyojana for comprehensive development of National Highways, Economic Corridors & Expressways etc across the nation, with over ₹7.0 lakh crore worth of investments to be made over a 5-year period, under Phase I of this flagship programme. Similar large-scale developmental plans were also announced in Railways, Ports and Aviation sectors as well, during the year. The sheer volume of this sea of opportunities will not only create a sustained ripple effect to the overall economy and its accelerated growth, but also provide a galore of opportunities to all the stakeholders engaged in the infrastructure industry, more particularly for infrastructure development and construction players in India. Apart from the above development initiatives of GoI, the State Governments across the country also embarked upon wide-ranging infrastructure development initiatives that include development of state highways and greenfield expressways, minor ports, greenfield airports, metro rail corridors, smart cities, urban and tourism infrastructure in a big way. These projects again, would further augment the opportunities to infrastructure companies in the coming years.

Harnessing Competencies

With the proven and end-to-end competencies in planning, development, construction, operation and management of highway, expressway and airport projects across geographies, coupled with healthy financials, large fleet of state-of-the-art plant & machinery and competent manpower, the Company is fully geared-up to seize the huge opportunities on the horizon. The Company will harness its competencies with its 'Seven R' development philosophy of seizing the Right project opportunity, with the Right client, at the Right price and implement through Right planning with Right resources at Right cost in the Right time. The financial performance of company in FY 2017-18 is significantly better than FY 2016-17 - both on standalone and consolidated basis, with marked increase in Standalone Revenue, EBIDTA & PAT by 10%, 44% & 20% and Consolidated Revenue, EBIDTA & PAT by 7%, 23% & 105% in FY 18 over FY 17, respectively. The company also wants to harness its sustained healthy financials to look for right fund-based project opportunities, particularly highway development projects on Hybrid Annuity Mode, going forward. The Company has an opening balance of the un-executed order book over ₹7300.0 crore at the beginning of FY 18-19 and expected to secure over ₹6000 crore worth of new projects during the year, which gives a robust revenue visibility over the next 2-3 years.



KEY MILESTONES

2017

Awarded four highway projects on Hybrid Annuity Model (HAM) with an aggregate Bid Project Cost of ₹50350 million and one of them - Dausa-Lalsot-Kauthun Section HAM project achieved financial closure well before time.

Traffic opened on Agra-Lucknow Expressway in February 2017, eleven months ahead of schedule and achieved provisional completion in October 2017

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.

2016

Completed 166 km long Raebareli-Jaunpur highway project on BOT-Annuity project more than 3 months ahead of schedule in February 2016

Completed Four-laning of km 51 to 61 including Chambal Bridge) on Dholpur - Morena Section of NH-3 in the states of Rajasthan and MP completed in June 2016

Completed Four laning of Agra Bypass Project connecting km 176.800 of NH-2 and km 13.03 of NH-3 in the state of UP in December 2016

Awarded two major NH projects on EPC mode (i) Four laning of Nagina-Kashipur Section of NH 74 (ii) Four laning of Varanasi-Gorakhpur section of NH-29 (Package II) for an aggregate contract price of ₹20242 million

2015

Listed on the NSE and BSE following successful IPO

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

Commenced construction of Agra-Lucknow Expressway Package

2014

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

Awarded EPC contract of Agra-Lucknow Expressway Package-I for ₹16357.5 million

Entered into a Collaborative MoU with POSCO Engineering and Construction India Private Limited

1999

Our Company was incorporated as ‘PNC Construction Company Private Limited’

2001

Received ‘Super Special’ class certification from Military Engineer Services

Executed first independent project with the NHAI, being the four-laning of the Agra-Gwalior section of National Highway 3 in Uttar Pradesh

2003

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

2004

Received certification of ISO 9001:2000

2005

Executed first international airport runway project for the AAI at Kolkata

2006

Crossed ₹1,500 million in Revenues

2007

Awarded BOT road project by Madhya Pradesh Road Development Corporation Limited

2018

Awarded three more highway projects on Hybrid Annuity Model with an aggregate Bid Project Cost of ₹45130 million till July 2018

Received ₹582.3 million early completion bonus for Agra-Lucknow Expressway package in February 2018 from Uttar Pradesh Expressways Industrial Development Authority

Awarded two contiguous packages of Purvanchal Expressway Project on EPC mode for a total cost of ₹25200 million

Received ₹337.3 million towards the 'Bonus Annuity' PNC Raebareli Highways Private Limited for early completion of Raebareli to Jaunpur Section of NH-231 Project in May 2018 from National Highways Authority of India

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 NH 28 in Uttar Pradesh on OMT basis by the NHAI for nine years from August 2013.

2012

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

Constructed road-over bridge on Ajmer Beawar Road, Old National Highway, including approaches at railway/ kilometer 306/8-9 on Ajmer Saradhana Section; Constructed Hamipur Kalpi road (State Highway 91) four-lane under Rajya Yojna Samanya, Uttar Pradesh

2009

Crossed ₹5000 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

2011

Received an investment of ₹1,500 million from NYLIM Jacob Ballas, who subscribed to 5,686,833 Equity Shares

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

2008

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

2010

Received certification of ISO 9001:2008

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 Kanpur Kabrai section of National Highway 86 in Uttar Pradesh

Awarded project of construction of 132 KV S/C and 220 KV D/C Lines in Uttar Pradesh


PNC INFRATECH LTD

THE WORLD OF PNC INFRATECH

PNC Infratech Ltd (PNC) is an Infrastructure construction, development and management company; with expertise in implementation of projects including highways, bridges, flyovers, airport runways, industrial areas and power transmission lines.

Our Company provides end-to-end infrastructure implementation solutions, which include engineering, procurement and construction ("EPC") services on a fixed-sum turnkey basis as well as on an item rate basis. Quite a few of the projects we execute and implement are on Design-Build- Finance-Operate-Transfer ("DBFOT"), Operate-Maintain-Transfer ("OMT"), Hybrid Annuity Models ("HAM"). We are amongst the niche infrastructure companies in the country that is equipped with investment, development, construction, operation and management capabilities.

Vision 2020

To become one of the top infrastructure development, construction and management solution providers in the country by the year 2020

Mission

We at PNC Infratech Limited strive to become a spearheading force in the efficient 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 and sustainable technologies.

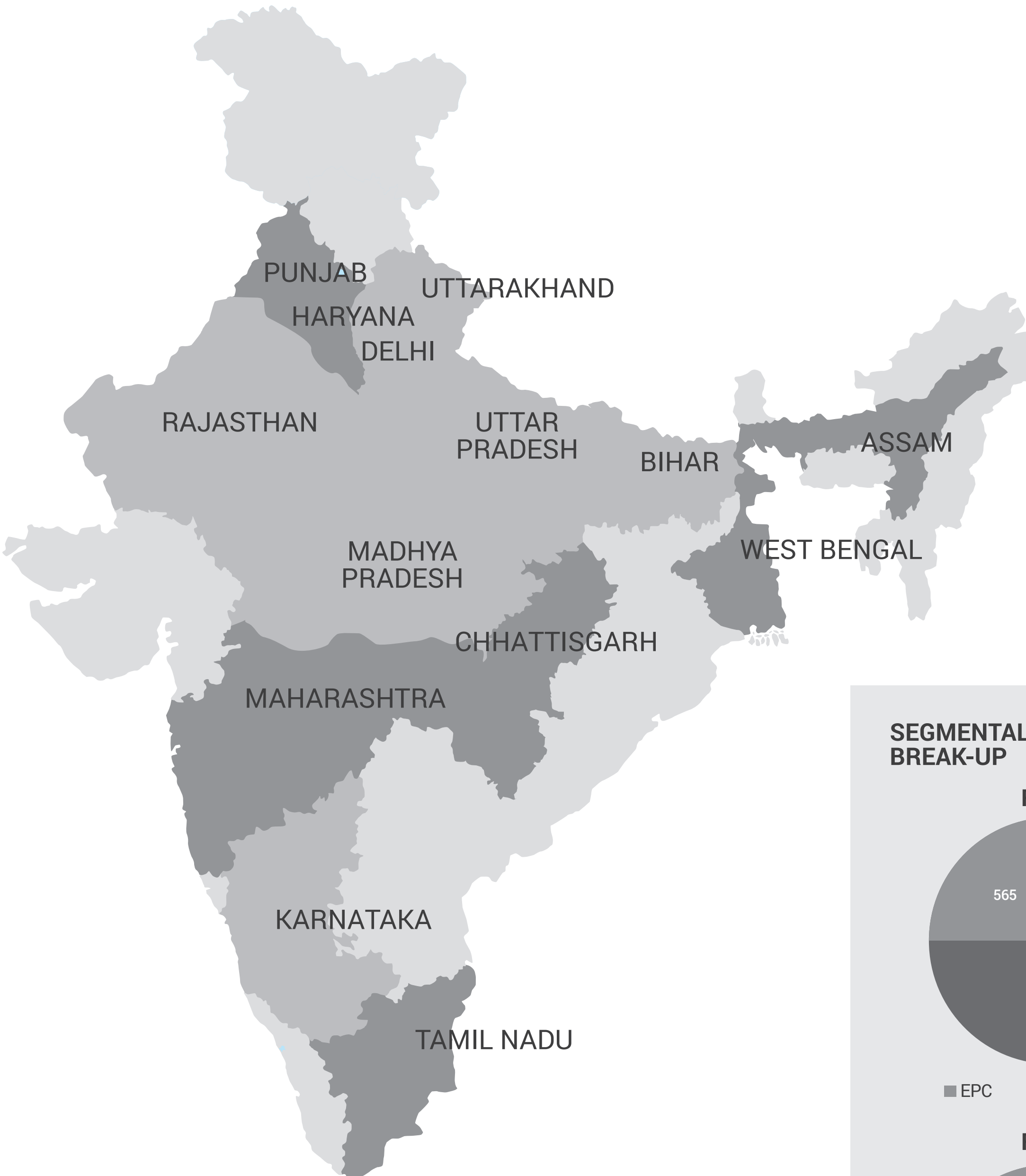
Customer Portfolio

- 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 Pradesh State Highways Authority
- Uttar Pradesh Expressways Industrial Development Authority

Growth Strategy

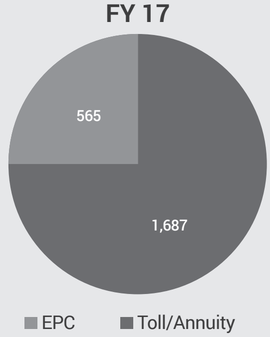
- Continue to concentrate on highway and airport pavement sectors
- Continue our focus on EPC contracts as well as increase penetration in HAM projects
- Maintain northern region as the core business area
- Maintain performance and competitiveness of the existing business
- Develop and maintain strong relationships with our clients and strategic partners
- Strengthen systems and internal processes

PROJECT FOOTPRINTS

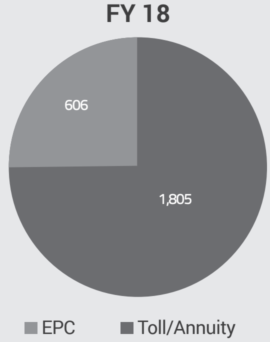


SEGMENTAL REVENUE BREAK-UP

FY 17

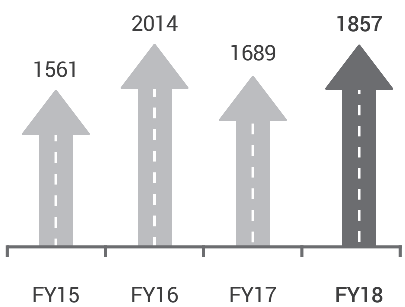


FY 18

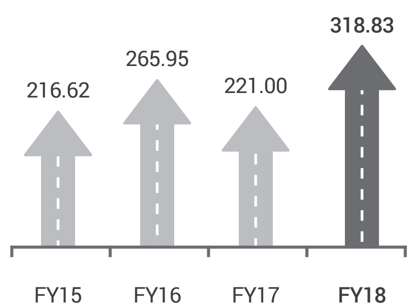


FINANCIAL HIGHLIGHTS*

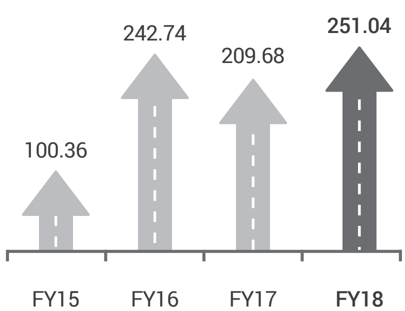
Revenue
(IN ₹ CRORES)



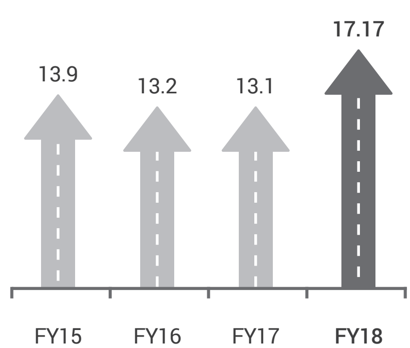
EBITDA
(IN ₹ CRORES)



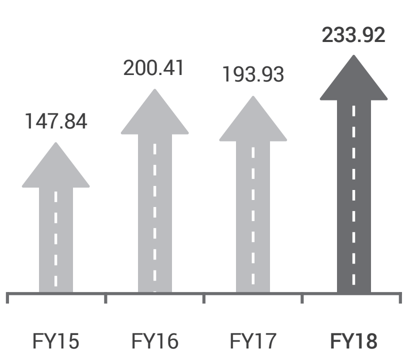
PAT
(IN ₹ CRORES)



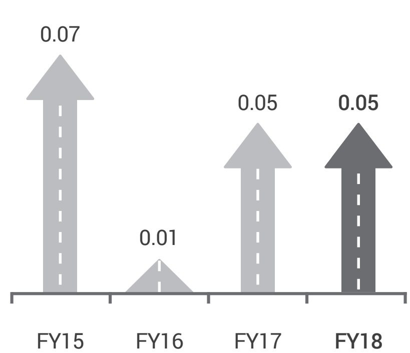
EBITDA MARGIN
(IN %)



PBT
(IN ₹CRORES)



DEBT-EQUITY RATIO
(IN ₹CRORES)



* Standalone

"THE AMBITIOUS ROAD BUILDING PROGRAM OF THE GOVERNMENT, "BHARATMALA PARIYOJNA", WILL INVOLVE THE CONSTRUCTION OF ABOUT 83,000 KMS HIGHWAYS. THIS INDICATES THAT WE ARE HEADING TOWARDS A GREAT OPPORTUNE TIMES."

FROM THE CHAIRMAN'S DESK

Dear Shareholders,

I am delighted to connect with you once again and present your Company's performance during the FY2017-18. The year has been remarkable for infrastructure development in the country, particularly for roads and highway sector. The Government is focused on accelerating infrastructure development; which is evident from the increased allocation of funds for the Infra Sector in the recent Budget. During the year, the Government has approved the ambitious highway development program 'Bharathmala Pariyojna' for comprehensive development of National Highways, Economic Corridors & Expressways etc across the nation, with over ₹7.0 lakh crore worth of investments to be made over a 5-year period, under Phase I of this flagship programme and allocated about ₹30,000 crores for the program in 2018-19. In FY 18, a total of around 2,700 kms of highway projects costing ₹43,000 crores have already been awarded by NHAI. Apart from the awarding of the projects, the NHAI is also focusing on the construction of projects.

Turning to your Company, I am proud to state that your company has maintained its distinguished position as being one of the very few infrastructure companies in the country that have proven investment, development, construction and management capabilities in the fields of construction such as roads, highways, bridges & flyovers and airport pavements.

Business Snapshot

Till the end of FY 18, your Company has executed 60 major infrastructure projects, which were spread across 14 states and 39 of them were road EPC projects and 19 of them were airport runway projects. Your company has a strong track record of timely even early completion of projects. Your Company operates 1 OMT and 6 BOT projects, comprising both toll and annuity assets. The Company has strong order book of ₹7,318 crores as on March 31, 2018, which shows a sustained revenue visibility over the next 2 - 3 years.

Financial Snapshot

In FY18, your Company's standalone revenue was ₹1,857 crore as compared to ₹1,689 crore in FY17, registering a growth of 10% year-on-year. Your Company was able to achieve a strong EBITDA and PAT at ₹319 crore and ₹251 crore, respectively on a standalone basis. The year on year growth in EBITDA and PAT stood at 44% and 20%, respectively.

The Consolidated Revenue for FY18 was ₹2,411 crore as compared to ₹2,252 crore in FY17. This resulted in a growth of 7%. The Consolidated EBITDA for FY18 was ₹769 crore as compared to ₹624 crore in FY17, registering a growth of 23%, while consolidated PAT for FY18 was ₹243 crore as compared to ₹118 crore in FY17. This resulted in strong growth of 105%.

Your Company has been accredited with a stable outlook and a strong credit rating of CARE AA- (Double A Minus) for long term Bank facilities, CARE A1+ (A1 Plus) for short term Bank facilities and CARE A1+ (A1 Plus) for commercial paper.

Future Outlook

The ambitious road building program of the Government, "Bharatmala Pariyojna", will involve the construction of about 83,000 Kms highways. This indicates that we are heading towards a great opportune times. Your Company emphasizes on competitiveness, timely execution and building strong relationships. The Company is strengthening its in-house execution team by hiring more engineers, planners, finance & procurement specialists with proven track record. During the year, your company has added nearly 1500 new employees in different departments. At on 31.03.2018, your Company's Employee strength stood at 5,775.

On behalf of the entire Board, I would like to take this opportunity to acknowledge sincere efforts of our employees who have been dedicated and committed to their work. I am confident that the 'Team PNC' will continue to put their best of efforts and pursue the path of excellence to take company to next level of growth and scale new heights in years to come. I am grateful to shareholders, bankers, customers, business partners, vendors and government authorities for their continued support, trust and confidence in your company.

I would like to conclude by acknowledging the Board Members for their valuable guidance and insights in accomplishing the goals in a sustainable manner.

Yours Truly,
Pradeep Kumar Jain
Chairman

BOARD OF DIRECTORS

Mr. Pradeep Kumar Jain
Chairman & Managing Director

Mr. Pradeep Kumar Jain holds a Bachelor's degree in Arts and has over 40 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. Chakresh Kumar Jain
Managing Director and CFO

Mr. Chakresh Kumar Jain holds a Bachelor's degree in Arts and Law. His experience spans over 30 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. His current responsibilities include overall administration of procurement, finance & accounts and relationship management activities of the company.

Mr. Yogesh Kumar Jain
Managing Director

Mr. Yogesh Kumar Jain holds a bachelor's degree in Civil Engineering and has over 25 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 of projects.

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 31 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. 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.

Mr. Gauri Shanker
Independent Director

Mr. Gauri Shankar holds bachelor degree in Science and Commerce, He has over 40 years' of experience in Banking and Finance served as Managing Director and Chief Executive officer of Punjab National Bank in 2015. He was also the Executive Director of the same Bank. Prior to this, he worked in Bank Of India in various positions, which include General Manager of various Departments viz, Finance (CFO), National Banking Group North (Operations), Asset Recovery, Learning and Development(HR) and Strategy and Planning. Mr. Shankar has vast experience in domestic and international operations. Worked in Bank Of India's Singapore and Jakarta Operations. His forte is Finance, Strategy and HR Development. He also worked as DGM and Zonal Manager of Lucknow Zone. While in PNB, he was Chairman of PNB's wholly owned subsidiary Punjab National Bank (International) Limited, London and director on other subsidiaries and JVs (for different periods) namely PNB Housing Finance Limited, PNB Gilts Ltd. and Punjab National Bank Kazakhstan. He is serving as the Director on Company's Board since May 23, 2018.

Mr. Rakesh Kumar Gupta
Independent Director

Mr. Rakesh Kumar Gupta holds a bachelor's degree in Engineering. He has over 34 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 is serving as the Director on Company's Board since August 20, 2014.

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 16 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. 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.

STRATEGIC HIGHLIGHTS

- Executed a total of 60 major Infrastructure projects across 14 States and currently executing 17 projects on EPC basis
- Strong foothold in the Northern region
- A balanced mix of portfolio has 4 toll fund based projects, 2 Annuity projects, 4 Hybrid Annuity Model projects and 1 project on OMT basis
- Three HAM project are under construction
- Awarded a total of 4 HAM totaling over ₹5,000 crore bid project cost
- Shifting to Hybrid Annuity Model (HAM) from BOT-toll and BOT-annuity models
- Comprehensively re-developed Narela Industrial Area in Delhi on an unique combination of user charges and annuity model
- Enhanced Fund Based Limits from ₹650 crores to ₹750 crores, which will enable us to execute projects without financial constraints
- Enhanced Non-Fund Based Limits from ₹2,650 crores to ₹3,350 crores will enable to Bid for higher no. of projects, which are larger in size
- Reduced Average Cost of Borrow during Calendar Year 2017
    - Cost of borrow of operational projects reduced from 10.05% to 8.84%,
    - Cost of Borrow on Working Capital Loans has reduced from 10.49% to 8.80%
- Long-term bank facilities stand at CARE AA-(Double A Minus)
- Short- term bank facilities stand at CARE A1+ (A One plus)
- Commercial Paper rating stands at CARE A1+ (A One plus)
- Order Book above ₹7000 crores. The robust order book is expected to give a sustained revenue visibility for the next 2-3 years
- Established strong execution infrastructure in Northern region, which helps to execute faster and with optimum efficiency.
- As a risk diversification strategy, client base is well diversified.
- In February 2018, received ₹58.23 crore bonus for the early completion of Agra-Lucknow Green Field Expressway Project and is the highest amount of early completion bonus ever received by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

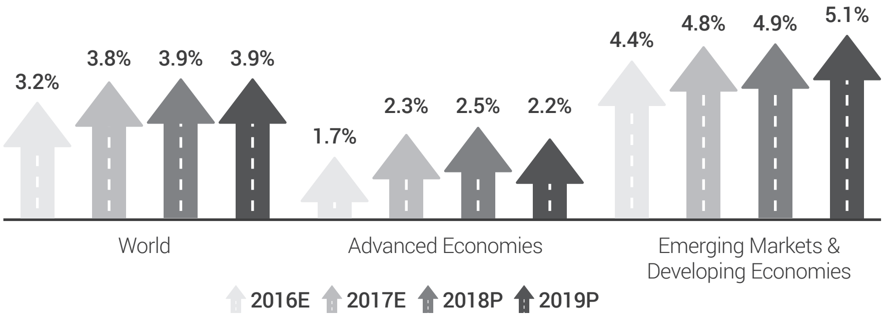
Global Economic Overview

With Global trade picking up on the back of investment growth in advanced economies and continued growth in emerging Asian and European economy, the World growth strengthened to 3.8%. With strong US fiscal policy support along with sustained favourable market conditions, the World Economy is expected to grow by 3.9% in 2018 and 2019. The economic growth in 2017 has been the strongest since 2011. The growth in advanced economies was majorly driven by strong pick up in Investments, which since financial crisis have been weak. However, the growth in the emerging economies has been stable, on the back of pick up in private consumption and uptick in fixed investments in commodity-exporting countries. The outlook for the Asia remain strong with growth forecasted at 5.6% in 2018 and 2019 and will continue to remain as the growth engine for the world economy, contributing more than 60% of global growth, despite the continuous raise in global crude prices for the past one year.

Indian Economic Overview

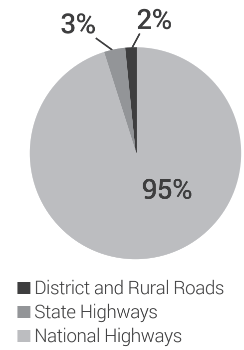
India contributes approximately 13% to Global Growth in 2017. As per recent economic outlook by IMF, India

Exhibit 1: World GDP Growth



Source : IMF's World Economic Outlook April, 2018

Road Network



is expected to grow at 7.4% in 2018-19 despite of hiccups in the growth due to demonetization and initial glitches in GST implementation. With growth at 7.4% India will be one of the fastest growing economies in the region. Currently the Indian economy is world's 6th largest at USD 2.6 trillion and World Economic Forum expects that by 2050 India will be world's second largest economy only behind China. Growth prospects remain positive on back of landmark reforms like GST, Insolvency and Bankruptcy Code, Jan Dhan Yojana and Aadhaar Linking. Looking ahead, the Government needs to take various measures to prop-up private investments which can be achieved through push towards infrastructure development along with recapitalisation of public sector banks.

Infrastructure Sector

Focus on creating Infrastructure has been Government's top priority since its election in 2014. In the recent Union Budget 2018-19, a total investment of ₹5.79 lakh crore have been allocated towards the sector. As per the recent Economic Survey, the Country needs investment of USD 4.5 trillion by 2040 to improve economic growth and community well-being. The investment in infrastructure projects is driven by both Public and Private sectors and sectors like Roads, Power, Ports and Airports attract major portion of infrastructure investments. In January 2018, National Infrastructure Investment Fund partnered with UAE based DP World to create a platform through which an investment of USD 3 billion will be channelized into ports, terminals, transportation and logistics business in India. As a policy support, the Government has opened up various sectors of infrastructure to Foreign Investors with approval of 100% FDI under the automatic route. As per the Economic Survey, there was a greater demand for roads than any other mode of transportation.

Roads, Highways, Flyovers & Bridges Sector

With 5.6 million kms, India has the second largest Road network with District and Rural Roads having the highest share at 95% followed by State Highways at 3% and National Highways at 2%. The network acts as a backbone with 60% share in freight movement and 85% share in passenger movement. The Government is planning to increase the length of National Highways to 2.0 lakh Kms from current 1.2 lakh Kms.

During the last year, the Cabinet has approved an investment of ₹7 lakh crores for development of 83,677 Kms over a five year period (i.e. from 2017-18 to 2021-22) under the umbrella highway sector programme Bharatmala Pariyojana (BMP) Phase I, the cabinet has approved the investment of ₹5.35 lakh crores for development National Highways totalling to 34,800 kms over a period of 5 years ending in 2021-22. During the same time, the Cabinet has also approved development of another 48,877 Kms of projects totalling to ₹1.57 lakh crores under other on-going schemes like NH (O), Special Accelerated Road Development Programme in North East (SARDP-NE), Externally Aided Projects (EAP) and Roads Projects in Left Wing Extremism Affected Areas (LWE) to be completed by 2021-22.

In the Union Budget 2018-19, the Government has proposed a total capital outlay of ₹1.22 lakh crores of which a total of ₹91,663 crores is for NHAI and balance ₹29,762 crores towards various Roads & Bridges projects. Of the total capital outlay for NHAI, ₹60,000 crores will be through Gross Budgetary Support and balance ₹62,000 crores through Internal and Extra Budgetary Resources. The Government has sanctioned a total outlay of over ₹49,100 crores towards centrally sponsored schemes which include Bharatmala, Externally Aided Projects, outlay towards NE region, SARDP etc. and another ₹30,500 crores for projects which are not covered under any scheme, Setu Bharatam (reconstruction /rehabilitation / repair of Bridges / RoBs), Char Dham Project,

Central Road Fund, Maintenance & Repairs etc.

On the awarding front, the NHAI has been focusing more on HAM (Hybrid-Annuity Model) and EPC (Engineering, Procurement and Construction) modes rather than BOT (Build, Operate, Transfer) projects as currently the private sector players are not willing to take on traffic risk in the current macro-economic situation. During the year, a total of 17,055 kms were awarded in total against 15,948 kms in FY17. However, the awarding activity at NHAI level has increased by 71% with an award of 7,400 Kms totalling to 1.2 lakh crores as compared to 4,335 kms in FY17 and against an average of 2,860 kms per annum over the last 5 years. Of the total projects awarded, 51% of projects were awarded on EPC basis, 46% on HAM basis and 3% were BOT-Toll projects. Along with project awarding, the Government has also focused on faster project execution during the year resulting in 20% growth for FY18. During the year, a total length of 9,829 kms highways was constructed against 8,231 kms in FY17.

In the Union Budget 2018-19, the Government has also allocated ₹19,000 crores towards Pradhan Mantri Gram Sadak Yojana (PMGSY) which covers the Construction of 57,000 kms. During the year, the road construction under PMGSY has been 48,751 Kms translating to 134 kms per day which has surpassed last year's record of 47,447 kms / 130 kms per day.

For FY19, the Government has increased the target for project awarding by 25% to 20,000 Kms as compared to projects awarded in FY18 and for road construction the target has been set 16,420 kms which translate to 45 kms per day.

With awarding and construction activity picking up, the Government is focusing more on awarding of projects under the innovative Hybrid Annuity Model (HAM). During the year, the projects awarded under HAM have increased by 40% to approximately 3,400 kms as compared to approximately 2,400 Kms in FY17. More than ₹43,500 crores worth of HAM projects have achieved financial closure which translates to approximately 88% of total HAM projects awarded till December 2017.

Funding for Project Execution

Government has approved a total expenditure of ₹6,92,324 crores for highways sector projects over the next five years from 2017-18 to 2021-22. Of this, approximately 77% (i.e. ₹5,35,000 crores) is for implementation of Bharatmala Pariyojana (BMP) Phase I and balance 23% (i.e. 1,57,324 crores) is for other on-going schemes. To fund this ambitious expenditure plan and augment its budgetary resources, the Government is working on various innovative financing plans. NHAI is using IEBR route and has raised ₹8,500 crores from Life Insurance Corporation of India and ₹10,000 crores from Employee Provident Fund Organization through issue of taxable bonds along with an issue of Masala bond worth ₹3,000 crores through London Stock Exchange. In addition to this, the Government in 2016-17 authorised NHAI to monetize 75 government-funded operational projects through Toll-Operate-Transfer (TOT) mode totalling to 4,500 kms. During the year 2017-18, the Government through NHAI has successfully tendered out the first batch of 9 projects totalling to 680 Kms and will receive approximately ₹9,600 crores from the selected bidder/ concessionaire . Apart from first batch, the NHAI is conducting condition survey and traffic studies on 1,640 kms of projects.

Railway

The Indian Railways is amongst the world's largest rail network with a total length of over 1.15 lakh kms and running a more than 12,500 passenger trains and more than 7,400 freight trains each day. By 2030, Indian Railways is planning to increase fright traffic movement by 3 times to 3.3 billion MT from current 1.1 billion. The Government is also planning to invest ₹3.3 lakh crores to develop 3 new Dedicated Freight Corridors in various regions of the Country. The work on Western and Eastern DFC is expected to be completed by April 2020. The plan is to increase the share of Indian Railways in freight movement from 35% to 50% by 2020. With government's focus on construction of dedicated corridors, the outlook for track laying projects for these corridors is promising. Having completed a track laying pilot project of EDFC with an aim to build up technical qualification, your company is better placed to gain from the new projects being launched in future.

In the Union Budget 2018-19, the investment by Government has been pegged at ₹1.46 lakh crores which has increased by 22% compared to 2017-18 (RE). The budget emphasizes on safety and has planned an outlay of ₹11,500 crores for track renewals which will target 3,900 Kms. The ministry is also planning to electrify the entire rail network over the next 5 years which will help save ₹10,000 crores per annum. The ministry has been focusing on capacity building to ease the network congestion and ensure highest standard of safety. Under the Budget 2018-19, the Government is planning to add 1,000 route kms (rkm) of new lines, 1,000 rkm of Guage Conversions, and 2,100 rkm of doubling.

Airports

The Indian Aviation sector, which currently is the third largest in the world is growing at approximately 28%. The Ministry of Aviation plans to achieve 1 billion passenger trips per annum under the recently introduced NextGen Airports for Bharat (NABH)-Nirman Scheme and this would require investment to the tune of ₹3-4 lakh crores to achieve the capacity. In the recent budget, the allocation towards the Civil Aviation ministry has been increased 3 times to ₹6,600 crores.

The Indian Aviation Sector is expected to get a major boost through Regional Connectivity Scheme (RCS) by Government of India. The objective of RCS is to facilitate regional air connectivity by making it affordable. Under the 1st phase of RCS, Airport Authority of India (AAI) will connect 22 airports. Under second round of RCS, the government has awarded 325 routes to airlines as well as helicopter operators.

AAI has planned capex of approximately ₹15,000 crores in FY19 for expansion of existing terminals and constructing 15 new terminals and 250 airports by 2030. Over the last 5 years, AAI has developed 23 metro airports. Currently approximately 60% of airport traffic is handled under PPP model and balance by AAI. Focusing on the PPP model for airport development, the Government has approved 15 Greenfield airport projects, which are expected to increase the air traffic further. The development of new airport infrastructure brings in new opportunity for your Company as it has gained huge experience by executing 19 airport runway and pavement works across India and has also been awarded "Super Special Class" certificate from Military Engineering Services. The techno-experiential credentials of the company in airport construction will enable to bid for large projects of both MES and AAI.

Key Competitive advantages

Project execution within the scheduled time and budgeted cost is the core strength of the Company. The strong growth over the years has been supported by efficient project

Trace construction at Eastern Dedicated Freight Corridor

management and execution capabilities that the company has gained with over 20 years of experience. The company has now evolved into a leading highway development, construction and management company due to its integrated business model (i.e. in-house design, engineering, construction, operation and management coupled with large equipment bank), enhanced execution capabilities which includes strengthening of In-house execution team with induction of designers and engineers with strong technical knowledge, enhanced working capital limits and strong credit profile, long-established relationships with various clients and multi-state presence with regional focus.

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

The in-house team helps us control costs and complete the projects on time. The design & engineering teams help to control the entire process from conceptualization to commissioning of a given project which helps in providing customized solutions as per clients' specific requirements. The large and advanced in-house equipment bank helps us to optimize the use of equipment and lower dependency on third parties, which in turn enables to improve profitability through timely completion of project. The Company also executes the majority portion of the projects through in-house construction teams and outsources only the non-core items of work with an aim of optimum utilization of resources. The BOT portfolio operations are managed through internal operations and management team which has been instrumental in efficient operations of BOT projects. The In-house design, engineering, construction, operation and management with large and modern equipment bank helped the Company to establish a proven track record and establishing strong credentials in sectors like roads & highways, bridges and airport runways.

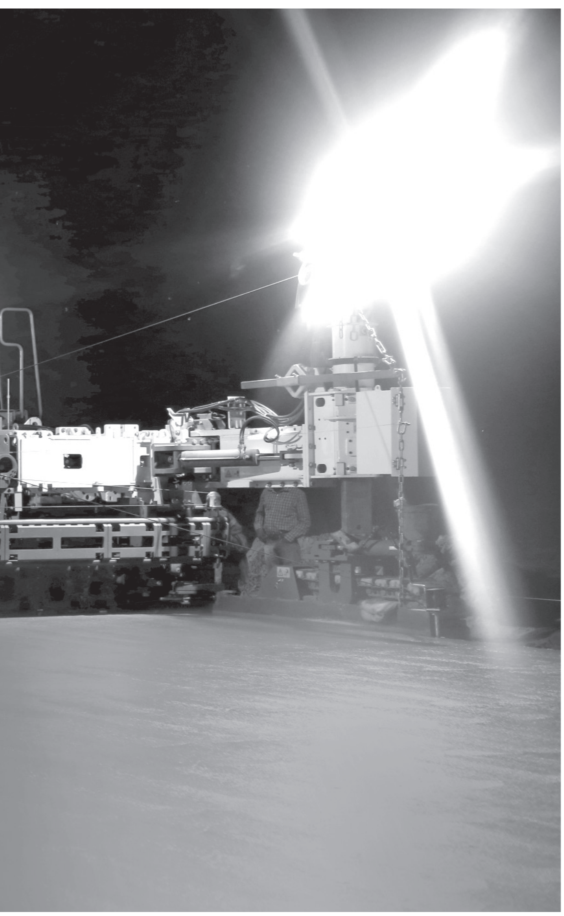
Established relationship with public sector clientele and excellent pre-qualification credentials

The Company has worked with public clients of various State Governments and Central Government. With Infrastructure development being the core focus of the Governments, the Roads and Highways sector has seen a big thrust. Your Company has successfully executed projects for various public sector proponents, which helped in diversifying the client base and de-risk the business model. The optimum mix of projects from various local, State and Central government agencies have helped the company to mitigate the receivables / payment risks. Our clientele includes 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, Uttar Pradesh Expressway Industrial Development Authority, State PWDs, Dedicated Freight Corridor Corporation of India Limited, among others. With strong pre-qualification credentials, we are qualified to bid for any large project that comes up for bidding. We have financial and technical qualifications to bid for a single project upto a ticket size of ₹4,000 crores individually. The strong pre-qualifications are a result of efficient execution of projects and

SP 94 Concrete Slip form Paver working at Varanasi-Gorakhpur NH 29 Four Laning Project

strong financials. However, our focus has been to bid for projects where the competition is less and we can maintain our threshold margins. Better profitability margins and efficient working capital management has been our core strength. CARE has recently reaffirmed our Long-term bank facilities at "CARE AA-(Double A Minus)", Short term bank facilities reaffirmed at "CARE A1+ (A One plus)" and reaffirmed "CARE A1+ (A One plus)" for Commercial paper.

We have developed strong relations not only with our clients but also with our all our suppliers and vendors. These established relationships help us procure timely and cost effective supplies of critical raw materials like petroleum products, steel, cement, machinery, machinery spare parts and road furniture among others.



Multi-state presence with regional focus

Due to our corporate presence in North India, majority of our projects are located in the northern region. However, since our corporatisation in 1999, we have executed 60 major infrastructure projects spread across 14 states, of which 38 are road EPC projects, 19 airport projects, railway track construction, power transmission and industrial area redevelopment project one each. We also have a portfolio of development projects on PPP mode which includes 6 BOT projects comprising of both toll & annuity assets, 1 OMT (Operate, Maintain, Transfer) project and 6 HAM projects spread across 5 states. We have a very strong presence in radius of 500 kms of Delhi spanning over states of UP, Rajasthan, Haryana, Punjab, Madhya Pradesh and Uttarakhand in terms of project execution infrastructure and expertise.

Financial Overview

The Consolidated Revenue of the Company for FY18 is ₹2,411 crores as compared to ₹2,252 crores in FY17. The Company has received ₹58.23 crores towards bonus for the early completion of Agra-Firozabad project on 3rd February 2018 from UPEIDA. The Consolidated Operating Profit or EBITDA (i.e. Earnings Before Interest, Tax, Depreciation and Amortization) for FY18 is ₹769 crores as compared to ₹624 crores in FY17. The Consolidated Profit Before Tax for FY18 is ₹222 crores as compared to ₹113 crores in FY17. The Consolidated Profit After Tax, Minority Interest and Share in Profit / Loss of Associate for FY18 is ₹243 crores as compared to ₹118 crores in FY17. 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 Net worth as on March 31, 2018 is ₹1688 crores whereas total debt is ₹2021 crores. Net debt to equity on consolidated basis comes at 1.19 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

One of the key objectives of the Government is to bridge the Socio-Economic development gap within the country and Infrastructure plays a pivotal role in achieving that objective. Transport infrastructure is considered to be the backbone of any country and plays an important role in its development. In a geographically large country like India, road network assumes much more significance. With the sector being in focus of Government's development agenda we feel the future outlook for a Company like ours with strong execution capabilities in highway sector is very bright.

Last year FY17 the Company had faced challenges which were beyond its control. The management has however been able to address the same due to its strong focus on project execution capabilities, supported by in-house design & engineering capabilities and large equipment bank. The Company over the last year has also built-up a strong order book, which supported by strong balance sheet will help drive growth in next year. With the Government's focus on physical Infrastructure creation, the Roads and Highways sector is expected to continue its growth momentum and your Company, being a key player of the ecosystem is expected to perform better than the industry / replicate the industry growth and enhance all stakeholders' value creation.

Risks & 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

Our target is to bid larger projects as there is lesser competition. We aim to complete the project before the scheduled completion date and within the budgeted cost which help us to earn bonus where ever there is such provision. Our projects qualification credentials play an important role in mitigating the competition risk. When generally bid for projects with a minimum profitability threshold which helps us to maintain our margins. With Government's thrust on Highway development, we see huge opportunities in the sector and the players with better operating efficiency like us stands to benefit from this.

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 BOT-toll, HAM and TOT model.

Mitigation

Infrastructure business is capital intensive by nature. The profitability of the projects greatly depends on our ability to optimize the working capital cycle and timely execution. We have our own construction equipment bank which enables us to pool the equipment for various projects which are in the same geographical vicinity. By having one of the best credit ratings in the Industry, we enjoy lower rate of interest and better terms on various loans for financing our construction equipment, term debt for projects and working capital facilities. Also, due to better profitability from project execution and growth in toll revenues, we have been able to keep our debt-equity ratio low which indicates better utilization of internal accruals.

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

As a part of our pre-bidding due-diligence process, we go through a detailed and robust traffic estimation and stress test our assessment and projections for various scenarios which helps us to put in a fairly accurate bid for the tender. During the operational phase of the project, we regularly undertake preventive repairs and maintenance of the road which minimizes the major maintenance costs and keeps the road ride worthy for users. Also, as part of our risk mitigation strategy for our development business, we continue to diversify our project portfolio by having an optimum mix of BOT-Toll, BOT-Annuity and HAM projects.

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 the margins.

Mitigation

From an execution profitability perspective, the fluctuations in input cost are very critical for any infrastructure project. Our strategy is to have full control on various input costs through ownership or through long term contracts. One of the key inputs

for us is stone aggregates and we have our own mines and crushers to fulfil our requirements. Apart from this, we procure other important raw materials like cement and steel directly from leading manufacturers with whom we have developed strong relationships over a period of time which ensures the best prices, quality and in-time supplies. Still, there are times when the cost of raw material increases and to mitigate this, the contracts with Government clients has relevant cost escalation provisions which help us protect our margins during the project execution phase.

Labour risk

People are the most valuable assets 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

Labour is again a critical component of our execution cycle. We have always maintained a cordial, employee-friendly and stress-free environment through various team building activities. With have an open-door policy, which helps us to reduce the hierarchical strain in the organization and foster an entrepreneurial working style. Our remuneration policy is based on performance and is at par with the best industry standards. We also share the early completion bonus received for the projects with the project staff.

Human Resource Management

The total employee strength of the Company was over 5700 employees as on 31st March 2018. With the Company growing at a faster pace, the management is focusing more on developing the skills of professionals and managers within the Company to lead the future growth. This has benefited the Company till now, with a team of home-grown professionals, with specific domain knowledge are taking up higher responsibilities. The Company also ensures that the employees are motivated to carry out their responsibility with utmost responsibility through moral support and financial rewards.

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, protected 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 and required improvements are made.

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 19th 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, 2018.

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, 2018	31st March, 2017	31st March, 2018	31st March, 2017
Total Revenue	185658.09	168911.41	241139.29	229292.77
Total Expenses	164567.52	154173.96	221341.65	218001.52
Add/(Less): Share in profit/(loss) of Associates	-	-	-596.95	-2072.54
Profit/(Loss) before tax & prior period expenses	23392.68	19392.91	21635.71	9218.71
Prior period expense (Net)/Exceptional Item	-	-	-	-
Profit/(Loss) Before Tax	23392.68	19392.91	21635.71	9218.71
Tax Expense (Net)	-1711.42	-1575.69	-2665.02	-2609.1
Profit /(Loss) After Tax	25104.1	20968.6	24300.73	11827.81
Earnings Per Share (Basic & Diluted)	9.79	8.17	9.47	4.62

2. Financial Performance

On a standalone basis, revenue of the Company for FY18 ₹ 185658.09 lakhs as compared to ₹ 168911.41 lakhs in FY17. The Operating Profit (i.e. Earnings Before Interest, Tax, Depreciation and Amortization) for FY18 is ₹ 31883.04 Lakhs as compared to ₹ 22101.90 Lakhs in FY17. The Profit Before Tax for FY18 is ₹ 23392.68 Lakhs as compared to ₹ 19392.91 Lakhs in FY17. The Profit After Tax for FY18 is ₹ 25104.10 Lakhs as compared to ₹ 20968.60 Lakhs in FY17.

The Consolidated Revenue of the Company for FY18 is ₹ 241139.29 Lakhs as compared to ₹ 225233.20 Lakhs in FY17. The Consolidated Operating Profit (i.e. Earnings Before Interest, Tax, Depreciation and Amortization) for FY18 is ₹ 76909.70 Lakhs as compared to ₹ 62407.62 Lakhs in FY17. The Consolidated Profit Before Tax for FY18 is ₹ 21635.71Lakhs as compared to ₹ 9218.71Lakhs in FY17. The Consolidated Profit After Tax, Minority Interest and Share in Profit / Loss of Associate for FY18 is ₹ 24300.73 Lakhs as compared to ₹ 11827.81 Lakhs in FY17.

3. 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:

145 km long six laning of Chakeri to Allahabad section of NH - 2 from km 483.687 to km 628.753 in the state of Uttar Pradesh under NHDP Phase-V to be executed on Hybrid Annuity Mode for a Bid Project Cost of ₹ 2159.0 Crores

45 km four laning of Aligarh-Kanpur section from km 195.733 to km 240.897 (Package II from Bhadwas to Kalyanpur) of NH - 91 in the state of Uttar Pradesh under NHDP Phase-IV to be executed on Hybrid Annuity Mode ('HAM')

In financial year 2017-18, Company has been awarded with projects of ₹ 3356 Crore and expect to receive more contracts in the current financial year.

The total outstanding contract value pending execution was ₹ 7317 Crores as on March 31, 2018.

The Company is presently executing the following major projects:

HIGHWAYS		
Sr.	Category	Name of the Project
1	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.
2	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.

3	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.
4	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.
5	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.
6	State Highways	Construction of 3 Lane Road on both side of Sharda Sahayak Feeder Canal from Lucknow-Faizabad Road to Lucknow-Sultapur Road.
7	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.)
8	Highways	Four laning/ Two laning with paved shoulder from Km.0.000 to Km.83.453 of Dausa–Lalsot-Kauthun Section of NH-11A Extn. in the State of Rajasthan under NHDP Phase-IV on Hybrid Annuity Mode.
9	Highways	Six laning of Chitradurga-Davangere including Chitradurga Bypass (km.189.00 to km.260.00) of NH-48 (Old NH-4) in the state of Karnataka on Hybrid Annuity Mode under NHDP Phase-V.
10	Highways	Four Laning of Jhansi-Khajuraho Section (Package-I) from km. 0.00 to km. 76.3 of NH-75/76 in the State of Uttar Pradesh & Madhya Pradesh under NHDP Phase-III on Hybrid Annuity Mode.
11	Highways	Four Laning of Jhansi-Khajuraho Section (Package-II) of NH-75/76 from Design Chainage Km. 76.3 near Village Chhatipahari to Design Chainage Km. 161.7 near Bamitha town in the State of Uttar Pradesh & Madhya Pradesh under NHDP Phase-III on Hybrid Annuity Mode.
		AIRPORT RUNWAYS
12	Airport Runways	Resurfacing/strengthening of Runway at AF station Kanpur.
13	Airport Runways	Extension and Resurfacing of Runway at AF station Bakshi ka Talab (BKT), Lucknow.

4. 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 ₹1282.70 Lakhs for the financial year ended 31st March, 2018. For the financial year 2017-18, the Company had paid a dividend of ₹ 0.50 per equity share of ₹ 2/- each, on 25,65,39,165 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).

5. Transfer To Reserves

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

6. Subsidiaries, Joint Ventures And Associate Companies

The Company has one unlisted material subsidiary, one direct subsidiary, thirteen step-down subsidiaries and one associate company as on March 31, 2018. 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.

During the financial year under review, following companies have been incorporated as step down subsidiaries:-

1. The Company was declared L1 (lowest) bidder for the project of 145 km long six laning of Chakeri to Allahabad section of NH - 2 from km 483.687 to km 628.753 in the state of Uttar Pradesh under NHDP Phase-V to be executed on Hybrid Annuity Mode for a Bid Project Cost of ₹ 2159.0 Crores". To implement the said Project, 'PNC Triveni Sangam Highways Private Limited, a Special Purpose Vehicle was incorporated on December 27, 2017 by the Company. PNC Triveni Sangam Highways Private Limited' is the newly incorporated step – down subsidiary of PNCIL.

2. The Company was declared L1 (lowest) bidder for the project of 4-laning of Aligarh-Kanpur Section from km.186.000 (Design Chainage 195.733) to km.229.000 (Design Chainage 240.897) (Package II from Bhadwas-Kalyanpur) of NH 91 in the State of Uttar Pradesh on

Hybrid Annuity mode under Bharatmala Pariyojana. To implement the said Project, 'PNC Aligarh Highways Private Limited, a Special Purpose Vehicle was incorporated on April 12, 2018 by the Company. 'PNC Aligarh 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

7. 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 and that such systems are adequate and operating effectively.

8. 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 this report.

9. 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.

10. Contracts And Arrangements With Related Parties

During the financial year 2017-18, 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 2017-18, 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 IND AS- 24 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.

11. 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.

12. 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.

13. Directors And Key Managerial Personnel

Mr. Chakresh Kumar Jain (DIN–00086768) Managing Director of the Company is 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 himself for re-appointment. The brief resume of Mr. Chakresh Kumar Jain 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 19th AGM. Your Directors recommend his re-appointment.

Mr. Naveen Kumar Jain (DIN – 00086841), Whole Time Director of the Company resigned from the Board of Directors with effect from December 02, 2017. The Board places on record its appreciation for the contributions made by him in the deliberations of the Board.

Mr. Devendra Kumar Agarwal, Chief Financial Officer has retired from the position of Chief Financial Officer of the Company with effect from close of business hours of July 15, 2017. Thereafter, Mr. Chakresh Kumar Jain, Managing Director was designated as Chief Financial Officer of the Company w.e.f August 11, 2017.

As on March 31, 2018 Mr. Pradeep Kumar Jain, Mr. Yogesh Kumar Jain, Managing Directors, Mr. Chakresh Kumar Jain, Managing Director & Chief Financial Officer, Mr. Anil Kumar Rao, Whole time Director, 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.

14. 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.

15. 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 2017-18 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 Directors 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.

16. 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.

17. 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.

18. Share Capital

During the year under review, the Company has not issued or allotted any equity shares with or without differential voting rights. The Paid – up Equity Share Capital of the Company as at March 31, 2018 stood at ₹ 51,30,78,330/-

19. Auditors And Auditors' Report

Statutory Auditors

M/s. S.S Kothari Mehta & Co., Chartered Accountants (Firm Reg. no. 000756N), are the Statutory Auditors of the Company. 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 2017-18 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 2018 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 2018-19 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 2017-18. The Secretarial Audit Report for the financial year ended on March 31, 2018 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 2018-19

20. Management Discussion & Analysis

In terms of the provision of Regulation 34 of SEBI Listing Regulations, the Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company' business.

21. Disclosures

Audit Committee

The Audit Committee of the Board of Directors of the Company is duly constituted in accordance with the provisions of Section 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. Subhash Chander Kalia, Independent Director (Chairman), Mr. C R Sharma, 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

Four 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 this 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. 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 as 'Annexure –VIII"

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 –IX 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.

22. 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, Equity Share with differential voting rights as to dividend, voting or otherwise.

k) The Company has complied with Secretarial Standards issued by the institute of Company Secretaries of India on Meeting of Board of Directors and General Meetings.

23. 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, UPEIDA, 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: May 23, 2018

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 employment 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
2014-15	147.84
2015-16	194.37
2016-17	193.92

Average Net Profit: ₹ 178.71 Cr

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

The Company is required to spend ₹ 3.57 Cr

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

(a) Total amount spend for the financial year 2017-18 - ₹ 3.62Cr

(b) Amount un-spent - Nil

(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.Overheads:	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	658400	658400	658400	Direct
2.	Charity towards Hindu Spiritual & Service Foundation	Ensuing Environmental Sustainability, ecological balance	Uttar Pradesh	500000	500000	1158400	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	2425100	2425100	3583500	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	571000	571000	4154500	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	931000	931000	5085500	Direct
6.	Promotion of cultural and religious heritage of the Country	Promoting Art & Culture	Uttar Pradesh	819550	819550	5905050	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.Overheads:	Cumulative spend upto to the reporting period (Amount in ₹)	Amount spent: Direct/ through implementing agency
7.	Donation towards various schools and colleges for promotion of Education	Promoting Education	Uttar Pradesh	28706267	28706267	34611317	Direct
8.	Creating awareness of better health	Promoting Healthcare	Uttar Pradesh	594477	594477	35205797	Direct
9.	Training to youths for awareness & promotion of rural sports	Training to promote rural sports	Uttar Pradesh	65000	65000	35270794	Direct
10.	Technology upgradation	Funds provided to technology incubators	Bhopal	180000	180000	35450794	Direct
11.	Funds to Etah Krishi Audhyogik Vikas Pradarshin	Maintaining Quality of Soil, Air, Water	Uttar Pradesh	351000	351000	35801794	Direct
12.	Maintenance of Buildings	Restoration of buildings	Uttar Pradesh	402500	402500	36204294	Direct

6. Reason for not spending 2% of average net profit for CSR Activity for the financial year 2017-18 : NA

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: 23.05.2018

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 thereunder, 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 thereunder 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.

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2018

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, 2018, 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 2018 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; (Not Applicable to the Company)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company)
- (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; (Not Applicable to the Company)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company)
- (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (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 filed few e-forms with additional fees and has complied with the requirement of the Act.

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: May 23, 2018

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.

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

ANNEXURE IV 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, 2018

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,
		▪ Reduction in cost
		▪ 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 –V TO THE BOARDS' REPORT

Form No. MGT- 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

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 Tel : +(91) - (562) – 4070000 E-mail ID – complianceofficer@pncinfratech.com 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 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi - 110028 Tel No : +91 011-41410592, 93, 94 E-mail id : delhi@linkintime.co.in 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:-

S. 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 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 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 Cabin No.5, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17	U45400DL2011PLC212392	Subsidiary	100*	2(87)(ii)
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)

S. No	Name and Address of the company	CIN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
6.	PNC Raebareli Highways Private Limited Cabin No.4, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17	U45400DL2012PTC241184	Subsidiary	99.99*	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	99.98*	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, Sector V, Saket New Delhi - 110017	U45203DL2016PTC304751	Subsidiary	99.99*	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)
12.	PNC Chitradurga Highways Private Limited Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V, Saket New Delhi - 110017	U45500DL2017PTC316429	Subsidiary	100*	2(87)(ii)
13.	PNC Bundelkhand Highways Private Limited Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V, Saket New Delhi - 110017	U45309DL2017PTC316515	Subsidiary	100*	2(87)(ii)
14.	PNC Khajuraho Highways Private Limited Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V, Saket New Delhi – 110017	U45500DL2017PTC316427	Subsidiary	100*	2(87)(ii)
15.	PNC Triveni Sangam Highways Private Limited Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V, Saket New Delhi – 110017	U45203DL2017PTC327676	Subsidiary	100*	2(87)(ii)

* 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	119076000	0	11907600	46.42	119076000	0	119076000	46.42	0
Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
Bodies Corporate	24765000	0	24765000	9.65	24765000	0	24765000	9.65	0
Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	**143841000**	**0**	**143841000**	**56.07**	**143841000**	**0**	**143841000**	**56.07**	**0**
Foreign	0	0	0	0	0	0	0	0	0
Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
Bodies Corporate	0	0	0	0	0	0	0	0	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	
Banks/ Financial Institutions	0	0	0	0	0	0	0	0	0
Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**143841000**	**0**	**143841000**	**56.07**	**143841000**	**0**	**143841000**	**56.07**	**0**
Public shareholding									
Institutions									
Mutual Funds/UTI	55817461	0	55817461	21.76	54817926	0	54817926	21.37	-0.39
Venture Capital Funds	0	0	0	0	0	0	0	0	0
Alternate Investment Funds	0	0	0	0	300000	0	300000	0.12	0.12
Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
Foreign Portfolio Investors	11147943	0	11147943	4.35	14939524	0	14939524	5.82	1.47
Financial Institutions/ Banks	189790	0	189790	0.07	161277	0	161277	0.06	-0.01
Insurance Companies	0	0	0	0	0	0	0	0	0
Provident Funds/ Pension Funds	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)	**67155194**	**0**	**67155194**	**26.18**	**70218727**	**0**	**70218727**	**27.37**	**1.19**
Non-institutions									
Individuals -									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakhs.	6804052	5	6804057	2.65	6821643	5	6821648	2.65	0.00
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs.	610098	80500	690598	0.26	1762352	80500	1842852	0.71	0.44
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
Trust	0	0	0	0	157000	0	157000	0.06	0.06
Hindu Undivided Family	281736	0	281736	0.1	313896	0	313896	0.12	0.02
Foreign Companies	3652085	0	3652085	1.42	0	0	0	0	-1.42
Non Resident Indians (Non Repeat)	74078	0	74078	0.03	59270	0	59270	0.02	-0.01
Non Resident Indians (Repeat)	350613	0	350613	0.14	360653	0	360653	0.14	0
Clearing Member	867112	0	867112	0.34	534308	0	534308	0.2	-0.14
Bodies Corporate	32822692	0	32822692	12.8	32389811	0	32389811	12.65	-0.15
Sub-Total (B)(2)	**45462466**	**80505**	**45542971**	**17.75**	**42398933**	**80505**	**42479438**	**16.56**	**-1.22**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**112617660**	**80505**	**112698165**	**43.93**	**112617660**	**80505**	**112698165**	**43.93**	**0**
TOTAL (A)+(B)	**256458660**	**80505**	**256539165**	**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)	**256458660**	**80505**	**256539165**	**100**	**256458660**	**80505**	**256539165**	**100**	**0**

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	16363125	6.38	0.00	15349500	5.98	0.00	(0.4)
2.	Naveen Kumar Jain	17758125	6.92	0.00	18096000	7.05	0.00	0.13
3.	Chakresh Kumar Jain	2176125	0.85	0.00	2514000	0.98	0.00	0.13
4.	Yogesh Kumar Jain	16456125	6.41	0.00	16794000	6.55	0.00	0.14
Promoter Group								
5.	Shri Pradeep Kumar Jain (HUF)	5250000	2.05	0.00	5250000	2.05	0.00	0.00
6.	Shri Naveen Kumar Jain (HUF)	1500	0.00	0.00	1500	0.00	0.00	0.00
7.	Shri Chakresh Kumar Jain (HUF)	9256500	3.61	0.00	9256500	3.61	0.00	0.00
8.	Shri Yogesh Kumar Jain (HUF)	5101500	1.99	0.00	5101500	1.99	0.00	0.00
9.	Smt. Madhavi Jain	17998500	7.02	0.00	17998500	7.02	0.00	0.00
10.	Smt. Ashita Jain	7873500	3.07	0.00	7873500	3.07	0.00	0.00
11.	Smt. Meena Jain	7426500	2.89	0.00	7426500	2.89	0.00	0.00
12.	Smt. Renu Jain	11671500	4.55	0.00	0	0	0.00	(4.55)
13.	Shri Abhinandan Jain	1743000	0.68	0.00	1743000	0.68	0.00	0.00
14.	Shri Vaibhav Jain	0.00	0.00	0.00	11671500	4.55	0.00	4.55
15.	NCJ Infrastructure Pvt. Ltd	843750	0.33	0.00	843750	0.33	0.00	0.00
16.	PPPL Constructions Private Limited	23921250	9.32	0.00	23921250	9.32	0.00	0.000

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

SI. 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	16363125	6.38	16363125	6.38
	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)	Decrease in shareholding due to – Transfer of Shares of 1013625 Equity Shares on 6/09/2017 through Inter-se transfer amongst Promoter Group.			
	At the end of the year	15349500	5.98	15349500	5.98
(ii)	Shri Naveen Kumar Jain				
	At the beginning of the year	17758125	6.92	17758125	6.92
	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)	Acquisition of 337875 Equity Shares of Shri Pradeep Kumar Jain by way of inter-se transfer amongst Promoter Group.			
	At the end of the year	1,80,96,000	7.05	1,80,96,000	7.05
(iii)	Shri Chakresh Kumar Jain				
	At the beginning of the year	2176125	0.85	2176125	0.85
	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)	Acquisition of 337875 Equity Shares of Shri Pradeep Kumar Jain by way of inter-se transfer amongst Promoter Group.			
	At the end of the year	25,14,000	0.98	25,14,000	0.98
(iv)	Shri Yogesh Kumar Jain				
	At the beginning of the year	16456125	6.41	16456125	6.41

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)	Acquisition of 337875 Equity Shares of Shri Pradeep Kumar Jain by way of inter-se transfer amongst Promoter Group.			
	At the end of the year	1,67,94,000	6.55	1,67,94,000	6.55
(v)	Smt. Renu Jain				
	At the beginning of the year	11671500	4.55	11671500	4.55
	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. 03.11.2017 due to inter-se off-market transfer of 11671500 equity shares to Shri Vaibhav Jain.			
	At the end of the year	0.00	0.00	0.00	0.00
(vi)	Shri Vaibhav Jain				
	At the beginning of the year	0.00	0.00	0.00	0.00
	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)	Acquisition of 11671500 Equity Shares of Smt. Renu Jain by way of inter-se transfer.			
	At the end of the year	11671500	4.55	11671500	4.55

(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-2017		Transaction during the year		Cumulative Shareholding at the end of the year-2018	
		No. of shares	% of total shares of the company	Date of Transaction	No. of Shares	No. of shares	% of total shares of the company
01.	NCJ Infrastructural Consultants*	0	0			0	0
	Transfer			16/02/2018	26683500	26683500	10.4013
	At the End of the Year					26683500	10.4013
02	HDFC Trustee Company Limited A/C	18267660	7.1208			18267660	7.1208
	Transfer			05/01/2018	(495175)	17772485	6.9278
	Transfer			12/01/2018	(1049000)	16723485	6.5189
	Transfer			23/02/2018	(8000)	16715485	6.5158
	Transfer			09/03/2018	(500000)	16215485	6.3209
	Transfer			23/03/2018	(61665)	16153820	6.2968
	At the End of the Year			-	-	16153820	6.2968
03.	ICICI Prudential Balanced Fund*	3628891	1.4146			3628891	1.4146
	Transfer			26/05/2017	96956	3725847	1.4524
	Transfer			02/06/2017	468221	4194068	1.6349
	Transfer			09/06/2017	108296	4302364	1.6771
	Transfer			16/06/2017	597971	4900335	1.9102
	Transfer			23/06/2017	191546	5091881	1.9848
	Transfer			30/06/2017	498802	5590683	2.1793
	Transfer			07/07/2017	35649	5626332	2.1932
	Transfer			14/07/2017	77985	5704317	2.2236
	Transfer			21/07/2017	551197	6255514	2.4384
	Transfer			28/07/2017	365256	6620770	2.5808
	Transfer			04/08/2017	23591	6644361	2.5900

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year-2017		Transaction during the year		Cumulative Shareholding at the end of the year-2018	
		No. of shares	% of total shares of the company	Date of Transaction	No. of Shares	No. of shares	% of total shares of the company
	Transfer			11/08/2017	334875	6979236	2.7205
	Transfer			18/08/2017	334415	7313651	2.8509
	Transfer			25/08/2017	65216	7378867	2.8763
	Transfer			01/09/2017	757161	8136028	3.1715
	Transfer			08/09/2017	43508	8179536	3.1884
	Transfer			15/09/2017	552654	8732190	3.4038
	Transfer			22/09/2017	475722	9207912	3.5893
	Transfer			29/09/2017	123972	9331884	3.6376
	Transfer			06/10/2017	166206	9498090	3.7024
	Transfer			13/10/2017	54273	9552363	3.7235
	Transfer			20/10/2017	14954	9567317	3.7294
	Transfer			27/10/2017	(252164)	9315153	3.6311
	Transfer			03/11/2017	(112769)	9202384	3.5871
	Transfer			10/11/2017	(230597)	8971787	3.4972
	Transfer			17/11/2017	(23545)	8948242	3.4881
	Transfer			24/11/2017	(66356)	8881886	3.4622
	Transfer			01/12/2017	(637870)	8244016	3.2136
	Transfer			08/12/2017	(61794)	8182222	3.1895
	Transfer			15/12/2017	(242874)	7939348	3.0948
	Transfer			22/12/2017	(316746)	7622602	2.9713
	Transfer			29/12/2017	(20677)	7601925	2.9633
	Transfer			12/01/2018	(90062)	7511863	2.9282
	Transfer			19/01/2018	(24930)	7486933	2.9184
	Transfer			02/03/2018	62800	7549733	2.9429
	Transfer			09/03/2018	(34756)	7514977	2.9294
	Transfer			16/03/2018	(376791)	7138186	2.7825
	Transfer			31/03/2018	148333	7286519	2.8403
	At the End of the Year					7286519	2.8403
04.	Aditya Birla Sun Life Trustee Company Private Limited A/C	6304275	2.4574			6304275	2.4574
	Transfer	-	-	07/04/2017	(310000)	5994275	2.3366
	Transfer			14/04/2017	610000	6604275	2.5744
	Transfer			28/04/2017	(31000)	6573275	2.5623
	Transfer			12/05/2017	(41600)	6531675	2.5461
	Transfer			19/05/2017	(230000)	6301675	2.4564
	Transfer			02/06/2017	(93900)	6207775	2.4198
	Transfer			18/08/2017	(88600)	6119175	2.3853
	Transfer			22/09/2017	(80675)	6038500	2.3538
	Transfer			29/09/2017	(27168)	6011332	2.3432
	Transfer			10/11/2017	(32000)	5979332	2.3308
	Transfer			22/12/2017	32000	6011332	2.3432
	Transfer			09/03/2018	500000	6511332	2.5381
	Transfer			16/03/2018	179000	6690332	2.6079
	Transfer			23/03/2018	121000	6811332	2.6551
	At the End of the Year					6811332	2.6551
05.	SBI Magnum Multicap Fund*	0	0			0	0
	Transfer			28/04/2017	28000	28000	0.0109
	Transfer			05/05/2017	5396495	5424495	2.1145
	Transfer			19/05/2017	1000000	6424495	2.5043

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year-2017		Transaction during the year		Cumulative Shareholding at the end of the year-2018	
		No. of shares	% of total shares of the company	Date of Transaction	No. of Shares	No. of shares	% of total shares of the company
	Transfer			02/06/2017	9000	6433495	2.5078
	Transfer			04/08/2017	20000	6453495	2.5156
	Transfer			06/10/2017	(230000)	6223495	2.4259
	Transfer			27/10/2017	(75000)	6148495	2.3967
	Transfer			03/11/2017	(7000)	6141495	2.3940
	Transfer			15/12/2017	25000	6166495	2.4037
	At the End of the Year					6166495	2.4037
06.	Goldman Sachs India Limited	6571551	2.5616			6571551	2.5616
	Transfer			07/04/2017	397510	6969061	2.7166
	Transfer			05/01/2018	(473000)	6496061	2.5322
	Transfer			12/01/2018	(1007645)	5488416	2.1394
	At the End of the Year					5488416	2.1394
07.	India Midcap (Mauritius) LTD.	3765000	1.4676			3765000	1.4676
	Transfer			19/05/2017	(25795)	3739205	1.4576
	At the End of the Year					3739205	1.4576
08.	Sundaram Mutual Fund A/C Sundaram Smile Fund	6025255	2.3487			6025255	2.3487
	Transfer			12/05/2017	(52208)	5973047	2.3283
	Transfer			19/05/2017	(521538)	5451509	2.1250
	Transfer			02/06/2017	(8960)	5442549	2.1215
	Transfer			21/07/2017	(330239)	5112310	1.9928
	Transfer			20/10/2017	(102255)	5010055	1.9529
	Transfer			27/10/2017	(180552)	4829503	1.8826
	Transfer			03/11/2017	(296254)	4533249	1.7671
	Transfer			10/11/2017	(9840)	4523409	1.7632
	Transfer			24/11/2017	(92500)	4430909	1.7272
	Transfer			29/12/2017	(258144)	4172765	1.6266
	Transfer			05/01/2018	(38392)	4134373	1.6116
	Transfer			19/01/2018	(20000)	4114373	1.6038
	Transfer			02/02/2018	(284169)	3830204	1.4930
	Transfer			23/02/2018	(9300)	3820904	1.4894
	Transfer			16/03/2018	(485525)	3335379	1.3001
	At the End of the Year					3335379	1.3001
09.	BNP Paribas Mid Cap Fund*	1685227	0.6569			1685227	0.6569
	Transfer			07/04/2017	336934	2022161	0.7882
	Transfer			21/04/2017	97500	2119661	0.8263
	Transfer			28/04/2017	66500	2186161	0.8522
	Transfer			05/05/2017	65000	2251161	0.8775
	Transfer			12/05/2017	(180000)	2071161	0.8073
	Transfer			19/05/2017	110000	2181161	0.8502
	Transfer			26/05/2017	(35000)	2146161	0.8366
	Transfer			02/06/2017	85000	2231161	0.8697
	Transfer			29/09/2017	10000	2241161	0.8736
	Transfer			06/10/2017	99066	2340227	0.9122
	Transfer			13/10/2017	20000	2360227	0.9200
	Transfer			20/10/2017	135000	2495227	0.9726
	Transfer			27/10/2017	165000	2660227	1.0370
	Transfer			03/11/2017	10000	2670227	1.0409
	Transfer			10/11/2017	20000	2690227	1.0487

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year-2017		Transaction during the year		Cumulative Shareholding at the end of the year-2018	
		No. of shares	% of total shares of the company	Date of Transaction	No. of Shares	No. of shares	% of total shares of the company
	Transfer			17/11/2017	17635	2707862	1.0555
	Transfer			24/11/2017	303251	3011113	1.1737
	Transfer			01/12/2017	169114	3180227	1.2397
	Transfer			08/12/2017	5000	3185227	1.2416
	Transfer			29/12/2017	25000	3210227	1.2514
	Transfer			19/01/2018	95000	3305227	1.2884
	Transfer			02/02/2018	(30000)	3275227	1.2767
	Transfer			09/02/2018	20000	3295227	1.2845
	Transfer			23/02/2018	10000	3305227	1.2884
	Transfer			02/03/2018	30000	3335227	1.3001
	Transfer			09/03/2018	10000	3345227	1.3040
	Transfer			16/03/2018	(190100)	3155127	1.2299
	Transfer			31/03/2018	20000	3175127	1.2377
	At the End of the Year					3175127	1.2377
10.	IDFC Infrastructure Fund*	330000	0.1286			330000	0.1286
	Transfer			26/05/2017	20000	350000	0.1364
	Transfer			29/09/2017	202328	552328	0.2153
	Transfer			12/01/2018	1000000	1552328	0.6051
	Transfer			19/01/2018	100000	1652328	0.6441
	Transfer			26/01/2018	336565	1988893	0.7753
	Transfer			02/02/2018	431107	2420000	0.9433
	Transfer			09/02/2018	44076	2464076	0.9605
	Transfer			16/02/2018	5972	2470048	0.9628
	Transfer			23/02/2018	56510	2526558	0.9849
	Transfer			02/03/2018	89844	2616402	1.0199
	Transfer			09/03/2018	30000	2646402	1.0316
	Transfer			16/03/2018	293598	2940000	1.1460
	Transfer			23/03/2018	10000	2950000	1.1499
	Transfer			31/03/2018	9451	2959451	1.1536
	At the End of the Year					2959451	1.1536
11.	Reliance capital trustee co. Ltd- A/C#	6839550	2.6661	-	-	6839550	2.6661
	Transfer			21/04/2017	(286179)	6553371	2.5545
	Transfer			05/05/2017	(55000)	6498371	2.5331
	Transfer			19/05/2017	(584000)	5914371	2.3054
	Transfer			01/09/2017	(1050000)	4864371	1.8962
	Transfer			22/09/2017	(1436000)	3428371	1.3364
	Transfer			29/09/2017	(127625)	3300746	1.2866
	Transfer			17/11/2017	(41111)	3259635	1.2706
	Transfer			24/11/2017	(236000)	3023635	1.1786
	Transfer			19/01/2018	(279012)	2744623	1.0699
	Transfer			26/01/2018	(126000)	2618623	1.0207
	Transfer			02/03/2018	(139516)	2479107	0.9664
	Transfer			09/03/2018	(7000)	2472107	0.9636
	Transfer			23/03/2018	(283064)	2189043	0.8533
	At the End of the Year					2189043	0.8533
12.	Alberta Realtors#	15812500	6.1638			15812500	6.1638
	Transfer			16/02/2018	(15812500)	0	0
	At the End of the Year				0	0	0

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year-2017		Transaction during the year		Cumulative Shareholding at the end of the year-2018	
		No. of shares	% of total shares of the company	Date of Transaction	No. of Shares	No. of shares	% of total shares of the company
13.	GHPL Projects#	9075000	3.5375			9075000	3.5375
	Transfer			16/02/2018	(9075000)	0	0
	At the End of the Year					0	0
14.	L And T Mutual Fund Trustee Ltd-L And T India Prudence Fund#	5583333	2.1764			5583333	2.1764
	Transfer			07/04/2017	257100	5840433	2.2766
	Transfer			14/07/2017	55700	5896133	2.2983
	Transfer			21/04/2017	59300	5955433	2.3215
	Transfer			05/05/2017	(5403633)	551800	0.2151
	Transfer			21/07/2017	(517884)	33916	0.0132
	Transfer			28/07/2017	(33916)	0	0
	At the End of the Year					0	0
15.	NYLIM Jacob Ballas India (FVCI) III LLC#	3652085	1.4236			3652085	1.4236
	Transfer			07/04/2017	(1796000)	1856085	0.7235
	Transfer			14/04/2017	(1856085)	0	0
	At The End Of The Year					0	0

* Not in the list of top 10 shareholders as on 01-04-2017. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31-03-2018.

\# Ceased to be in the list of top 10 shareholders as on 31-03-2018. The same is reflected above since the shareholder was one of the top 10 shareholder as on 01-04-2017.

(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	16363125	6.38	16363125	6.38
	Changes during the year	Transfer of 1013625 Equity Shares			
	At the end of the year	15349500	5.98	15349500	5.98
2.	Mr. Naveen Kumar Jain#*				
	At the beginning of the year	17758125	6.92	17758125	6.92
	Changes during the year	Acquisition of 337875 Equity Shares			
	At the end of the year	18096000	7.05	18096000	7.05
3.	Mr. Chakresh Kumar Jain#				
	At the beginning of the year	2176125	0.85	2176125	0.85
	Changes during the year	Acquisition of 337875 Equity Shares			
	At the end of the year	25,14,000	0.98	25,14,000	0.98
4.	Mr. Yogesh Kumar Jain#				
	At the beginning of the year	16456125	6.41	16456125	6.41
	Changes during the year	Acquisition of 337875 Equity Shares			
	At the end of the year	16794000	6.55	16794000	6.55
5.	Mr. Anil Kumar Rao				
	At the beginning of the year	80500	0.03	80500	0.03
	Changes during the year	No changes during the year			
	At the end of the year	80500	0.03	80500	0.03

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
6.	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		-	-	-	-
7.	Mr. C. R. Sharma					
	At the beginning of the year		10000	-	10000	-
	Changes during the year					
	Increase					
	Date	Reason for Increase				
	31.10.2017	Open Market Sale	3000	-	7000	-
		Open Market Purchase	2000	-	9000	-
	At the end of the year			-	9000	-
8.	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	-	-	-
9.	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	-	-	-
10.	Mrs. Deepika Mittal					
	At the beginning of the year		-	-	-	-
	Changes during the year		No changes during the year			
	At the end of the year		-	-	-	-
11.	Mr. Devendra Kumar Agarwal*					
	At the beginning of the year		75	-	75	-
	Changes during the year					
	At the end of the year		75	-	75	-
12.	Mr. Tapan Jain					
	At the beginning of the year		Nil	-	-	-
	Changes during the year		No changes during the year			
	At the end of the year		Nil	-		-

Change in promoter's Shareholding is also due to transfer of equity share through Inter-se transfer amongst Promoter Group.

* During the year under review, Mr. Naveen Kumar Jain has resigned from the post of whole time director w.e.f. December 02, 2017 and Mr. Devendra Kumar Agarwal, has retired from the position of Chief Financial Officer from the Company with effect from close of business hours of July 15, 2017.

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	7941.88	-	-	7941.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**7941.88**	**-**	**-**	**7941.88**
Change in Indebtedness during the financial year				
▪ Addition	10916.03	-	-	10916.03
▪ Reduction	1887.06	-	-	1887.06
Net Change	**9028.97**	**-**	**-**	**9028.97**
Indebtedness at the end of the financial year				
i) Principal Amount	16970.85	-	-	16970.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**16970.85**	**-**	**-**	**16970.85**

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 (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	180.00 Nil Nil	108.00 Nil Nil	162.00 Nil Nil	162.00 Nil Nil	66.23 Nil Nil	678.23 Nil Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil
4.	. Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil	Nil	Nil
5.	Others	Nil	Nil	Nil	Nil	Nil	Nil
	Total (A)	**180.00**	**108.00**	**162.00**	**162.00**	**66.23**	**678.23**
	Ceiling as per the Act	10% of the profits calculated under section 198 of the Companies Act, 2013					

** Shri Naveen Kumar Jain resigned from the post of Director with effect from December 2, 2017.

** Remuneration of Shri Anil Kumar Rao was increased from ₹ 5,38,500 p.m. to ₹ 5,92,350 p.m. with effect from Jan 1, 2018.

B. Remuneration to other Directors:

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Chhotu Ram Sharma	A.K. Gupta	Subhash Chander Kalia	R.K. Gupta	Deepika Mittal	
	1. Independent Directors ▪ Fee for attending board/committee meetings ▪ Commission ▪ Others, please specify	1.60	2.10	1.30	0.70	1.20	6.90
	Total (1)	1.60	2.10	1.30	0.70	1.20	6.90
	2. Other Non-Executive Directors ▪ Fee for attending board / committee meetings ▪ Commission ▪ Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.	Nil
	Total (2)						**Nil**
	Total (B)=(1+2)	**1.60**	**2.10**	**1.30**	**0.70**	**1.20**	**6.90**
	Total Managerial Remuneration (A+B)						**685.43**
	Overall Ceiling as per the Act	1% of the profits calculated under section 198 of the Companies Act, 2013					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD

₹ in Lakhs

Sl. No.	Particulars of Remuneration		Key Managerial Personnel		
		Mr. Tapan Jain [Company Secretary]**	Mr. Devendra Kumar Agarwal [CFO]	Mr. Chakresh Kumar Jain, [CFO]	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	10.80	9.24	-------	20.04
2	Stock Option	-		-	-
3	Sweat Equity	-		-	-
4	Commission - as % of profit - others, specify...	-		-	-
5	Others, please specify	-		-	-
	Total	**10.80**	**9.24**	**-------**	**20.04**

** Remuneration of Mr. Tapan Jain (Company Secretary) was increased from ₹ 78,000 to ₹ 1,02,000 pm with effect from Oct 1, 2017.

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 VI: 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 17-18 (₹ in lakhs)	% increase in remuneration in FY 17-18	Ratio of Remuneration of each Director to median remuneration of employees
1	Mr. Pradeep Kumar Jain	Chairman and Managing Director	180.00	-	107.14
2	Mr. Naveen Kumar Jain#	Whole Time Director	108.00	-	96.42
3	Mr. Chakresh Kumar Jain*	Managing Director	162.00	-	96.42
4	Mr. Yogesh Kumar Jain	Managing Director	162.00	-	96.42
5	Mr. Anil Kumar Rao	Whole Time Director	66.23	10	39.42
6	Mr. Devendra Kumar Agarwal*	Chief Financial Officer	09.24	-	
7	Mr. Tapan Jain	Company Secretary	10.80	30	

During the year under review, Mr. Naveen Kumar Jain has resigned from the post of whole time director w.e.f. December 02, 2017

* Mr. Devendra Kumar Agarwal, has retired from the position of Chief Financial Officer from the Company with effect from close of business hours of July 15, 2017. Mr. Chakresh Kumar Jain, Managing Director was designated as Chief Financial Officer (CFO) of the Company w.e.f. 11.08.2017 for the purpose of compliance with the statutory requirements. However there was no change in his remuneration and terms and condition of his appointment.

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 7.70%

c) **The number of permanent employees on the rolls of company.**

The Company has 5775 permanent employees as on March 31, 2018

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 20.47%. There was no exceptional increase in the managerial remuneration.

Notes –

1. The nature of employment is contractual;
2. None of the employee is a relative of any managing director or whole – time director of the company;
3. None of the employee holds 2% or more of the paid up equity share capital of the Company as per clause (iii) of sub rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. No employee of the Company is posted or working in a country outside India;
5. No employee of Company was in receipt of remuneration of 102 lakh rupees or more p.a. or 8.5 lakh p.m. for financial year 2017 -18.

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

Place: Agra
Date: May 23, 2018

For and on behalf of Board of Directors of
PNC Infratech Limited
(Pradeep Kumar Jain)
Chairman & Managing Director

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.

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	2017-18
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 : (i) Uttar Pradesh (ii) Madhya Pradesh (iii) Rajasthan (iv) Uttarakhand (v) Bihar (vi) Delhi (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)	₹ 185658.09
3.	Total profit after taxes (₹ in lakhs)	₹ 25104.10
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.02% (Calculated as % on average net profit of Last three Financial Year)
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?

   The Company has fourteen 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)

   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%]

   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 & CFO

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 & CFO
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)

N o.	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 not received any complaints in the past financial year ended 31st March 2018, 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** **5775**

2. Please indicate the **Total number of employees hired on temporary/contractual/casual basis.** **954**

3. Please indicate the **Number of permanent women employees (in the group)** **9**

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	91%
b.	Permanent Women Employees	100%
c.	Casual/Temporary/Contractual Employees	96%
d.	Employees with Disabilities	Nil

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
   4. 2016-17 : ₹ 3.57 Cr
   5. 2017-18 : ₹ 3.62 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.

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.

Corporate Governance Framework

▼

Foundational Principles

▼

In sprit and letter	Transparency	Stakeholder Relationship	Corporate Structure	Management as a trustee
Satisfy both the sprit of the law and the letter of the law	Ensure transparency and maintain a high level of disclosure	Communicate, externally and truthfully, about how the Company is run internally	Have a simple and transparent corporate structure driven solely by business needs	Management is the trustee of the shareholders' capital and not the owner

"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 2017-18.

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, 2018 comprised of Nine Directors out of which four are Executive Directors; five are Non-Executive Directors (including one woman director).

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:

S l. No.	Name	Designation	Category
1.	Shri Pradeep Kumar Jain	Chairman and Managing Director	Promoter / Executive Director
2.	Shri Chakresh Kumar Jain	Managing Director	Promoter / Executive Director
3.	Shri Yogesh Kumar Jain	Managing Director	Promoter / Executive Director
4.	Shri Anil Kumar Rao	Whole Time Director	Non Promoter / Executive Director

S l. No.	Name	Designation	Category
5.	Shri C.R. Sharma	Director	Independent / Non- Executive Director
6.	Shri Subhash Chander Kalia	Director	Independent / Non- Executive Director
7.	Shri Ashok Kumar Gupta	Director	Independent / Non- Executive Director
8.	Shri Rakesh Kumar Gupta	Director	Independent / Non- Executive Director
9.	Smt. Deepika Mittal	Director	Independent / Non- Executive Director

The Independent Directors are from different fields of work such as finance, accounts, civil engineering, medical etc. The Chairman and Managing/whole time Directors have been delegated with 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, 2018 is as under:-

Name of Director	Category	No. ofshares 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 & Managing Director	1,53,49,500	03	Yes	Five	None	None
Shri Naveen Kumar Jain#	Whole Time Director	1,80,96,000	01	Yes	Three	None	None
Shri Chakresh Kumar Jain	Managing Director	25,14,000	03	Yes	Eight	One	One
Shri Yogesh Kumar Jain	Managing Director	1,67,94,000	04	Yes	Eight	One	One
Shri Anil Kumar Rao	Whole Time Director	80,500	02	Yes	Seven	One	One
Shri C. R. Sharma	Independent Director	9000	04	Yes	Two	One	One
Shri Subhash Chander Kalia	Independent Director	NIL	04	Yes	Five	None	Two
Shri Ashok Kumar Gupta	Independent Director	NIL	04	Yes	One	None	One
Shri Rakesh Kumar Gupta	Independent Director	NIL	03	Yes	None	None	None
Smt. Deepika Mittal	Independent Director	NIL	04	No	None	None	None

* Shri Naveen Kumar Jain, Whole Time Director has resigned from the directorship w.e.f December 02, 2017.

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 and as well as in terms of Section 46 of Companies (Amendment) Act, 2017 [Section 149(6) of the Companies Act, 2013] notified vide notification dated may 07, 2018.

As per the provisions of Sec. 152 of the Companies Act, 2013, Shri Chakresh Kumar Jain, Managing Director of the Company, retire by rotation, at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

d) Number of Board Meetings Held

The Board of Directors met four times during the financial year 2017-18. The meetings were held on May 24, 2017; August 11, 2017; November 14, 2017 and February 14, 2018. 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	24.05.2017	10	08
2	11.08.2017	10	09
3	14.11.2017	10	08
4	14.02.2018	09	07

e) Information to the Board

A detailed agenda is sent to each Director via email, 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, 2018 is as below:

Name	Remuneration Paid
Shri C. R. Sharma	1,60,000
Shri Subhash Chander Kalia	1,30,000
Shri Ashok Kumar Gupta	2,10,000
Shri Rakesh Kumar Gupta	70,000
Smt. Deepika Mittal	1,20,000
Total	**6,90,000**

The remuneration of executive directors for the year 2017-18 is as per the table below:

Name of Director	Salary benefits, bonuses	Stock Option	Pension	Total	Current Contract period
Shri Pradeep Kumar Jain	15,00,000	Nil	Nil	1,80,00,000	01.10.2016-30.09.2021
Shri Naveen Kumar Jain#	13,50,000	Nil	Nil	1,08,00,000	-
Shri Chakresh Kumar Jain	13,50,000	Nil	Nil	1,62,00,000	01.10.2016-30.09.2021
Shri Yogesh Kumar Jain	13,50,000	Nil	Nil	1,62,00,000	01.10.2016-30.09.2021
Shri Anil Kumar Rao	5,38,500 (from April,2017-December 2017) 5,92,350 (from January 2018 – March 2018)	Nil	Nil	66,23,550	01.10.2016-30.09.2021

Shri Naveen Kumar Jain resigned from the post of whole time director w.e.f. December 02, 2017.

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, 2018 is given as follows:

Name of the Director	Number of Equity Shares
Shri C R Sharma	9000
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, 2018. 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 2017-18, 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, 2018

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 Chakresh Kumar Jain	○			○	●		○
Shri Yogesh Kumar Jain	○			○		○	○
Shri Anil Kumar Rao	○				○	○	

Name	Board	Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility (CSR) Committee	Project Management Committee	Banking Cum Investment Committee
Shri C. R. Sharma	Member	Member	Member				
Shri Subhash Chander Kalia	Member	Chairperson					
Shri Ashok Kumar Gupta	Member	Member	Chairperson	Chairperson	Member		
Shri Rakesh Kumar Gupta	Member						
Smt. Deepika Mittal	Member		Member				

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 29, 2017 to answer the members' queries.

The Audit Committee met four times during the financial year on May 24, 2017, August 11, 2017, November 14, 2017 and February 14, 2018.

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 A. K. Gupta	Non-Executive and Independent Director	Member	4	4
Shri S.C. Kalia*	Non-Executive and Independent Director	Member	4	4

*Shri C. R. Sharma relinquished the chairmanship of the Committee and Shri S.C. Kalia was elected as new Chairman of the Committee w.e.f. November 14, 2017.

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 2017-18, Nomination and Remuneration Committee met three times on May 24, 2017; August 11, 2017; February 14, 2018.

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
Smt. Deepika Mittal	Non-Executive and Independent Director	Member	3	3

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 2017-18, Stakeholders Relationship Committee met two times on October 06, 2017 and January 05, 2018

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 2017-18, no 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 2017-18

Nature of Queries/Complaints	Opening	Received	Resolved	Closing
Transfer/Transmission/Issue of Duplicate Share Certificates	0	0	0	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 Tapan Jain is the Company Secretary and Compliance Officer of the Company.

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 2017-18, Corporate Social Responsibility Committee met three times on May 03, 2017; October 06, 2017 and January 05, 2018.

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	3	3
Shri Anil Kumar Rao	Executive and Non-Independent Director	Member	3	3
Shri Ashok Kumar Gupta	Non-Executive Independent Director	Member	3	3

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 2017-18, Project Management Committee met 10 times on April 19, 2017, June 05, 2017, July 15, 2017, August 11, 2017, September 18, 2017, October 06, 2017, December 29, 2017, February 05, 2018, February 15, 2018, March 10, 2018. 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	10	10
Shri Yogesh Kumar Jain	10	10
Shri Anil Kumar Rao	10	10

F) Banking cum Investment Committee:

The Banking cum 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 cum Investment Committee. The Company Secretary is the Secretary to the Committee.

During the Financial Year 2017-18, Banking cum Investment Committee met 11 times on April 10, 2017, June 16, 2017, July 21, 2017, August 18, 2017, September 01 2017, October 09, 2017, October 23, 2017, November 14, 2017, January 05, 2018, February 15, 2018; March 28, 2018;

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	11	11
Shri Chakresh Kumar Jain	11	11
Shri Yogesh Kumar Jain	11	11

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
2016-17	Auditorium Iskcon Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065	September 29, 2017	11:00 A.M.	Special Incentive to Mr. Anil Kumar Rao, Whole Time Director; Enhance The Borrowing Powers of the Company; Enhance the Power of Board to Mortgage, Hypothecate, Pledge, Creation of Charge
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.	Approval for keeping and maintaining of statutory books and registers and other documents at a place other than registered office under companies act, 2013

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.

(a) 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 for 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's 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, 2018
b.	Time	11:30 A.M.
c.	Venue	Auditorium ISKCON Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi - 110065
(ii)	Financial year	1st April to 31st March

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	August 11, 2017
2nd Quarter Results	November 14, 2017
3rd Quarter Results	February 14, 2018
4th Quarter & Annual Results	May 23, 2018

The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2019 are as follows:

1st Quarter Results	August 14, 2018
2nd Quarter Results	November 14, 2018
3rd Quarter Results	February 14, 2019
4th Quarter & Annual Results	End of May, 2019

(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, 2018.

(iv) Book Closure Date — 23rd September 2018 to 29th September 2018

(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 2017-18 to both the Exchanges

(vi)	Stock Code	BSE	539150
		NSE	PNCINFRA

(vii) ISIN No. for NSDL / CDSL — ISIN-INE195J01029
(Old ISIN – INE195J01011)

Your Company has paid the annual custodial fee for the financial year 2017-18 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
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083

Branch off: - 44 Community Centre, 2nd Floor,
Naraina Industrial Area Phase- I,
Near PVR Naraina, New Delhi-110028.

(xi) Electronic Clearing Service (ECS) — Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083

Branch off: - 44 Community Centre, 2nd Floor,
Naraina Industrial Area Phase- I,
Near PVR Naraina, New Delhi-110028.

(xii) Investor Complaints to be addressed to — Registrar and Share Transfer Agents
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 2017-18 are as follows:

Month	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (No.)	High Price (₹)	Low Price (₹)	Volume (No.)
Apr-17	168.50	117.60	41,23,387	168.50	117.65	787579
May-17	164.00	132.45	52,49,765	164.20	133.00	569954
Jun-17	156.05	139.55	3,63,018	156.45	139.75	430677
Jul-17	155.75	136.00	3,02,965	154.95	138.05	228626
Aug-17	151.25	131.90	2,14,950	151.60	131.10	4633700
Sep-17	142.00	130.00	2,93,767	142.00	129.40	3315921
Oct-17	209.45	139.80	15,82,097	208.40	139.50	8920430
Nov-17	214.25	163.55	12,11,741	213.95	160.00	2814253
Dec-17	228.40	173.30	6,41,362	228.30	172.00	3858964
Jan-18	214.90	180.00	18,81,194	215.45	179.00	3637324
Feb-18	187.95	155.00	5,91,113	188.00	155.00	3289826
Mar-18	177.75	147.50	15,70,038	177.50	147.40	18000890
Total			**18025397**			**50488144**

Distribution of Shareholding as on March 31, 2018

Sr. No.	Category	No. of Shares	Total Shares (%)	No. of Shareholders	Total Shareholders (%)
1	1 to 500	2110585	0.8227	17109	85.6435
2	501 to 1000	1118081	0.4358	1411	7.0631
3	1001 to 2000	962717	0.3753	628	3.1436
4	2001 to 3000	556587	0.2170	215	1.0762
5	3001 to 4000	401281	0.1564	115	0.5757
6	4001 to 5000	517681	0.2018	108	0.5406
7	5001 to 10000	1111149	0.4331	148	0.7409
8	10001 & above	249761084	97.3579	243	1.2164
	Total	**256539165**	**100**	**19977**	**100**

Pattern of Shareholding as on 31st March, 2018

Category	As on March 31, 2018		As on March 31, 2017	
	No. of Shares	%age	No. of Shares	%age
Promoter and Promoter Group and Directors and Relatives	143930500	56.10	143931500	56.10
Foreign Institutional Investors/FPIs -Corporation	14939524	5.82	11147943	4.34
Public Financial Institutions/State Financial Corporation/Insurance Companies	120559	0.06	181061	0.07
Mutual Funds (Indian) and UTI	54817926	21.36	55817461	21.76
Nationalised and other Banks	40718	0.01	8729	0.00
NRI/OCBs	419923	0.19	424691	0.17
Public	42270015	16.46	45027780	17.56
Total	**256539165**	**100.00**	**256539165**	**100.00**

Dematerlisation of shares and Liquidity

As on March 31, 2018, 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, 2018, is given below:

S.No.	Particulars	No. of Share	Percentage (%)
1	Held in dematerialised form with CDSL	5,63,69,823	21.97
2	Held in dematerialised form with NDSL	20,00,88,837	78.00
3	Physical	80,505	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 in nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. are presented in the Note No. 42 to the 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 2017-18, 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-material-subsidiaries-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 2017-18, 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, 2018, 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 & 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 23, 2018. 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
2016-17	Final	0.50	September 29, 2017	October 27, 2024	9349.00

- **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 Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote at the 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Link Intime India Private Limited (LIIPL).

- **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 dematerialized 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: May 23, 2018

To,

Date -23/05/2018

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 2017-18 under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

(A) I have reviewed the financial statements and the Cash Flow Statement for the year and that to the best my 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 my 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) I 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 & Chief Financial Officer
DIN - 00086768

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 2017-18.

For DR Associates
Company Secretaries

Suchitta Koley
Partner
CP No.: 714

Place: New Delhi
Date: May 23, 2018

CERTIFICATE ON CORPORATE GOVERNANCE

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 2018, 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: May 23, 2018

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 2018, 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, 2018 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, Statement of Change in Equity 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 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **'**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 No.37to the financial statements;

ii) There is no any material foreseeable losses, on long term contracts including derivative contract 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.

For **S.S. Kothari Mehta & Co.**
(Chartered Accountants)
Firm Registration no. 000756N

(Neeraj Bansal)
Partner
Membership No. : 095960

Place: Agra
Date: May 23, 2018

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) Based on the available records as certified by the management, the title deed of immovable property is held in the name of the company.

(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 3 subsidiaries & an associate, out of which loan given to one subsidiary and an associate is interest free and interest bearing loan has been given @ 12 % p.a. and covered in the register maintained under section 189 of the Companies Act, 2013, the balance outstanding is ₹ 17239.01 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 and in respect of interest free loan, it will be converted into share warrant/optionally convertible debenture.

(c) There is overdue interest of ₹ 531.671Lakhs. As explained the company is pursuing for its recovery.

(iv) The loans, investments, guarantees and 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.

(vi) 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, Goods & Service Tax 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, Goods & Service Tax and Cess as at March 31, 2018 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 is pending	Demand Amount (Rs in Lakhs)	Amount Deposited (Rs in Lakhs)
UP Entry Tax Act,2007	UP Entry Tax	2008-16	Commercial Tax Tribunal, Agra	79.91	-
		2013-14	Commercial Tax Tribunal, Agra	45.39	-
		2014-15	Commercial Tax Tribunal, Agra	50.73	-
UP VAT Act,2007	VAT	2006-07	TDS certificate to be get verified	38.1	-
		2007-08	Commercial Tax Tribunal, Agra	50.48	-
		2010-16	Additional Commissioner, Grade II, Agra	711.33	-
		2013-14	Additional Commissioner, Grade II, Agra	3276.77	-
		2014-15	Additional Commissioner, Grade II, Agra	4767.71	-
Uttarakhand VAT Act, 2005	VAT	2005-12	Joint Commissioner, Haldwani	211.04	-
		2013-14	Joint Commissioner, Haldwani	87.74	-
Haryana VAT Act ,2003	VAT	2010-12	Taxation Tribunal, Chandigarh	34.75	-
		2010-12	Dy. Excise and Taxation Officer, Karnal	22.2	-
Central Excise & Service Tax Act, 1994	Service Tax	2003-18	CESTAT Dohara	178.54	-
Central Excise & Service Tax Act, 1994	Service Tax	2005-18	CESTAT Kanpur	371.20	-
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, the company has not raised any money by way of Initial Public Offer or Further Public Offer. The term loan amounts have been applied for which they have been obtained. (Refer note no. 18 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. 42 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

Place: Agra
Date: May 23, 2018

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, 2018 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion based on records, 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, 2018,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.**
(Chartered Accountants)
Firm Registration no. 000756N

(Neeraj Bansal)
Partner
Membership No. : 095960

Place: Agra
Date: May 23, 2018

BALANCE SHEET

AS AT MARCH 31, 2018

(₹ In lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	4	40,481.05	34,589.71
(b) Capital work - in - progress	5	1,113.64	781.62
(c) Intangible Asset	6	160.28	199.02
(d) Financial assets			
(i) Investments	7	49,478.85	46,757.35
(ii) Other Financial Assets	8	16,766.93	16,874.31
(e) Deferred Tax Assets	9	203.39	225.41
(f) Other non - current assets	10	29,864.83	26,096.78
Sub Total (Non Current Assets)		**138,068.97**	**125,524.20**
(2) Current assets			
(a) Inventories	11	17,575.06	15,347.87
(b) Financial assets			
(i) Trade receivables	12	68,999.08	63,086.22
(ii) Cash and cash equivalents	13 (i)	10,611.57	442.86
(iii) Bank Balances other than (ii) Above	13 (ii)	4,117.47	3,106.46
(iv) Other Financial Assets	14	24,508.33	19,547.13
(c) Current tax assets (net)			
(d) Other current assets	15	14,763.41	12,319.71
Sub Total (Current Assets)		**140,574.92**	**113,850.25**
Total Assets		**278,643.89**	**239,374.45**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	5,130.78	5,130.78
(b) Other equity	17	175,538.99	152,086.46
Sub Total (Equity)		**180,669.77**	**157,217.24**
LIABILITIES			
(1) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	12,855.40	5,762.68
(ii) Other financial liabilities excl. provisions	19	10,725.88	9,996.02
(b) Provisions	20	470.35	349.09
(c) Other non - current liabilities	21	5,792.02	6,404.03
Sub Total (Non Current Liability)		**29,843.65**	**22,511.82**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	-	8,972.12
(ii) Trade payables	23	46,284.49	23,689.93
(iii) Other financial liabilities excl. provisions	24	14,049.06	10,685.27
(b) Other current liabilities	25	6,511.47	14,235.55
(c) Current tax liability			
(d) Provisions	26	1,285.45	2,062.52
Sub Total (Current Liability)		**68,130.47**	**59,645.39**
Total Equity & Liabilities		**278,643.89**	**239,374.45**

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

Tapan Jain
Company Secretary
M. No. A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN 00086653

Chakresh Kumar Jain
Managing Director and Chief Financial Officer
DIN 00086768

Place: Agra
Date: May 23, 2018

STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ In lakhs)

	Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
I	Revenue from Operations	27	185,658.09	168,911.41
II	Other income	28	2,302.11	4,655.46
III	**Total Income (I+II)**		**187,960.20**	**173,566.87**
IV	Expenses :			
	Cost of materials consumed	29	84,433.25	81,679.62
	Change in Inventories of Work-in-progress	30	604.05	2,481.26
	Employee benefit expense	31	12,397.42	10,033.83
	Finance Cost	32	3,072.08	2,031.03
	Depreciation and amortization expenses	33	7,720.39	5,333.41
	Other Expenses	34	56,340.33	52,614.81
	Total Expenses (IV)		**164,567.52**	**154,173.96**
V	Profit/(Loss) before exceptional items & Tax (III-IV)		**23,392.68**	**19,392.91**
VI	Exceptional Items		-	-
VII	Profit/(Loss) before tax (V-VI)		**23,392.68**	**19,392.91**
VIII	Tax expense :			
	Current tax	35	4,992.37	4,145.76
	MAT Credit Adjustment		(1,761.96)	(3,259.06)
	Taxes for earlier years		(4,984.95)	(2,524.42)
	Deferred tax		43.12	62.03
IX	**Profit & (Loss) for the period (VII-VIII)**		**25,104.10**	**20,968.60**
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	- Acturial Gain and losses on defined benefit plans		(62.09)	33.59
	(ii) Income tax relating to items that will not be		21.10	(11.42)
	reclassified to profit or Loss			
XI	Total Comprehensive Income for the period (IX + X)		**25,063.11**	**20,990.77**
	Earning per equity share of Rs 2/- each			
	(1) Basic & Diluted	36	9.79	8.17

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 23, 2018

Tapan Jain
Company Secretary
M. No. A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN 00086653

Chakresh Kumar Jain
Managing Director and Chief Financial Officer
DIN 00086768

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED AS ON MARCH 31, 2018

(₹ In lakhs)

Particulars		Year Ended March 31,2018	Year Ended March 31,2017
A.	**Cash Flow from Operating Activities**		
	Net Profit /(Loss) before tax & after exceptional items	**23,392.68**	**19,392.91**
	Adjustment for:		
	Finance Cost	3,014.79	1,531.42
	OCI- Acturial Gain and losses on defined benefit plans	(62.09)	-
	Loss/(Profit) on Sale of Fixed Assets (Net)	(38.92)	154.73
	Loss/(Profit) on Sale of Investments (Net)	-	(0.11)
	Interest Income	(1,435.19)	(3,029.55)
	Provision for Gratuity & Leave Enchasement	255.98	107.83
	Depreciation and Amortization Expenses	7,720.39	5,333.41
	Operating Profit / (Loss) before working capital changes	**32,847.65**	**23,490.64**
	Adjustment for Changes in Working Capital		
	(Increase)/Decrease in Inventories	(2,227.19)	8,289.87
	Increase/(Decrease) in Trade Payable	22,594.56	14,267.57
	Increase/(Decrease) in Other Current Liabilities	(4,360.29)	1,782.94
	Increase/(Decrease) in Non -Current Liabilities	117.85	722.15
	Increase/(Decrease) in Provisions	(911.80)	31.22
	(Increase)/Decrease in Trade Receivable	(5,912.86)	(25,456.42)
	(Increse)/Decrease in Non Current Assets	(4,350.62)	(19,672.46)
	(Increase)/Decrease in Current Assets	(7,404.90)	(5,950.22)
	Cash Generated from/(used) from operating activities	**30,392.40**	**(2,494.71)**
	Direct Taxes Paid	1,754.54	1,637.72
	Cash (used in)/ from operating activities befre extraordinary Items	**32,146.94**	**(856.99)**
	Cash Generated from/(used) from operating activities (A)	**32,146.94**	**(856.99)**
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Asset	(13,326.31)	(19,203.88)
	Sale of Fixed Asset	150.18	256.10
	Purchase of Investments	(2,721.50)	(336.00)
	Sale of Investment	-	15.11
	Investment in term deposit & others bank balance	(1,011.01)	(848.34)
	Interest Income	1,435.19	2,998.87
	Net Cash (used in) / from Investing Activities (B)	**(15,473.46)**	**(17,118.14)**
C.	**Cash Flow fromFinancing Activities**		
	Proceeds from Long term Borrowings	9,271.92	5,726.61
	Repayment of Long term Borrowings	(2,179.20)	(566.99)
	Proceeds/ Repayment of Working Capital Borrowings from Banks	(8,972.12)	8,953.45
	Dividend Paid	(1,610.58)	(1,610.58)
	Interest	(3,014.79)	(1,531.42)
	Net Cash (used in) / fromFinancing Activities (C)	**(6,504.77)**	**10,971.07**
	Net Cash Increase in cash & Cash equivalents (A+B+C)	**10,168.71**	**(7,004.06)**
	Cash & Cash equivalents in beginning	442.86	7,446.92
	Cash & Cash equivalents as at the end	**10,611.57**	**442.86**

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

Tapan Jain
Company Secretary
M. No. A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN 00086653

Chakresh Kumar Jain
Managing Director and Chief Financial Officer
DIN 00086768

Place: Agra
Date: May 23, 2018

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED AS ON MARCH 31, 2018

A. Equity Share Capital		(₹ In lakhs)
As at April 1, 2017	Changes during the year	As at March 31, 2018
5,130.78	-	5,130.78

B. Other Equity				(₹ In lakhs)
Particulars	Reserves & Surplus			
	Securities premium account	General Reserve	Retained earnings	Total
Balance as at April 1, 2017	59,009.66	128.96	92,947.84	152,086.46
Profit for the year	-	-	25,104.10	25,104.10
Other Comprehensive Income	-	-	(40.99)	(40.99)
Total comprehensive income for the year	-	-	25,063.11	25,063.11
Dividend paid, including tax			1,610.58	1,610.58
Balance as at March 31, 2018	59,009.66	128.96	116,400.37	175,538.99

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 23, 2018

On behalf of the Board of Directors

Tapan Jain
Company Secretary
M. No. A22603

Pradeep Kumar Jain
Chairman and Managing Director
DIN 00086653

Chakresh Kumar Jain
Managing Director and Chief Financial Officer
DIN 00086768

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 is 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), HAM (Hybrid Annuity Model), Airport Runways, Bridges, Flyovers and Power Transmission projects, among others.

In case of BOT and HAM, 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 Karnataka, Madhya Pradesh, Rajasthan, Uttar Pradesh, Uttarakhand 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 23Th May 2018.

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.

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
- 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

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

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 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. The useful life is reviewed at least at the end of each financial year. In case of Plant & Machinery as per technical estimate (excluding Cranes & Earth Moving equipment), the useful life is more than as stated in schedule II. The estimated useful life of Property, Plant & Equipment and Intangible assets as mentioned below:

Particulars	Useful life (Yrs)
Buildings	30
Plant & Machinery	
-Earth Moving Equipment	15
-Piling Equipment	15
-Others	15
Office Equipment	05
Furniture & Fixtures	10
Vehicles	
-Two Wheelers	10
-Four Wheelers	08
Computers	03
Temporary Construction	03
Computer Software	06

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/Bonus are accounted in the year in which 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 tax including Goods and Service tax 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 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

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

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 operations predominantly consist of infrastructure development and construction/project activities, hence there are no reportable segments under Ind AS-108 'Segment Reporting'.

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.

Minimum Alternate Tax(MAT) paid as per Indian Income Tax Act 1961, is in the nature of unused tax credit which can be carried forward and utilized when the company will pay tax under Normal provision of act during the specified period. The Company reviews the same at each Balance Sheet date and writes down the amount of MAT Credit Entitlement to the extent there is no convincing evidence to the effect that the company will pay Income tax higher then MAT during the specified year.

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.

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:

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

(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

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.

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 2013-

14 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.

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.

iii. 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

for the financial year ended March 31, 2018

Note 4 : Property, plant & equipment

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 April 01, 2016	145.29	615.79	22,538.94	351.79	136.77	1,041.78	241.20	1,191.45	26,263.01
Addition during the year	57.40	-	17,528.59	127.25	91.50	382.70	87.35	288.44	18,563.23
Disposal / Adjustments	-	-	475.01	25.39	27.11	41.37	16.14	-	585.02
At March 31, 2017	**202.69**	**615.79**	**39,592.51**	**453.65**	**201.16**	**1,383.11**	**312.41**	**1,479.89**	**44,241.22**
Accumulated Depreciation									
At April 01, 2016	-	20.91	3,738.93	86.14	23.90	127.77	199.10	1,007.07	5,203.82
Addition during the year	-	21.21	4,171.71	72.85	20.74	157.21	77.78	100.39	4,621.89
Disposal / Adjustments	**-**	**-**	**141.70**	**9.18**	**8.11**	**14.02**	**1.20**	**-**	**174.20**
At March 31, 2017	**-**	**42.12**	**7,768.94**	**149.81**	**36.53**	**270.96**	**275.67**	**1,107.46**	**9,651.51**
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**

Year Ended 31st March 2018 (₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Temporary Constructions	Total
Gross carrying value									
At April 01, 2017	202.69	615.79	39,592.51	453.65	201.16	1,383.11	312.41	1,479.89	44,241.22
Addition during the year	-	-	11,569.73	179.54	72.81	974.89	95.87	94.95	12,987.79
Disposal / Adjustments	-	-	130.03	0.16	-	51.97	0.41	-	182.57
At March 31, 2018	**202.69**	**615.79**	**51,032.21**	**633.03**	**273.97**	**2,306.03**	**407.87**	**1,574.84**	**57,046.44**
Accumulated Depreciation									
At April 01, 2017	-	42.12	7,768.94	149.81	36.53	270.96	275.67	1,107.46	9,651.51
Addition during the year	-	21.21	6,355.90	96.36	28.27	209.22	73.10	201.13	6,985.19
Disposal / Adjustments		**-**	**48.51**	**0.03**	**-**	**22.57**	**0.20**	**-**	**71.31**
At March 31, 2018	**-**	**63.33**	**14,076.33**	**246.14**	**64.80**	**457.61**	**348.57**	**1,308.59**	**16,565.39**
Net carrying value as at March 31, 2018	**202.69**	**552.46**	**36,955.88**	**386.89**	**209.17**	**1,848.42**	**59.30**	**266.25**	**40,481.05**

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. (Previous year is Nil)

(iv) Gross carrying value is based on the net carrying value (Deemed Cost) as on transition date i.e. 01.04.2015.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

Note 5 : Capital Work In Progress	(₹ in Lakhs)
Particulars	Amount
Gross Carrying Value	
Opening Balance as at April 1, 2016	186.82
Addition during the year	781.62
Capitalized/Adjustments during the year	186.82
As at March 31, 2017	**781.62**
Opening Balance as at April 1, 2017	781.62
Addition during the year	1,113.64
Capitalized/Adjustments during the year	781.62
As at March 31, 2018	**1,113.64**

Note 6 : Intangible assets	(₹ in Lakhs)
Particulars	Computer software
Gross carrying value*	
Opening Balance as at April 1, 2016	235.88
Addition during the year	45.85
Disposals/Adjustments	-
As at March 31, 2017	**281.73**
Amortisation	
Opening Balance as at April 1, 2016	42.67
For the year	40.04
Disposals/Adjustments	-
As at March 31, 2017	**82.71**
Net carrying value as at March 31, 2017	**199.02**

Year ended March 31, 2018	(₹ in Lakhs)
Particulars	Computer software
Gross carrying value*	
Opening Balance as at April 1, 2017	281.73
Addition during the year	6.51
Disposals/Adjustments	-
As at March 31, 2018	**288.24**
Amortisation	
Opening Balance as at April 1, 2017	82.71
For the year	45.25
Disposals/Adjustments	-
As at March 31, 2018	**127.96**
Net carrying value as at March 31, 2018	**160.28**

* Gross carrying value is based on the net carrying value (Deemed Cost) as on transition date i.e. 01.04.2015.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

Note 7 : Investments (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
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
10 Equity shares of PNC Bundelkhand Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	-
10 Equity shares of PNC Chitrdurga Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	-
10 Equity shares of PNC Khujrao Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	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
50000 Equity shares (Previous Year 50000) of PNC Infra Holdings Limited of ₹ 10/- each (Face value ₹ 10/- each)	5.00	5.00
91970790 Equity shares (Previous Year 86527792) of PNC Infra Holdings Limited acquired of ₹ 50/- each (Face value ₹ 10/- each)	45,985.40	43,263.90
10 Equity shares of PNC TRIVENI SANAGM HIGWAYS Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	-
10 Equity shares (Previous Year 10) of PNC RAJASTHAN HIGWAYS Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
5100 Equity shares (Previous Year 5100) of Ferrovia Transrail Solutions Private Limited of ₹ 10/- each (Face value ₹ 10/- each)	0.51	0.51
10 Equity shares (Previous Year 10) of PNC Kanpur Ayodhya Tollways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
Investment in Subsidiaries (A)	**46,490.91**	**43,769.41**
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
Investment in Associates (B)	**2,932.40**	**2,932.40**
C. Others		
555370 Equity shares (Previous Year 5000) of Indian Highways Management Company limited	55.54	55.54
Investment in Others (C)	**55.54**	**55.54**
Total	**49,478.85**	**46,757.35**

* Figures are nil due to rounding off norms adopted by the company

Particulars	As at March 31, 2018	As at March 31, 2017
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	49,478.85	46,757.35
Provision for diminution in value of investments	-	-
	49,478.85	**46,757.35**

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, 2018	As at March 31, 2017
PNC Bareilly Nainital Highways Pvt. Ltd.	Subsidiaries	2,550,000	2,550,000
Ghaziabad Aligarh Expressway Private Limited	Associates	14,955,240	14,955,240

Note 8 : Other Financial assets		(₹ in Lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
Terms Deposits (having maturity of more than 12 months)*		
-Term deposits as margin money for bank guarentees	496.04	658.78
-Earnest money deposits (in the form of term deposits, NSC etc)	28.06	13.10
Share Warrants in Gaziabad Aligarh Expressway Pvt Ltd (GAEPL)#	7,679.67	6,736.56
Advances other than capital advances		
- Security deposits		
a. Held with departments	7,671.79	8,562.28
b. Held with related party	824.23	824.23
c. Others	67.13	79.36
Total	**16,766.93**	**16,874.31**

* For details refer Note 13

\# 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 Rs 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.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note : 9 Deferred Tax

(₹ in Lakhs)

9.1. The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Deferred Tax Assets/(Liabilities)		
Fixed Assets	(57.53)	37.96
Retention Assets	125.24	705.15
Retention Liabilities	(57.82)	-
Deffered Retention Liabilities	56.87	-
Deffered Retention Assets	(119.54)	(700.49)
Gratuity & Leave encashment	256.17	182.79
Net deferred tax Assets/(Liabilities)	**203.39**	**225.41**

9.2 Movement in Deferred tax (Liabilities)/Assets

(₹ in Lakhs)

Particulars	Fixed Assets	Retention Assets	Retention Liabilities	Deffered Retention Liabilities	Deffered Retention Assets	Gratuity & Leave encashment	Total
At April 1, 2016	148.89	308.17	(92.48)	85.15	(300.84)	149.96	298.86
(Charged)/credited:-							
-to profit & loss	(110.93)	396.98	92.48	(85.15)	(399.65)	44.25	(62.03)
-to Other Comprehensive Income	-	-	-	-	-	(11.42)	(11.42)
At March 31, 2017	**37.96**	**705.15**	**-**	**-**	**(700.49)**	**182.79**	**225.41**
(Charged)/credited:-							
-to profit & loss	(95.49)	(579.91)	(57.82)	56.87	580.95	52.27	(43.12)
-to Other Comprehensive Income	-	-	-	-	-	21.10	21.10
At March 31, 2018	**(57.53)**	**125.24**	**(57.82)**	**56.87**	**(119.54)**	**256.17**	**203.39**

Note : 10 Other Non current assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
-Advances other than capital advances		
a. Balance with statutory Authorities	3,601.99	3,851.74
b. Others	-	-
-Deferred retention Money		
a. Held with departments	345.41	2,024.06
b. Held with related party	-	-
c. Others	-	-
- Others		
-Advance tax and tax deducted at source*	3,633.48	2,291.42
-Tax and duty deposited under demand	1,314.22	1,314.90
-MAT Credit Entitlement	16,162.12	11,305.94
-Mobilization advance to sub-contractors	682.32	240.30
-Deferred Share Warrant assets (refer note no 8)	4,125.30	5,068.42
Total	**29,864.83**	**26,096.78**

* The refund receivable for certain years, are held up by tax authority for verification of TDS Certificates internally or with other issuing departments.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

Note : 11 Inventories (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw Materials (Construction Material)	14,053.92	12,085.01
Raw Materials in transit	71.26	-
Work-in-progress	712.39	1,316.44
Stores and Spares	2,737.49	1,946.42
Total	17,575.06	15,347.87

Note : 11.1 Bifurcation of Raw Material and WIP under broad heads (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw material		
Bitumen	194.15	600.51
Cement	858.65	337.81
Steel	3,464.98	477.12
Stone,Grit and Sand	7,622.09	9,764.01
High speed diesel and Fuel oil	417.53	367.90
Others	1,496.52	537.66
	14,053.92	12,085.01
Work-in-progress		
Road	712.39	1,316.44
	712.39	1,316.44

Note : 12 Trade Receivables (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Related Parties	22,596.80	7,175.37
Other	46,402.28	55,910.85
Total	68,999.08	63,086.22

Note : 13 Cash & Bank Balanaces (₹ in Lakhs)

(i) Cash & Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
In Current Account	10,458.00	333.42
Cash on hand	153.57	109.44
Total	10,611.57	442.86

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

(ii) Other Bank Balanaces		(₹ in Lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
(with maturity less than 3 months maturity)		
Fixed deposits as Margin money on bank guarentee	681.16	920.66
Earnest money deposits (in the form of term deposits, NSC etc)	163.72	354.14
Fixed deposits	-	-
(with maturity more than 3 months but upto 12 months)		
Fixed deposits as Margin money on bank guarentee	3,253.57	1,798.51
Earnest Money Deposit	19.02	33.14
Total	**4,117.47**	**3,106.46**

FDR having original matuirty more than twelve months but maturing within twelve months from the Balance sheet date amounting to ₹ 431.98 Lakhs (P.Y. ₹ 855.86 Lakhs)

13 (ii).1. Details of FDR kept as security		(₹ in Lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
Fixed deposits as Margin money on bank guarentee		
Under lien in favour of Banks as margin deposits for letter of credit and	4,430.77	3,377.95
Bank Guarentees		
Earnest money (in form of term deposits) deposits in favour of customers.	210.81	400.38
Total Deposits	**4,641.58**	**3,778.33**
Deposit having more than 12 months maturity from reporting date		
Fixed Deposits	496.04	658.78
Earnest Money Deposits	28.06	13.10
Total Non-Current Deposits	**524.10**	**671.88**
Total Current Deposits	**4,117.48**	**3,106.46**

Note : 14 Other Current Financial assets		(₹ in Lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured and considered good- unless otherwise stated		
Loans		
- Related Party*	17,239.01	10,008.63
Retention and security deposits		
- With Department	6,977.64	9,290.23
- With related parties	100.00	100.00
Others		
-Interest accrued but not due on margin money & Earnest money deposit	191.68	148.27
Total	**24,508.33**	**19,547.13**

* The Company has given unseured loan to its Subsidiaries and Associates for financial assistance, out of which ₹ 6857.34 Lakhs is non interest bearing.

* The Interest rate in case of Interest bearing loan of ₹ 10381.67 is 12%

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

Note : 15 Other Current assets (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured and considered good- unless otherwise stated		
Balances with Satutory authority	7,299.54	7,731.73
Advances to supplier/Contractor		
- Unsecured and considered good	5529.16	3455.19
- Doubtful	35.42	35.42
	5564.58	3490.61
- Less Provision for doubtful advance	35.42	35.42
	5,529.16	3,455.19
Mobilization advance to sub contractor	682.32	240.30
Other Advances	1,252.39	892.49
Total	**14,763.41**	**12,319.71**

Note : 16 Share Capital (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
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**
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
Total	**5,130.78**	**5,130.78**

A. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period (₹ in Lakhs)

Particulars	Nos.	Nos.
Opening	256,539,165	256,539,165
Add: Issued during the year	-	-
Less:Deductions during year	-	-
Closing	256,539,165	256,539,165

B. Details of shares held by Shareholders holding more than 5% in the Company: (₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of Shares	% Holdings	No of Shares	% Holdings
NCJ Infrastructural Consultants	26,683,500	10.40	-	-
PPPL Construction Private Limited	23,921,250	9.32	23,921,250	9.32
Naveen Kumar Jain	18,096,000	7.05	17,758,125	6.92
Madhavi Jain	17,998,500	7.02	17,998,500	7.02
Yogesh Kumar Jain	16,794,000	6.55	16,456,125	6.41
HDFC Mutual Fund	16,153,820	6.30	18,267,660	7.12
Pradeep Kumar Jain	15,349,500	5.98	16,363,125	6.38
Alberta Merchants Private Limited	-	-	15,812,500	6.16

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

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 There are no bonus shares/shares issued for consideration other than cash and no Shares have been brought back during the period of five years immediately preceeding five years.Refer note no.48

Note : 17 Other Equity (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Securities premium reserve	59,009.66	59,009.66
General Reserve	128.96	128.96
Retained earnings	116,400.37	92,947.84
Total	**175,538.99**	**152,086.46**

(i) Securities Premium Reserve (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	59,009.66	59,009.66
Addition(Issue Of Shares)	-	-
Utilization of the reserve	-	-
Closing Balance	**59,009.66**	**59,009.66**

(ii) General Reserve (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	128.96	128.96
Addition during the year	-	-
Utilisation during the year	-	-
Closing Balance	**128.96**	**128.96**

(iii) Retained Earnings (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening Balance	92,947.84	73,567.65
Profit for the Period	25,104.10	20,968.60
Remeasurement of Defined Benefit Obligation	(40.99)	22.17
(This is the item of comprehensive income directly booked in retained earnings)		
Dividend Paid	(1,610.58)	(1,610.58)
Closing Balance	**116,400.37**	**92,947.84**

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 : 18 Long Term Borrowings (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
Term loans -from Banks	10,201.33	5,147.10
Term loans -from NBFCs	2,654.07	615.58
Total	**12,855.40**	**5,762.68**

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, 2018**	**4,459.25**	**3,363.53**	**1,095.72**
	At March 31, 2017	(2,749.40)	(2,108.29)	(641.11)
HDFC Bank Limited	**At March 31, 2018**	**7,363.10**	**5,622.52**	**1,740.58**
	At March 31, 2017	(3,996.64)	(2,999.62)	(997.02)
ICICI Bank	**At March 31, 2018**	**21.35**	**3.17**	**18.18**
	At March 31, 2017	(89.66)	(21.35)	(68.31)
Yes Bank	**At March 31, 2018**	**1,516.46**	**1,212.11**	**304.35**
	At March 31, 2017	(152.75)	(17.84)	(134.91)
Term Loan From NBFCs				-
Kotak Mahindra Prime Ltd	**At March 31, 2018**	**2,147.13**	**1,734.55**	**412.58**
	At March 31, 2017	-	-	-
Kotak Prime Ltd	**At March 31, 2018**	**42.45**	**25.23**	**17.22**
	At March 31, 2017	-	-	-
Tata Capital Financial Ltd	**At March 31, 2018**	**615.58**	**248.61**	**366.97**
	At March 31, 2017	(953.43)	(615.58)	(337.85)
SREI Equipment Finance Private Limited	**At March 31, 2018**	**805.53**	**645.68**	**159.85**
	At March 31, 2017	-	-	-
Total		**16,970.85**	**12,855.40**	**4,115.45**
		(7,941.88)	(5,762.68)	(2,179.20)

(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.

(iii) Figures in brackets represents previous year figures.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note : 19 Other financial liabilities excluding provisions (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured and good unless otherwise Stated:		
Retentions & Security Deposit	6,482.03	5,554.06
Security received from contractor/suppliers	42.93	-
Capital creditors	4,200.92	4,441.96
Total	**10,725.88**	**9,996.02**

Note : 20 Provisions (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Employee Benefits*		
Provision for Gratuity (Funded)	343.37	247.60
Provision for Leave Encashment (unfunded)	126.98	101.49
Total	**470.35**	**349.09**

* For details refer Note No. 39

Note : 21 Other Non current Liabilities (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Retentions & Security deposit	164.34	-
Advances from customers	5,627.68	6,404.03
Total	**5,792.02**	**6,404.03**

Note : 22 Borrowings (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
Working Capital Loans		
From banks	-	8,972.12
Total	**-**	**8,972.12**

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, stocks in process, finished goods, stores and spares and book debts of the company.
	(ii) Further secured by hypothection 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, group company and relatives of directors.
	(iv) Corporate Guarantee of Taj Infrabuilders Private Limited.
	(v) Personal guarantee of promoters and relatives of directors.

Note : 23 Trade Payables		(₹ in Lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
Micro & Small Enterprises (Refer note 23.1)	-	-
Other than Micro & Small Enterprises	46,284.49	23,689.93
Total	46,284.49	23,689.93

Note : 23.1

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

Particulars	As at March 31, 2018	As at March 31, 2017
-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 : 24 Other financial liabilities excluding provisions		(₹ in Lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
A. Current Maturities of long term debt		
-Term Loan From Banks	3,158.83	1,841.35
-Term Loan From NBFC'S	956.62	337.85
Sub Total (A)	4,115.45	2,179.20
B. Others		
Capital creditors	2,089.38	874.95
Due to Employees	1,512.15	1,045.56
Retention Money	1,478.19	2,660.03
Expenses payable	4,853.89	3,925.53
Sub Total (B)	9,933.61	8,506.07
Total (A+B)	14,049.06	10,685.27

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note : 25 Other Current Liabilities (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
- Other Advances		
Advances from Customers	3,751.79	13,481.53
- Payable to Govt.		
a. ESI / PF Payable	33.59	35.67
b. TDS Payable	502.25	184.69
c. Vat & GST Payable	2,056.31	363.69
d. Others	167.53	169.97
Total	**6,511.47**	**14,235.55**

Note : 26 Provisions (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Employee Benefits*		
Provision for Gratuity (Funded)	222.01	145.34
Provision for Leave Encashment (unfunded)	47.85	33.75
Others		
Provision for tax (Net of TDS & Advance Tax of ₹ 3979.78 Lacs)	1,015.59	1,883.43
(PY Net of TDS & Advance Tax of ₹ 4148.64 Lacs)		
Total	**1,285.45**	**2,062.52**

* For details refer Note No. 43

Note : 27 Revenue from Operations (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Contract Revenue*	182,869.73	167,596.24
Other Operating Revenues		
(a) Sale of material	2,568.79	1,081.88
(b) Sale of scrap material	219.57	233.29
Total	**185,658.09**	**168,911.41**

* This includes Bonus of ₹ 5823.27 Lakhs (Previous year is Nil) received from UPEIDA on early compleation of project.

Bifurcation of Contract Revenue are as under: (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Contract		
Road	161,917.79	166,044.15
Airport Runways	16,953.82	1,424.37
Power Projects	1,060.17	10.91
Others	2,937.95	116.81
Total	**182,869.73**	**167,596.24**

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

Note : 28 Other Income (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest Income:		
From Bank	363.87	609.45
From Others	1,071.32	2,420.10
Profit/ Loss on Sale of Fixed Asset (Net)	38.92	-
Profit/ Loss on Sale of Investments	-	0.11
Other non-operating income (net of expenses)	828.00	1,625.81
(including income arising on account of fair valuation of Retention money)		
Total	2,302.11	4,655.46

Note : 29 Raw Material Consumed (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Raw Material Consumed	84,433.25	81,679.62

Note : 30 Increase/ (Decrease) In Work In Progress (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Opening Stock of Work-in-progress	1,316.44	3,797.70
Closing Stock of Work-in-progress	712.39	1,316.44
(Increase)/ Decrease in Work-In-Progress	604.05	2,481.26

Note : 31 Employee Benefit Expense (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries, Wages and Bonus	11,805.29	9,683.52
Contributions to Provident fund & other funds	396.45	204.93
Workmen and Staff welfare expenses	195.68	145.38
Total	12,397.42	10,033.83

Note : 32 Finance Costs (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest expense on:		
Loan	2,407.76	875.23
Retention	57.29	499.61
Loan Processing Charges	20.04	73.22
Guarantee Charges	586.99	582.97
Total	3,072.08	2,031.03

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note : 33 Depreciation and Amortization Expense: (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation on Tangible Assets	6,985.19	4,621.87
Amortization on Intangible Assets	45.25	40.04
Amortization of deferred retention assets	689.95	671.50
Total	7,720.39	5,333.41

Note : 34 Other Expenses (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Consumption of Stores and Spare parts*	2,499.21	3,269.93
Power & Fuel	404.45	226.03
Contract Paid	37,384.75	34,497.96
Hire Charges of Machineries	925.29	705.77
Other Manufacturing & Construction expenses	3,046.49	1,214.86
Rent	459.83	365.17
Insurance	444.53	396.68
Repairs to Buildings	29.07	1.12
Travelling and Conveyance	362.70	252.26
Legal & Professional Expenses	345.59	338.28
Rates and Taxes**	8,413.68	10,058.93
Auditor's Remuneration***	30.61	39.68
Tender & Survey Expenses	83.04	162.51
Hire charges of Vehicles	45.52	50.30
Director's Sitting fees	6.90	7.90
Corporate Social Responsibility#	362.04	199.15
Loss on Disposal of Fixed assets (Net)	-	154.73
Miscellaneous and General Expenses	1,496.63	673.57
Total	56,340.33	52,614.81

* 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 and GST (net) of ₹ 6515.79 lacs (Previous year ₹ 7259.27 lacs)

*** Auditor Remuneration includes:

Audit Fees	29.00	29.33
Tax matters	-	1.73
Certification Fees and other services	-	8.62
For Reimbursment of Expenses	1.61	-

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

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 ₹ 357.00 Lacs (P.Y. 301.66 lacs) for the Financial Year 2017-18. However, Company has spent ₹ 362.04 (P.Y. 199.15)Lacs.

Note : 35 Tax Expense (₹ in Lakhs)

A. Income Tax Expenses

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Current tax		
Current tax on profit for the period	4,992.37	4,145.76
Adjustments for current tax of prior periods	(4,984.95)	(2,524.42)
Total Current tax expense	**7.42**	**1,621.34**
(b) Deferred tax		
Decrease (increase) in deferred tax assets	94.44	(245.14)
(Decrease) increase in deferred tax Liabilities	(51.33)	307.17
Total Deffered Tax Expenses	**43.12**	**62.03**
(c) MAT		
Mat Credit Entitlement	(1,761.96)	(3,259.06)
Total Income tax Expense	**(1,711.42)**	**(1,575.69)**

(B) Reconciliation of tax expense and accounting profit multiplied by India's tax rate: (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit before tax	23,392.67	19,392.91
Tax at Indian tax rate of 34.608% (F.Y. 2016-17-34.608%)	**8,095.74**	**6,711.50**
Tax Adjustments for earlier years		
Current Tax	(4,984.95)	(2,524.42)
Others:		
Income Tax Exempt under Tax Holiday	(5,223.84)	(5,885.20)
Expenses not allowed for tax puposes	401.63	122.43
Income Tax expenses Charged to P/L	**(1,711.42)**	**(1,575.69)**

Note : 36 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 earning per Share:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Profit/(Loss) available to Equity Shareholders (₹ In lakhs)	25,104.10	20,968.60
(b) Weighted Average number of Equity Shares	256,539,165	256,539,165
(c) Nominal value of Equity Shares (in ₹)	2.00	2.00
(d) Basic and Diluted Earnings Per Share [(a)/(b)	**9.79**	**8.17**

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note : 37 Contingent Liabilities & Assets (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
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
Disputed demand of Sales Tax/ VAT for which company preferred appeal	9,200.12	1,870.48
Disputed demand of Service Tax for which company preferred appeal	549.74	526.90
Disputed demand of Entry Tax for which company preferred appeal	176.03	98.41
Others (including motor accident, labour & civil matters)	438.27	463.13
(Interest and penalties if any, on above cases will be decided at the time of settlement)		
Other		
- Letter of Credit outstanding	-	760.04

Note 37.1 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 : 38 Guarantees (₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(i) Bank Guarantees - Executed in favour of National Highways Authority of India and others	206,027.18	141,898.19
(ii) Corporate guarantee - - 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)"	9,984.84	11,063.73
- 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

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note : 39 Commitments		(₹ in Lakhs)
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Net of advance of ` NIL (previous year ₹ 1005.14 Lacs)	424.86	1,005.14
(b) Capital Commitment for Equity and others (Net of Investment)		
PNC Rajasthan highways Private Limited	19.47	62.47
PNC Chitradurga Highways Pvt Ltd	103.77	-
PNC Bundelkhand Highways Pvt Ltd	125.75	-
PNC Khajurao Highways Pvt Ltd	99.85	-

Note : 40 Leases

Disclosure as required under 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:

				(₹ in Lakhs)
Particulars	Future Minimum Lease Rentals			Period of Lease
	Less than 1 Year	Between 1 to 5 Years	More than 5 Years	
Office Premises	99.97	486.60	605.51	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 ₹ 459.83 Lacs (PY ₹ 365.17 Lacs).

The lease rentals have been included under the head "Rent" under Note No.34

Note : 41 Disclosure pursuant to Indian Accounting Standard-11 "Construction Contracts"		(₹ in Lakhs)
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Total Contract revenue	182,869.73	167,596.24
Particulars about contracts in progress at the end of the period:		
Aggregate amount of cost incurred up to period end	159,931.61	147,539.89
Aggregate amount of profit / (Loss) Recognized	22,938.12	20,056.35
Advance Received	9,379.47	19,885.56
Retention Amount	14,994.84	19,890.05

Note : 42 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

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

3 PNC Delhi Industrialinfra Private Limited.
4 Hospet Bellary Highways Private Limited.
5 PNC Infra Holdings Limited
6 Ferrovia Transrail Solutions Private Limited
7 PNC Kanpur Ayodhya Tollways Private Limited
8 PNC Raebareli Highways Private Limited
9 PNC Bareilly Nainital Highways Private Limited.
10 PNC Rajasthan Highways Pvt Ltd
11 PNC Bundelkhand Highways Pvt Ltd
12 PNC khajurao Highways Pvt Ltd
13 PNC Chitradurga Highways Pvt Ltd
14 PNC Triveni Sangam Highways Pvt Ltd
15 PNC Power Private Limited (up to 31.03.2017)

Joint Ventures

1 PNC BEL Joint Venture
2 PNC TRG Joint Venture
3 PNC-SPSCPL JV

Associates

1 Pradeep Kumar Jain HUF
2 Naveen Kumar Jain HUF
3 Yogesh Kumar Jain HUF
4 Ghaziabad Aligarh Expressway Private Limited

Key Managerial Personal (KMP)

1	Pradeep Kumar Jain	(Chairman and Managing Director)
2	Naveen Kumar Jain	(Whole Time Director up to 02.12.2017)
3	Chakresh Kumar Jain	(Managing Director & Chief Financial Officer from 11.08.2017)
4	Yogesh Kumar Jain	(Managing Director)
5	Anil Kumar Rao	(Whole Time Director)
6	D K Agarwal	(Chief Financial Officer up to 15.07.2017)
7	Tapan Jain	(Company Secretary) (From 20.01.2017)

Relatives of KMP

1	Meena Jain	(W/o Pradeep Kumar Jain)
2	Renu Jain (up to 02.12.2017)	(W/o Naveen Kumar Jain)
3	Madhvi Jain	(W/o Chakresh Kumar Jain)
4	Ashita Jain	(W/o Yogesh Kumar Jain)
5	Ashish Jain	(Brother In Law of promotor directors)
6	Ishu Jain	(Daughter in Law of Pradeep Kumar Jain)
7	Bijali Rao	(W/o Anil Rao)
8	Harshvardhan Jain	(S/o Chakresh Kumar Jain)
9	Naveen Kumar Jain	(Brother of Chairman and Managing Directors)

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

B. Transactions with Related Parties (₹ in Lakhs)

	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
	Transactions during the Year		
1.	**Receipt on account of EPC and Other Contract**		
	Subsidiaries Companies		
	MP Highways Private Limited	802.28	627.32
	PNC Kanpur Highways Limited	1,525.31	1,529.37
	PNC Bareilly Nainital Highways Private Limited	-	310.14
	PNC Raebareli Highways Private Limited	5.66	196.41
	PNC Kanpur Ayodhya Tollways Pvt Ltd	4,274.65	3,567.04
	PNC Rajasthan Highways Pvt. Ltd.	36,830.49	3,342.88
	PNC Khajurao Highways Pvt Ltd	9,017.06	-
	PNC Chitradurga Highways Pvt Ltd	6,709.84	-
	PNC Bundelkhand Highways Pvt Ltd	6,338.36	-
	Others	-	-
	Associates Compay		
	Ghaziabad Aligarh Expressway Private Limited	50.60	3,469.21
	Joint Venture Companies		
	PNC SPSCPL-JV	2,844.06	169.74
	PNC TRG Joint Venture	936.28	848.74
	Entities controlled/influenced by KMP and their relatives		
	Ideal Buildtech Private Limited	-	50.01
	Total	**69,334.59**	**14,110.86**
2.	**Payment of Rent/Services**		
	Entities controlled/influenced by KMP and their relatives		
	Subhash International Private Limited	89.82	69.53
	Exotica Buildtech Private Limited	9.66	8.61
	Others	127.95	119.66
	Total	**227.43**	**197.80**
3.	**Mobilization Advance Received/Security Deposits**		
	Subsidiaries Companies		
	PNC Rajasthan Highways Pvt Ltd	8,810.00	-
	PNC Chitradurga Highways Pvt Ltd	14,170.00	-
	PNC Khajurao Highways Pvt Ltd	6,550.00	-
	Joint Venture Companies		
	PNC SPSCPL-JV	2,223.83	-
	Total	**31,753.83**	**-**

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

4.	**Sale/ Purchase of Investment/ Loan and Shares Application Money in Equity Share Capital**		
	Subsidiaries Companies		
	PNC Infraholdings Limited	2,721.50	336.00
	PNC Delhi Industrialinfra Private Limited	1,450.00	2,350.00
	PNC Bareilly Nainital Private Limited	1,400.00	1,350.00
	PNC Power Pvt. Ltd.	-	15.11
	PNC Bundelkhand Highways Pvt Ltd	0.00	-
	PNC Khajurao Highways Pvt Ltd	0.00	-
	PNC Chitradurga Highways Pvt Ltd	0.00	-
	PNC Rajasthan Highways Pvt. Ltd.	2,600.00	
	PNC Triveni Sangam Highways Pvt Ltd	0.00	-
	Associates Compay		
	Ghaziabad Aligarh Expressway Private Limited	3,735.84	10,581.58
	Total	**11,907.34**	**14,632.69**
5.	**Interest Income**		
	Subsidiaries Companies		
	PNC Bareilly Nainital Highways Pvt. Ltd.	241.19	147.33
	PNC Raebareli Highways Pvt. Ltd.	-	139.59
	PNC Delhi Industrial Infra Pvt. Ltd.	830.10	654.53
	Associates Compay		
	Ghaziabad Aligarh Expressway Private Limited	-	1,398.15
	Total	**1,071.29**	**2,339.61**
6.	**Interest Expenses**		
	Subsidiaries Companies		
	PNC Rajasthan Highways Pvt Ltd	241.45	-
	PNC Chitradurga Highways Pvt Ltd	13.48	-
	PNC Khajurao Highways Pvt Ltd	1.12	-
	Total	**256.05**	**-**
7.	**Corporate Guarntee Given/(Extinguished) on behalf of**		
	Subsidiaries Companies		
	PNC Delhi Industrial Infra Pvt. Ltd.	4,300.00	-
	PNC Delhi Industrial Infra Pvt. Ltd.	(4,300.00)	-
	Total	**-**	**-**
8.	**Key management personnel compensation**		
	Short Term Employee Benefits	897.74	793.78
	Post-employemnt benefits *	-	-
	Total	**897.74**	**793.78**

* 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 (₹ in Lakhs)

	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
1.	**Amount Recoverable**		
	Subsidiaries Companies		
	PNC Rajasthan Highways Pvt. Ltd.	6,575.27	3,046.59
	PNC Delhi Industrialinfra Private Limited	7,282.00	9,204.54
	PNC Bareilly Nainital Highways Private Limited	4,796.70	3,179.37
	PNC Raebareli Highways Private Limited	116.69	180.08
	PNC Kanpur Ayodhya Tollways Private Limited	310.92	818.42
	MP Highways Private Limited	235.50	606.20
	Ferrovia Transrail Solutions Private Limited	-	3.71
	PNC Kanpur Highways Limited	314.04	251.11
	PNC Khajurao Highways Pvt Ltd	3,106.29	-
	PNC Bundelkhand Highways Pvt Ltd	6,750.36	-
	Others	-	-
	Associates Compay		
	Ghaziabad Aligarh Expressway Private Limited	11,363.84	7,634.02
	Total	**40,851.61**	**24,924.04**
2.	**Amount Payable**		
	Subsidiaries Companies		
	PNC Chitradurga Highways Pvt Ltd	7,036.14	-
	Joint Venture Companies		
	PNC SPSCPL-JV	900.68	-
	Total	**7,936.83**	**-**
3.	**Corporate Guarntee Given on behalf of**		
	Subsidiaries Companies		
	PNC Raebareli Highways Private Limited	5,361.00	5,361.00
	Associates Compay		
	Ghaziabad Aligarh Expressway Private Limited	9,984.84	11,063.73
	Total	**15,345.84**	**16,424.73**

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.

43 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 ₹ 41.69 Lacs (previous year ₹ 218.29 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.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

(b) Defined Benefit Plan

(i) Liability for retiring gratuity as on March 31, 2018 is ₹ 568.67 Lacs (Previous year ₹ 398.08 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

(₹ in Lakhs)

	Particulars	Gratuity	
		Year Ended March 31, 2018	Year Ended March 31, 2017
1.	**Change in Present Value of Obligation**		
	Present value of obligation at the beginning of the period	619.57	535.20
	Acquisition cost		-
	Interest cost	43.14	42.82
	Current service cost	120.51	86.60
	Past service cost	2.64	
	Benefits paid	(6.47)	
	Actuarial gain/(loss) on obligation		
	a) Effect of changes in demographic assumptions		-
	b) Effect of changes in financial assumptions	(18.22)	17.35
	c). Effect of experience adjustments	70.92	(62.40)
	Present value of obligation at end of period	**832.08**	**619.57**
	Current Obligation	222.01	145.34
	Non Current Obligation	**610.07**	**474.23**
2.	**Change in Fair Value of Plan Assets**		
	Fair value of plan assets at the beginning of the period	221.49	201.25
	Acquisition adjustment		
	Actual return on plan assets		
	Interest Income	16.97	16.91
	Contributions	41.69	14.80
	Benefits paid	(6.47)	-
	Actuarial gain/(loss) on plan assets	(10.26)	(11.47)
	Fair value of plan assets at the end of the period	**263.42**	**221.49**
3.	**Amount to be recognised in Balance Sheet**		
	Present value of obligation as at end of the period	832.08	619.56
	Fair value of plan assets as at the end of the period	(263.42)	(221.48)
	Funded Status	568.67	398.08
	Net Asset/(liability) recognised in Balance Sheet	**568.67**	**398.08**
4.	**Expenses recognised in the statement of profit & loss.**		
	Current service cost	120.51	86.60
	Past service cost	2.64	-
	Net Interest cost		
	Interest Expense on DBO	43.14	42.82
	Interest (income) on plan assets	16.97	16.91

(₹ in Lakhs)

	Particulars	Gratuity	
		Year Ended March 31, 2018	Year Ended March 31, 2017
	Total Net Interest Cost	**26.17**	**25.91**
	Net actuarial (gain)/loss recognised in profit/loss		-
	Expenses recognised in the statement of Profit & Loss	**149.32**	**112.51**
5.	**Recognised in other comprehensive income for the year**		
	a) Effect of changes in demographic assumptions		-
	b) Effect of changes in financial assumptions	(18.22)	17.35
	c) Effect of experience adjustments	70.92	(62.40)
	d) (Return) on plan assets (excluding interest income)	(10.26)	(11.47)
	e) Changes in asset ceiling (excluding interest income)	-	-
	f) Total remeasurements included in OCI	62.97	(33.58)
	Actuarial gain / (loss) for the year on DBO	52.70	45.05
	Returns above interest cost	(10.26)	(11.47)
	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)	222.01	145.34
	2. Between 2 and 5 years	472.82	387.15
	3. Between 6 and 10 years	232.62	202.21
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	806.59	599.26
	b. Impact due to decrease of 100 Basis Points	859.39	641.39
	Impact of the change in salary increase		
	Present Value of Obligation at the end of the period		
	a. Impact due to increase of 1%	854.86	637.40
	b. Impact due to decrease of 1%	810.33	602.51
	Attrition Rate		
	Present Value of Obligation at the end of the period		
	a. Impact due to increase of 1%	827.68	614.90
	b. Impact due to decrease of 1%	836.62	624.40

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.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

(iii) 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.

Sensitivity analysis - DBO end of Period	31.03.2018	31.03.2017
1. Discount rate +100 basis points	806.59	599.26
2. Discount rate -100 basis points	859.39	641.39
3. Salary Increase Rate +1%	854.86	637.40
4. Salary Increase Rate -1%	810.33	602.51
5. Attrition Rate +1%	827.68	614.90
6. Attrition Rate -1%	836.62	624.40

Significant Actuarial assumptions	31.03.2018	31.03.2017
a) Economic Assumptions		
i. Discounting Rate -current year	8%	7%
Discounting Rate - Previous Year	7%	8%
ii. Salary escalation	9%	9%
iii. Attrition rate	25%	25%
b) Demographic Assumption		
i) Retirement Age (Years)	58	58
ii) Mortality rates inclusive of provision for disability	IALM (2006 - 08) Ultimate	
Withdrawal rate		

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		(₹ in Lakhs)
Particulars	Leave Enchasement	
	2017-18	2016-17
Present Value of unfunded obligation	174.83	135.24
Expeses recognised in Statement of Profit and Loss	39.59	12.74
Discount rate (p.a)	8%	7%
Salary excalation rate (p.a)	9%	9%

Note : 44 Fair Value Measurement (₹ in Lakhs)

Financial instruments by category

Particulars	As at March 31, 2018			As at March 31, 2017		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Asset						
Investments						
-Investments in equity instruments		55.54	-		55.54	
Trade receivables	68,999.08			63,086.22		
Cash and Bank Balances	10,611.57	-	-	442.86	-	-
Bank Balances	4,117.47			3,106.46		
Others	41,275.26		-	36,421.44		-
Total Financial Assets	**125,003.38**	**55.54**	**-**	**103,056.97**	**55.54**	**-**
Financial Liabilities						
Borrowings	16,970.85			16,913.99		
Trade payables	46,284.49			23,689.93		
Other Financial Liabilities	20,659.49			20,681.29		
Total Financial Liabilities	**83,914.83**	**-**	**-**	**61,285.21**	**-**	**-**

(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

for the financial year ended March 31, 2018

(₹ 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			9,465.86
Total	-	-	**9,465.86**
(ii) Financial Liabilities			
- Borrowings		7,941.88	
- Retentions			5,554.06
- Others		4,441.96	
Total	-	**12,383.84**	**5,554.06**

(₹ 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, 2018			
-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, 2018			
(i) Financial Assets			
- Security Deposit			8,563.15
Total	-	-	**8,563.15**
(ii) Financial Liabilities			
- Borrowings		16,970.85	
- Retentions			6,524.96
- Others		4,200.92	
Total	-	**21,171.77**	**6,524.96**

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

(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.

In case of Investment in Equity Shares of company other then Subsidiary, Associates & Joint Ventures is measured at cost on the basis of assessement by management and the cost represent the best estimate of fair value within that range.

Financial assets and liabilities measured at fair value and the carrying amount is the the fair value.

Note : 45 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: (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Variable rate borrowings	-	8,972.12
Fixed rate borrowings	16,970.85	7,941.88
Total borrowings	**16,970.85**	**16,914.00**

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

(ii) As at the end of reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding: (₹ in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cash Credit Limit	8.88%	-	0.00%	9.44%	8,972.12	53.05%
Net exposure to cash flow interest rate risk		**-**			**8,972.12**	

(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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
INR	+50	+50	-	44.86
	- 50	- 50	-	(44.86)

(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:

Foreign currency exposure as at 31st March, 2017 (₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables		
- Exposure in Euros (In INR)	6,024.90	4,988.94

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	2017-18		2016-17	
	5% increase	5% decrease	5% increase	5% decrease
Euros (In INR)	301.24	301.24	37.48	536.37

(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.

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:

				(₹ in Lakhs)
Ageing	**0-180 Days**	**181-365 Days**	**More than 365 days**	**Total**
As at March 31, 2018				
Gross Carrying Amount	60,491.73	126.37	8,380.97	68,999.08
Expected Credit Loss (in ₹)	-	-	-	-
Carrying Amount (net of impairment)	60,491.73	126.37	8,380.97	68,999.08
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

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%

III. Liquidity Risk

Liquidity risk refers to the risk of financial distress or extraordinary 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 appropriate 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 faclities and reserve borrowing facilities, by continuosly monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

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, 2018	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	16,970.85	-	4,115.45	7,616.41	5,238.99	16,970.85
Trade payables	46,284.49		46,284.49			46,284.49
Other Liabilities	20,659.49		9,933.61	10,725.88		20,659.49
Total	**83,914.83**	**-**	**60,333.55**	**18,342.29**	**5,238.99**	**83,914.83**

(₹ 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	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**

Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of reporting period:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash Credit	65,000.00	56,027.88
Bank Gaurantee	53,398.66	21,886.00
Total	**118,398.66**	**77,913.88**

Note : 46 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 funding 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 regularly considers other financing opportunites to diversify its debt profile, reduce Interest cost.

The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Debt	16,970.85	16,913.99
Cash & bank balances	(10,611.57)	(442.86)
Net Debt	6,359.28	16,471.14
Total Equity	180,669.77	157,217.24
Gearing Ratio	**0.04**	**0.10**

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.

(C) Dividends

(₹ in Lakhs)

Particulars	Recognized in the year ending	
	As at March 31, 2018	As at March 31, 2017
(i) Dividends Recognized		
Final dividend for the year ended 31st March 2017 of ₹ 0.5/- per equity share of ₹ 2 each		
(31st March 2016 ₹ 2.5/- per Equity Share of ₹ 10 each)	1,610.58	1,610.58
(ii) Dividend proposed but not recognised in the books of accounts*		
In addition to the above dividends, for the year ended 31st March 2018 the directors have recommended the payment of a final dividend of ₹ 0.50/-equity share of ₹ 2 each.	1,546.36	1,610.58
(31st March 2017- ₹ 0.5/- per equity share of ₹ 2 each)		

* The proposed dividend is subject to the approval of shareholders in the ensuing general meeting

Note : 47 Operating Segment Information

The Company's operations predominantly consist 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 : 48 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.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note : 49 Recent Accounting Pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ('MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ('MCA") has notified the Ind AS 115, Revenue from Contract with Customer The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customer

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

  The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

  The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The company is evaluating the effect on adoption of Ind AS 115.

Note : 50 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

Tapan Jain
Company Secretary
M. No. A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN 00086653

Chakresh Kumar Jain
Managing Director and Chief Financial Officer
DIN 00086768

Place: Agra
Date: May 23, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PNC INFRATECH LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of **PNC INFRATECH LIMITED** (hereinafter referred to as 'the Holding Company")and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group") its associates and its jointly controlled entities/Joint Venture/ Joint operations, comprising of the Consolidated Balance Sheet as at 31st March 2018, 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 Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities/joint venture and joint operations are 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 there under.

We conducted our audit 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 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 operations as at 31st March, 2018, and their consolidated 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 14 subsidiaries, whose financial statements reflect total assets of ₹ 4,64,995.22 lakhs as at 31st March 2018, the total revenue of ₹ 1,20,984.85 Lakhs and net cash flows of ₹ 2,682.09 lakhs for the year ended 31st March 2018. The Financial Statement of the subsidiaries have been audited by other auditors. 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 ₹ 1,705.57 lakhs for the year ended 31st March 2018. The Financial Statements of the associate has been audited by other auditors. 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 Joint Venture whose loss after tax is ₹ 75.53 lakhs for the year ended 31st March 2018, 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.

Report on Other Legal and Regulatory Requirements

As required by Section 143(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 our knowledge and belief were necessary for the purposes of 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, 2018 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 and its associate companies incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the 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 the consolidated 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 2018.

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 2018.

For **S.S. Kothari Mehta & Co.**
(Chartered Accountants)
Firm Registration no. 000756N

(Neeraj Bansal)
Partner
Membership No. : 095960

Place: Agra
Date: May 23, 2018

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, 2018,

We have audited the internal financial controls over financial reporting of PNC Infratech Limited (hereinafter referred to as 'the Holding Company") and its 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 in so far as it relates to 14 subsidiaries, associate and joint venture. Internal financial controls over financial reporting of 14 subsidiaries, associate and joint venture have been audited by other auditors, whose reports 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 and

Opinion

In our opinion based on records, the Group has, in all material 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, 2018, 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.**
(Chartered Accountants)
Firm Registration no. 000756N

(Neeraj Bansal)
Partner
Membership No. : 095960

Place: Agra
Date: May 23, 2018

STATEMENT OF CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2018

(₹ In lakhs)

Particulars	Notes	As at March. 31, 2018	As at March 31, 2017
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	4	40,923.22	35,121.03
(b) Capital work - in - progress	5	1,113.64	781.62
(c) Intangible Asset	6	186,950.53	205,361.60
(d) Financial assets			
(i) Investments	7	2,919.34	3,516.29
(ii) Trade receivables	8	164,026.01	116,118.70
(iii) Other Financial Assets	9	16,775.17	16,971.12
(e) Deffered Tax Asset	10	17,668.76	11,499.80
(f) Other Non - current assets	11	18,759.54	16,704.74
(A)		449,136.21	406,074.90
(2) Current assets			
(a) Inventories	12	17,575.06	15,347.87
(b) Financial assets			
(i) Investments	13	14,014.33	6,753.01
(ii) Trade receivables	14	59,453.48	65,237.12
(iii) Cash and cash equivalents	15(i)	14,399.53	1,548.71
(iv) Bank balances other than (iii) above	15(ii)	4,117.47	3,106.46
(v) Other Financial Assets	16	11,947.95	8,900.77
(c) Other current assets	17	19,558.98	14,882.16
(B)		141,066.80	115,776.10
Total Assets (A+B)		590,203.01	521,851.00
EQUITY AND LIABILITIES			
(3) EQUITY			
(a) Equity share capital	18	5,130.78	5,130.78
(b) Other equity	19	163,740.41	140,972.35
Equity Attributable to Owners		168,871.19	146,103.13
Non Controlling Interest		1.11	0.84
Total Equity Total (C)		168,872.30	146,103.97
(4) LIABILITIES			
Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	184,272.43	167,336.56
(ii) Trade Payables	21	98,816.16	110,380.57
(iii) Other financial liabilities	22	13,019.60	11,287.72
(b) Provisions	23	11,996.29	6,488.31
(c) Other non - current liabilities	24	15,554.82	6,404.03
Total (D)		323,659.30	301,897.19
(5) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	2,250.67	12,128.66
(ii) Trade payables	26	47,268.66	27,677.15
(ii) Other financial liabilities	27	26,489.64	17,127.37
(b) Other current liabilities	28	20,272.70	14,818.60
(c) Provisions	29	1,389.74	2,098.06
Total (E)		97,671.41	73,849.84
Total Equity & Liabilities (C+D+E)		590,203.01	521,851.00

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

Tapan Jain
Company Secretary
M. No. A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN 00086653

Chakresh Kumar Jain
Managing Director and Chief Financial Officer
DIN 00086768

Place: Agra
Date: May 23, 2018

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

(₹ In lakhs)

	Particulars	Note No.	Year Ended March 31, 2018	Year Ended March 31, 2017
I	Revenue from operations	30	241,139.29	225,233.20
II	Other income	31	2,435.02	4,059.57
	Total Income (I+II)		**243,574.31**	**229,292.77**
III	Expenses:			
	Cost of materials consumed	32	84,433.25	81,679.62
	(Increase)/decrease in inventories of work-in-progress	33	604.05	2,481.26
	Employee benefits expense	34	14,422.12	11,896.25
	Finance costs	35	30,930.96	31,019.21
	Depreciation and amortization expense	36	26,181.10	24,156.73
	Other expenses	37	64,770.17	66,768.45
	Total Expenses (III)		221,341.65	218,001.52
IV	**Profit /(loss)before share of an associate and a joint venture, exceptional items and tax (I+II-III)**		22,232.66	11,291.25
V	Add/(Less): Share in profit/(loss) of Associates		(596.95)	(2,072.54)
VI	**Profit /(loss)before tax (IV+V)**		**21,635.71**	**9,218.71**
VII	**Tax expense:**			
	Current Tax	38	5,409.45	4,271.84
	Mat Credit Entitlement		(1,875.90)	(3,301.04)
	Taxes of earlier years including MAT Credit Entitlement		(4,992.38)	(2,530.74)
	Deferred Tax Charge/(Credit)		(1,206.19)	(1,049.16)
	Total Tax (VII)		**(2,665.02)**	**(2,609.10)**
VIII	**Profit & (Loss) for the period (VI-VII)**		**24,300.73**	**11,827.81**
IX	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	- Acturial Gain and losses on defined benefit plans		(38.33)	48.75
	(ii) Income tax relating to above items		13.76	(16.10)
X	**Total Comprehensive Income for the period (VIII+IX)**		**24,276.16**	**11,860.46**
	Profit for the year attributable to:			
	- Owners of the parent		24,300.76	11,827.81
	- Non- Controlling Interest		(0.03)	0.00
	Other comprehensive income for the year attributable to:			
	- Owners of the parent		(24.57)	32.65
	- Non- Controlling Interest		-	-
	Total omprehensive income for the year attributable to:			
	- Owners of the parent		24,276.19	11,860.46
	- Non- Controlling Interest		(0.03)	0.00
	Earnings per equity share of ₹ 2/- each			
	Basic (in ₹	39	**9.47**	**4.62**
	Diluted (in ₹)		**9.47**	**4.62**

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

On behalf of the Board of Directors

Neeraj Bansal
Partner
Membership No. 95960

Tapan Jain
Company Secretary
M. No. A22603

Pradeep Kumar Jain
Chairman and Managing Director
DIN 00086653

Chakresh Kumar Jain
Managing Director and Chief Financial Officer
DIN 00086768

Place: Agra
Date: May 23, 2018

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

(₹ In lakhs)

	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax and exceptional items	21,635.71	9,218.71
	Adjustments for:		
	Depreciation and amortization expenses	26,181.10	24,156.73
	Finance cost	30,930.96	31,019.21
	Interest Income	(666.10)	(3,261.27)
	Loss/(Profit) on Sale of Investments(Net)	(806.22)	(0.11)
	Loss/(Profit) on Sale of Fixed Assets(Net)	(38.92)	154.73
	Miscellaneous Expenses written off	-	6.30
	Other Non- Cash items		91.43
	Operating Profit Before Working Capital Changes	**77,236.53**	**61,385.73**
	Adjustments for changes in Working Capital :		
	(Increase)/Decrease in Inventories	(2,227.19)	8,289.88
	(Increase)/Decrease in Trade Receivables	(42,123.67)	(31,249.23)
	(Increase)/Decrease in Other Assets	(14,504.02)	(21,352.71)
	Increase/(Decrease) in Trade Payables	8,027.10	(1,350.66)
	Increase/(Decrease) in Other Liabilities	26,115.61	11,225.59
	Cash Generated From Operations	**52,524.36**	**26,948.60**
	Taxes Paid (net of refunds)	(3,533.56)	(970.80)
	Cash Generated before Prior Period Item	**48,990.80**	**25,977.80**
	Tax for Earlier Years	4,992.38	2,530.74
	Net Cash Generated after Prior Period Item	**53,983.18**	**28,508.54**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(14,150.76)	(20,914.23)
	(including Capital work in progress)		
	Sale of Fixed Assets	980.50	244.51
	Sale of Investments	1,403.17	2,061.17
	Purchase of Investments	(8,067.55)	(5,708.94)
	Investment in term deposit & others bank balance	(863.25)	903.42
	Interest Income	666.10	3,261.27
	Net Cash Used in Investing Activities	**(20,031.79)**	**(20,152.80)**
(C)	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from Long Term Borrowings	32,501.84	14,947.31
	Repayment of Long Term Borrowings	(11,182.88)	(4,744.96)
	Proceeds from Working Capital Borrowings from Banks (Net)	(9,877.99)	8,972.12
	Finance cost paid	(30,930.96)	(31,019.21)
	Dividend Paid (including tax thereon)	(1,610.58)	(1,610.58)
	Net Cash Used in Financing Activities	**(21,100.57)**	**(13,455.32)**
	Net Increase/(Decrease) in Cash & Cash Equivalents	**12,850.82**	**(5,099.58)**
	Opening Cash and Cash Equivalents	1,548.71	6,648.29
	Closing Cash and Cash Equivalents	**14,399.53**	**1,548.71**

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

On behalf of the Board of Directors

Neeraj Bansal
Partner
Membership No. 95960

Tapan Jain
Company Secretary
M. No. A22603

Pradeep Kumar Jain
Chairman and Managing Director
DIN 00086653

Chakresh Kumar Jain
Managing Director and Chief Financial Officer
DIN 00086768

Place: Agra
Date: May 23, 2018

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

FOR THE PERIOD ENDED MARCH 31, 2018

A. Equity Share Capital		(₹ In lakhs)
As at April 01, 2017	Changes during the year	As at March 31, 2018
5,130.78	-	5,130.78

B. Other Equity					(₹ In lakhs)
Particulars	Reserves & Surplus			Non-Controlling Interest	Total
	Securities premium account	General Reserve	Retained earnings		
Restated Balance as at April 1, 2017	**59,009.67**	**198.33**	**81,764.35**	**0.84**	**140,973.19**
Profit for the year	-	-	24,300.76	(0.03)	24,300.73
Other Comprehensive Income	-	-	(24.57)		(24.57)
Total comprehensive income for the year	**-**	**-**	**24,276.20**	**(0.03)**	**24,276.16**
Dividend paid, including tax			(1,610.58)		(1,610.58)
Adjustment during the year		(69.37)	171.82	0.30	102.75
Balance as at March 31, 2018	**59,009.67**	**128.96**	**104,601.79**	**1.11**	**163,741.52**

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 23, 2018

Tapan Jain
Company Secretary
M. No. A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN 00086653

Chakresh Kumar Jain
Managing Director and Chief Financial Officer
DIN 00086768

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

1. Company Overview:

PNC Infratech Limited (The Company) 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 is listed with National Stock Exchange and Bombay Stock Exchange.

The Company and its subsidiaries (hereinafter refer to as Group) 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 & HAM (Hybrid Annuity Model), 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 of the group 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 23rd May 2018.

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 as amended thereto.

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 2018.

In 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 as an investee if facts and circumstances indicates that there are changes to one or more of the three elements of controls. 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.

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. financial 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

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 collection 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 under Intangible Assets Method 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.

2.2 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
- 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 group has 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 group recognises the intangible assets according 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 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. The useful life is reviewed at least at the end of each financial year. In case of Plant & Machinery as per technical estimate (excluding Cranes & Earth Moving equipment), the useful life is more than as stated in schedule II. The estimated useful life of Property, Plant & Equipment and Intangible assets as mentioned below:

Particulars	Useful life (Yrs)
Buildings	30
Plant & Machinery	
-Earth Moving Equipment	15
-Piling Equipment	15
-Others	15
Office Equipment	05
Furniture & Fixtures	10
Vehicles	
-Two Wheelers	10
-Four Wheelers	08
Computers	03
Temporary Construction	03
Computer Software	06

2.9. Cash & Cash Equivalent

Cash & Cash Equivalents comprise of cash at bank and cash-in-hand. The group 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. Service Concession Arrangements:

The group constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and also 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 group receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used when the group 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.

The group manages concession arrangements which include constructing road, redevelopment and maintenance of industrial estate etc. for public 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) fair value 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

In the case of Operation and Maintenance arrangements, Intangible asset is recognized at fair value of the concession fee payable over the arrangement period.

2.11. 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 to 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 taxes or duty 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 (under Financial Receivable Model) 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.

2.12. 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.

2.13. 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.

2.14. Employee benefits

Short Term:

All employee benefits payable 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.

2.15. 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.

2.16. 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 unallocable expenditure.
3. Income which relates to the group as a whole and not allocable to segments is included in unallocable income.
4. Segment results include 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.

2.17. 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).

2.18. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

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.

2.19. Impairment of Financial Assets

The group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not at fair value 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 is recognized as an impairment gain or loss in the statement of profit or loss.

2.20. 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.

2.21. 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.

2.22. Provisions, Contingent Liabilities and 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, wherever 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.

2.23. 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 group 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.

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. 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.

2.24. 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 an income or 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

2.25. Fair Value Measurement

The group 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.

3. Critical accounting estimates and Judgements

i. Estimated useful life of intangible asset and property, plant and equipment

The group 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 CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note 4: Property, plant & equipment

Year ended March 31, 2018									(₹ In lakhs)
Particulars	Freehold Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Temporary Constructions	Total
Gross carrying value									
At April 1, 2017	202.69	653.46	40,000.01	240.76	1,521.54	535.68	344.68	1,642.30	45,141.11
Addition during the year	-	-	11,569.73	79.35	976.96	212.85	97.03	94.95	13,030.87
Disposal / Adjustments	-	-	168.65	-	51.97	0.16	0.41	-	221.19
At March 31, 2018	**202.69**	**653.46**	**51,401.09**	**320.11**	**2,446.53**	**748.37**	**441.30**	**1,737.25**	**57,950.80**
Accumulated Depreciation									
At April 1, 2017	-	42.69	7,869.23	42.27	300.61	167.02	295.67	1,302.58	10,020.08
For the year	-	21.33	6,403.81	31.95	238.80	115.17	82.66	201.13	7,094.86
Disposal / Adjustments	-	-	64.57	-	22.57	0.03	0.20	-	87.36
At March 31, 2018	**-**	**64.02**	**14,208.48**	**74.22**	**516.85**	**282.16**	**378.14**	**1,503.71**	**17,027.57**
Net carrying value as at March 31, 2018	**202.69**	**589.44**	**37,192.61**	**245.89**	**1,929.67**	**466.21**	**63.17**	**233.54**	**40,923.22**

Year ended March 31, 2017									(₹ In lakhs)
Particulars	Freehold Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Temporary Constructions	Total
Gross carrying value									
At March 31, 2016	145.29	653.46	22,933.30	160.21	1,173.62	401.29	259.13	1,353.86	27,080.16
Addition during the year	57.40	-	17,541.72	107.66	389.29	159.77	101.68	288.44	18,645.97
Disposal / Adjustments	-	-	475.01	27.11	41.37	25.39	16.14	-	585.02
At March 31, 2017	**202.69**	**653.46**	**40,000.01**	**240.76**	**1,521.54**	**535.68**	**344.68**	**1,642.30**	**45,141.11**
Accumulated Depreciation									
At March 31, 2016	-	21.41	3,787.85	25.56	139.88	93.83	204.38	1,107.46	5,380.37
Addition during the year	-	21.28	4,223.08	24.81	174.75	82.37	92.49	195.12	4,813.90
Disposal / Adjustments	-	-	141.70	8.10	14.02	9.18	1.19	-	174.19
At March 31, 2017	**-**	**42.69**	**7,869.23**	**42.27**	**300.61**	**167.02**	**295.67**	**1,302.58**	**10,020.08**
Net carrying value as at March 31, 2017	**202.69**	**610.77**	**32,130.77**	**198.50**	**1,220.93**	**368.65**	**49.00**	**339.72**	**35,121.03**

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/reclassified/rearranged wherever considered necessary.

(iii) Borrowing cost capitalised during the period is nil.

(iv) Gross carrying value is based on the net carrying value (Deemed Cost) as on transition date i.e. 01.04.2015.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note 5: Capital Work In Progress (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Capital Work in Progress		
Opening Cost	781.62	186.82
Addition during the year	1,113.64	781.62
Capitalized/Adjustments during the year	(781.62)	(186.82)
Total	**1,113.64**	**781.62**

Note 6: Intangible assets

Year ended March 31, 2018 (₹ In lakhs)

Particulars	Computer software	Concession Rights	Goodwill on Consolidation	Total
Gross carrying value*				
As at April 1, 2017	284.33	239,180.46	2.70	239,467.49
Addition during the year	6.51	-	1.47	7.98
Disposals/Adjustments	0.14	-	-	0.14
As at March 31, 2017	**290.70**	**239,180.46**	**4.17**	**239,475.33**
Amortisation				
As at April 1, 2017	84.17	34,021.73	-	34,105.90
For the year	46.27	18,346.64	-	18,392.91
Disposals/Adjustments	0.09	(26.09)	-	(26.00)
As at March 31, 2018	**130.35**	**52,394.46**	**-**	**52,524.81**
Net carrying value as at March 31, 2018	**160.35**	**186,786.00**	**4.17**	**186,950.53**

Year ended March 31, 2017 (₹ In lakhs)

Particulars	Computer software	Concession Rights	Goodwill on Consolidation	Total
Gross carrying value*				
As at March 31, 2016	238.48	238,203.82	11.59	238,453.90
Addition during the year	45.85	976.64	2.70	1,025.19
Disposals/Adjustments	-	-	11.59	11.59
As at March 31, 2017	**284.33**	**239,180.46**	**2.70**	**239,467.50**
Amortisation				
As at March 31, 2016	43.07	15,391.47	-	15,434.54
For the year	41.10	18,630.26	-	18,671.36
Disposals/Adjustments	-	-	-	-
As at March 31, 2017	**84.17**	**34,021.73**	**-**	**34,105.90**
Net carrying value as at March 31, 2017	**200.16**	**205,158.73**	**2.70**	**205,361.60**

*Gross carrying value is based on the net carrying value (Deemed Cost) as on transition date i.e. 01.04.2015.

Note 7: Non-Current Investments (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
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	3,460.75	5,533.29
Less- Loss of Associate transferred from Reserves	(596.95)	(2,072.54)
Closing Carrying value	2,863.80	3,460.75
(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
Total	**2,919.34**	**3,516.29**

Particulars	As at March 31, 2018	As at March 31, 2017
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	2,919.34	3,516.29
Provision for diminution in value of investments	-	-
Total	**2,919.34**	**3,516.29**

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, 2018	As at March 31, 2017
Ghaziabad Aligarh Expressway Private Limited	Associates	14,955,240	14,955,240

Note 8: Non Current trade receivable (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, Considered goods	164,026.01	116,118.70
Total	**164,026.01**	**116,118.70**

Note 9: Other Non-current financial assets (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Other Bank balances (having maturity of more than 12 months)*		
-Term deposits as margin money for bank guarantees	496.04	658.78
-Earnest money deposits (in the form of term deposits, NSC etc)	28.06	13.10
Share Warrants in Ghaziabad Aligarh Expressway Pvt. Limited#	7,679.67	6,736.56
(Unsecured, Considered good unless otherwise stated)		
Retentions & Security Deposits		
With government departments & other clients	7,671.79	8,644.87
with related parties	824.23	824.23
with others	75.38	76.96
Others	-	16.62
Total	**16,775.17**	**16,971.12**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

* For details refer Note 14 (ii)

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 10: Deferred Tax (₹ In lakhs)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Deferred Tax Assets		
Trade payables	30,534.19	34,085.56
Property, Plant & Equipment	-	28.28
Retention Assets	125.24	706.32
Deferred Retention Liabilities	56.87	7.32
Gratuity & Leave encashment	286.58	205.28
Pre IPO & Preoperative Expenses	22.11	13.99
Major Maintanence	3,536.24	1,881.20
Total Deferred Tax Assets	**34,561.24**	**36,927.95**
(b) Deferred Tax Liabilities		
Retention Liabilities	46.76	8.20
Investment	19.44	7.68
Deffered Retention Assets	130.26	701.54
Property, Plant & Equipment	47.08	-
Intangible Asset	516.06	2,513.13
Trade Recievable	32,408.50	33,479.28
Borrowings	44.40	61.81
Total Deferred Tax Liabilities	**33,212.50**	**36,771.64**
Receivable from government autorities incl. MAT	16,320.01	11,343.49
Net Deferrred Tax Assets/ (Liabilities)	**17,668.76**	**11,499.80**

Movement in Deferred tax (Liabilities)/Assets

Particulars	Trade Payables	Property, plant & Equipment	Retention Assets	Deferred Retention Liabilities	Gratuity & Leave encashment	Pre IPO & Preoperative Expenses	Major Maintanence	Retention Liabilities	Investment	Deffered Retention Assets	Intangible Asset	Trade Recievable	Borrowings
At April 1, 2017	34,085.56	28.28	706.32	7.32	205.28	13.99	1,881.20	(8.20)	(7.68)	(701.54)	(2,513.13)	(33,479.28)	(61.81)
(Charged)/credited:-													
-to profit & loss	(3,551.37)	(75.36)	(581.08)	49.55	95.06	8.12	1,655.04	(38.56)	(11.76)	571.28	1,997.07	1,070.78	17.41
-to Other Comprehensive Income					(13.76)								
At March 31, 2018	30,534.19	(47.08)	125.24	56.87	286.58	22.11	3,536.24	(46.76)	(19.44)	(130.26)	(516.06)	(32,408.50)	(44.40)

Note 11: Other Non Current Assets

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance tax & tax deducted at source (Net)*	4,057.11	4,091.56
Tax & Duty deposited under protest	1,314.22	1,314.90
Advances Other than Capital Advance		
Balance with Government authorities	8,228.20	3,991.45
Mobilization advance to sub-contractors	682.32	240.29
Deferred Retention		
a. Held with departments	345.41	1,998.54
b. Held with related party	-	-
c. Others	4.10	-
Deferred Share warrant Assets	4,125.30	5,068.42
Miscellaneous Expenditure:		
Preliminary expenses	2.88	(0.42)
Total	18,759.54	16,704.74

*The refund receivable for certain years, are held up by tax authorities for verification of TDS certificates internally or with other issuing departments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

Note 12: Inventories (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw Materials (construction material)	14,053.92	12,085.01
Raw Material in transit	71.26	-
Work-in-progress	712.39	1,316.44
Stores and spares	2,737.49	1,946.42
Total	**17,575.06**	**15,347.87**

Note 12.1: Bifurcation of Raw Material and WIP under broad heads: (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw material		
Bitumen	194.15	600.51
Cement	858.65	337.81
Steel	3,464.98	477.12
Stone,Grit and Sand	7,622.09	9,764.01
High speed diesel and Fuel oil	417.53	367.90
Others	1,496.52	537.66
	14,053.92	**12,085.01**
Work-in-progress		
Road	712.39	1,316.44
	712.39	**1,316.44**

Note 13: Current Investment (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Investments In Mutual Funds		
Axis Mutual Fund- 1,86,52,053.077 Units (P.Y. 1,00,72,336.172 Units)	3,663.56	1,793.84
BP Liquid Fund Investment - Nil (Previous year 4,195.876 Units)	-	83.78
HDFC Liquid Fund Investment- 13,51,271.916 Units (P.Y. 3,29,18,783.258 Units)	10,219.09	4,875.39
Kotak low duration Funds 6,020.838 Units (P.Y. Nil)	131.68	-
Total	**14,014.33**	**6,753.01**

Particulars	As at March 31, 2018	As at March 31, 2017
Aggregate book value of quoted investments	14,014.33	6,753.01
Aggregate market value of quoted investments	14,014.33	6,753.01
Aggregate book value of unquoted investments	-	-
Provision for diminution in value of investments	-	-
	14,014.33	6,753.01

Note 14: Trade Receivables (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless otherwise stated	59,453.48	65,237.12
Total	**59,453.48**	**65,237.12**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note 15: Cash & Bank Balance

(i) Cash & Cash Equivalents

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Cash & Cash Equivalents		
Cash in hand	378.32	299.69
Bank Balances with Scheduled Bank:		
In Current Account	13,661.19	1,249.02
In Term Deposits (Less than 3 months)	360.02	-
Total	**14,399.53**	**1,548.71**

(ii) Other Bank Balance

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(with maturity less than 3 months maturity)		
Earmarked Term deposits as Margin money for bank guarantee	681.16	920.66
Earnest money deposits (in the form of term deposits, NSC etc)	163.72	354.14
(with maturity more than 3 months but upto 12 months)		
Earmarked Term deposits as Margin money for bank guarantee	3,253.57	1,798.51
Earnest money deposits (in the form of term deposits, NSC etc)	19.02	33.14
Total	**4,117.47**	**3,106.46**

FDR having original matuirty more than twelve months but maturing within twelve months from the Balance sheet date amounting to ₹ 431.98 Lakhs (P.Y. ₹ 855.86 Lakhs)

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed deposits as Margin money on bank guarantee		
Under lien in favour of Banks as margin deposits for letter of credit and Bank Guarantees	4,430.77	3,377.95
Earnest money (in form of term deposits) deposits in favour of customers.	210.81	400.38
Total Deposits	**4,641.58**	**3,778.33**
Deposit having more than 12 months maturity from reporting date		
Fixed Deposits	496.04	658.78
Earnest Money Deposits	28.06	13.10
Total Non-Current Deposits	**524.10**	**671.88**
Total Current Deposits	**4,117.48**	**3,106.46**

Note 16: Other current financial assets

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Retentions & Security Deposits with others		
with government and other clients	6,453.23	8,646.13
with others	102.11	106.37
Loans and advances to related parties	5,139.24	-
Balance with Government Authorities	12.85	-
Interest accrued but not due on Margin money & Earnest money deposits	240.52	148.27
Total	**11,947.95**	**8,900.77**

*The Company has given interest free unsecured loan to its Associate for financial assistance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

Note 17: Other Current Assets (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance with Government Authorities	11,155.67	7,731.73
Mobilization advance to sub-contractors	682.32	386.55
Advances to suppliers/Contractors		
Unsecured, considered good	5,529.16	3,551.26
(+) Doubtful	35.42	35.42
(-) Provision for Doubtful advances	(35.42)	(35.42)
Other advances	2,164.66	1,129.24
Others	17.78	492.02
Income accrued but not billed	-	1,591.35
Deferred Retentions	9.39	-
Total	**19,558.98**	**14,882.16**

Note 18: Share Capital (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
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**
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
Total	**5,130.78**	**5,130.78**

A. Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

	Nos.	Nos.
Opening	256,539,165	256,539,165
Add: Issued during the year	-	-
Less:Deductions during year	-	-
Closing	256,539,165	256,539,165

B. Details of shares held by Shareholders holding more than 5% in the Parent Company:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of Shares	% Holdings	No of Shares	% Holdings
NCJ Infrastructural Consultants	26,683,500	10.40	-	-
PPPL Construction Private Limited	23,921,250	9.32	23,921,250	9.32
Naveen Kumar Jain	18,096,000	7.05	17,758,125	6.92
Madhavi Jain	17,998,500	7.02	17,998,500	7.02
Yogesh Kumar Jain	16,794,000	6.55	16,456,125	6.41
HDFC Mutual Fund	16,153,820	6.30	18,267,660	7.12
Pradeep Kumar Jain	15,349,500	5.98	16,363,125	6.38
Alberta Merchants Private Limited	-	-	15,812,500	6.16

C Rights and restrictions attached to equity shares

The Parent 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 Parent Company has split the face value of its Equity shares to ₹ 2 per shares as approved by the shareholder of the Parent 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.

D There are no bonus shares/shares issued for consideration other than cash and no Shares have been brought back during the period of five years immediately preceeding five years.

Note 19: Other Equity (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Securities premium reserves		
Opening Balance	59,009.67	59,018.72
(+) Addition During the period	-	-
(-) Utilization During the period	-	9.05
Closing Balance	59,009.67	59,009.67
General Reserve		
Opening Balance	198.33	122.63
(+) Current period Transfer from Statement of Profit & Loss	-	-
Adjustment during the period	(69.37)	75.70
Closing Balance	128.96	198.33
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	81,764.35	71,514.47
(+) Net Profit for the current period	24,300.76	11,827.81
(-) Remeasurement of Defined Benefit Obligation*	24.57	(32.65)
Amount available for appropriation	106,040.55	83,374.93
(-) Final Dividend paid on Equity Shares, Including DDT	1,610.58	1,610.58
(+) Adjustment during the period	171.82	-
Closing Balance	104,601.79	81,764.35
Total	**163,740.41**	**140,972.35**

Note 19.1

* This is the item of comprehensive income directly booked in retained earnings

Note 19.2 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note 20: Long Term Borrowings		(₹ In lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
Term loans -from banks	181,618.36	166,720.97
Term loans -from NBFCs	2,654.07	615.59
Total	184,272.43	167,336.56

The requisite particulars in respect of secured borrowings are as under:

Particulars	Total Loan Outstanding	Non - Current Maturity	Current Maturity
Term Loan From Banks	196,227.70	181,618.36	14,609.34
	(177,566.00)	(166,720.97)	(10,845.03)
Term Loan from NBFC	3,610.69	2,654.07	956.62
	(953.44)	(615.59)	(337.85)

Common Conditions:-

(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.

(iii) Figures in brackets represents previous year figures.

(iv) A first mortgage and charge on all the borrowers immovable properties both present and future save and except the project assets.

(v) A first charge by way of hypothecation of the borrower movable, including current and non current assets save and except the project assets.

(vi) A first charge on borrowers receivables save and except the project assets.

(vii) A first charge over all the bank accounts of the borrower, the escrow account, sub accounts, major maintainence account debt service reserve account.

(viii) A first charge on all the intangible assets excluding the project assets

(ix) A first charge by way of assignment or otherwise creation of securitry interest in all the rights, title, interests,benefits,claims and demands.

Specific Conditions:		
Subsidiary Name	Other Condition	Repayment Schedule
MP Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 51%.	Borrowings are repayable in 115 unequal monthly installments which commenced from september 2013.
PNC Bareilly Nainital Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 51%.	Borrowings are repayable in 115 unequal monthly installments which commenced from september 2013.
PNC Raebareli Highways (P) Limited	Pledge of equity shares of the borrower shall be reduced from 51% to 26% subject to compliance of all the provisions of financing documents.	25 unequal half yearly installments commencing from July 2017.
PNC Rajasthan Highways (P) Limited	Pledge of shares held by the promoter and or any other person aggregating to 30%.	24 unequal half yearly installments commencing after 6 months from date of Scheduled completion date .
PNC Kanpur Highways Limited	Pledge of equity shares held by the sponsor aggregating to 51%	The Loan is repayable in 96 unequal monthly installments commencing from January 2016
PNC Delhi Industrialinfra (P) Limited	Pledge of equity shares held by the sponsor aggregating to 51%	The loan is repayable in 121 unequal monthly instalments commencing from December 2013.

Note 21: Trade Payables (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Dues of Micro & Small enterprises*	-	-
Dues of parties other than Micro & Small enterprises	98,816.16	110,380.57
Total	98,816.16	110,380.57

* 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 22: Other Non current financial Liabilities (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Retention from contractors/suppliers	6,482.03	5,462.56
Capital Creditors	4,200.92	4,441.96
Security received from contractor/suppliers	42.93	89.88
Interest payable	2,293.72	1,293.32
Total	13,019.60	11,287.72

Note 23: Long Term Provisions (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits*		
Gratuity	409.99	314.10
Leave Encashment (Unfunded)	155.08	102.47
Other Provisions		
Major Maintenance**	11,431.22	6,071.74
Total	11,996.29	6,488.31

* For details refer Note No. 47

** 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 maintenance that are subject to change to actual maintenance to be held in prospective years.

Note 23.1: Movement of provision for Major Maintenance (₹ In lakhs)

Particlars	2017-18	2016-17
Movement of provision for Major Maintenance		
Carrying amount at the beginning of the year	6,071.74	1,441.92
Additional provision made during the year	5,359.48	4,629.82
Amount used during the year	-	-
Amount reversed during the year	-	-
Carrying amount at the end of the year	11,431.22	6,071.74

Note 24: Other non current liabilities (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advances from customers	15,351.80	6,404.03
Deferred Retentions	203.02	-
Total	15,554.82	6,404.03

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note 25: Short Term Borrowings

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured		
Working Capital Loans - repayable on demand	-	8,972.12
Unsecured		
Loan repayable on demand from Related party	2,250.67	3,156.54
Total	**2,250.67**	**12,128.66**

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 hypothection 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, group company and relatives of directors.
	(iv) Corporate Guarantee of Taj Infrabuilders Private Limited.
	(v) Personal guarantee of promoters and relatives of directors.

Note 26: Trade Payables

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Dues of Micro & Small enterprises*	-	-
Dues of parties other than Micro & Small enterprises	47,268.66	27,677.15
Total	**47,268.66**	**27,677.15**

* 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 27: Other financial Current Liabilities

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term debt		
From Banks	14,609.34	10,845.03
From NBFCs	956.62	337.85
Total Current maturity of long term debt	**15,565.96**	**11,182.88**
Others		
Due to employees	1,556.61	1,258.26
Creditors - Capital Goods	2,089.38	874.96
Others	7,277.69	3,811.27
Total Others	**10,923.67**	**5,944.49**
Total	**26,489.64**	**17,127.37**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

Note 28: Other current liabilities (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance received from contract customer & others	14,362.74	13,486.08
Statutory dues	3,669.23	1,050.78
Deferred Retentions	1,946.18	32.99
Provision for employee benefits*		
Gratuity	233.99	214.68
Leave Encashment (unfunded)	60.56	34.06
Total	**20,272.70**	**14,818.60**

* Refer to Note no. 47

Note 29: Short Term Provisions (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Provisions for Income Tax	1,389.74	2,098.06
Total	**1,389.74**	**2,098.06**

Note 30 : Revenue from operations (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Contract Revenue*	177,100.67	168,926.03
Toll collection	48,501.59	40,713.63
Domenitasation Claim	-	1,425.71
Other operating revenues		
Sale of material and others	2,568.79	1,081.88
Sale of scrap material	219.57	233.29
Other	628.88	484.80
Interest on annuity receivable	12,119.79	12,367.86
Total	**241,139.29**	**225,233.20**

*This includes Bonus of ₹ 5823.27 Lakhs (Previous year is Nil) received from UPEIDA on early compleation of project.

Note 31: Other Income (₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest Income:		
On Bank's FDR	375.06	645.24
On Interest from Others	291.03	2,616.04
Gain on disposal of Fixed Asset (Net)	38.92	-
Profit on sale of Investments (Net)	8.93	0.11
Gain on fair valuation of Investments	68.00	15.08
Profit on sale of Mutual funds	797.29	345.47
Other non-operating income (net of expenses)	855.79	437.63
Total	**2,435.02**	**4,059.57**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note 32: Cost of material consumed		(₹ In lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
Raw Material Consumed	84,433.25	81,679.62
Total	**84,433.25**	**81,679.62**

Note 33: Increase/ Decrease of Work in progress		(₹ In lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
Opening stock of Work-in-progress	1,316.44	3,797.70
Closing stock of Work-in-progress	712.39	1,316.44
(Increase)/decrease in work-in-progress	**604.05**	**2,481.26**

Note 34: Employee Benefit Expense		(₹ In lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
(a) Salaries and Wages	13,726.38	11,415.87
(b) Contributions to - Provident fund & other funds	487.33	308.85
(c) Staff welfare expenses	208.41	171.53
Total	**14,422.12**	**11,896.25**

Note 35: Finance Cost		(₹ In lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
Interest expense	29,932.05	18,353.97
Interest on Financial Liabilities	19.02	11,530.12
Other borrowing costs		
Loan processing charges	20.04	73.22
Guarantee charges	586.99	593.57
Other	372.86	468.33
Total	**30,930.96**	**31,019.21**

Note 36: Depreciation and Amortization expenses		(₹ In lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
Depreciation on Property, Plant and Equipment	7,094.86	4,813.93
Amortization on Intangible Assets	18,396.30	18,671.36
Amortization of Security Deposits	689.94	671.44
Total	**26,181.10**	**24,156.73**

Note 37: Other Expenses		(₹ In lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017
Consumption of Stores & Spares*	2,511.82	3,415.56
Power & Fuel	839.00	724.05
Contract Paid incl. construction cost	38,015.49	41,459.61
Hire charges of Machineries	939.03	773.75
Other Manufacturing & Construction expenses	3,268.82	1,998.42
Rent	481.24	422.95
Insurance	475.17	418.99
Repairs to Buildings	29.07	81.75
Travelling and Conveyance	367.05	280.19
Postage & Telephone	12.07	36.47
Legal & Professional Expenses	691.24	751.36
Rates and Taxes**	8,629.98	10,060.53
Printing & Stationery	10.89	18.76
Auditor's Remuneration		
Audit Fees	39.71	38.53
Certification Fees	-	8.63
For Reimbursment of Expenses	1.61	1.73
Advertisement Expenses	0.67	4.25
Tender & Survey Expenses	83.04	162.51
Hire charges of Vehicles	89.92	50.30
Director's sitting fees	6.90	7.90
Impairment of Project Expenses	-	41.14
Loss on disposal of Fixed assets (Net)	-	154.73
Pre Initial Public Offer/Private Equity & Preliminary Expenses written off	-	6.30
Corporate Social Responsibility***	362.04	199.15
Miscellaneous and General Expenses	2,550.91	1,020.98
Major Maintenance Cost	5,364.51	4,629.92
Total	64,770.17	66,768.45

* 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 and GST (net) of ₹ 6515.79 lacs (Previous year ₹ 7259.27 lacs)

*** 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 ₹ 357.00 Lacs (P.Y. ₹ 301.66 lacs) for the Financial Year 2017-18. However, Company has spent ₹ 362.04 (P.Y. ₹ 199.15)Lacs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note 38: Tax Expense

A. Income Tax Expenses

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Current tax		
Current tax on profit for the period	5,409.45	4,271.84
Adjustments for current tax of prior periods	(4,992.38)	(2,530.74)
Total Current tax expense	**417.08**	**1,741.10**
(b) Deferred tax		
Decrease (increase) in deferred tax assets		1,248.44
(Decrease) increase in deferred tax Liabilities	(1,206.19)	(2,297.60)
Total Deffered Tax Expenses	**(1,206.19)**	**(1,049.17)**
(c) MAT		
Mat Credit Entitlement	(1,875.90)	(3,301.04)
Total Income tax Expense	**(2,665.01)**	**(2,609.10)**

(B) Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Profit before tax	22,232.66	11,291.25
Tax at Indian tax rate of 34.608% (F.Y. 2016-17-34.608%)	**7,694.28**	**3,907.67**
Tax Adjustments for earlier years		
Current Tax including MAT credit entitlement	(4,992.38)	(2,530.74)
Others:		
Tax at lower rates on subsidiary	43.08	316.00
Income Tax Exempt under Tax Holiday	(5,856.63)	(4,690.39)
Expenses not allowed for tax puposes	397.48	122.43
Minimum Alternate tax paid	40.02	103.80
Deferred tax not recognised on DTL	9.16	162.11
Income Tax expenses Charged to P/L	**(2,664.99)**	**(2,609.10)**

Note 39: Earning per equity shares

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Weighted Average number of Equity Shares outstanding	2,565.39	2,565.39
Profit after tax as per Profit & Loss A/c	24,300.76	11,827.82
Nominal value per share	2.00	2.00
Basic & Diluted Earning per share	**9.47**	**4.62**

Note 40: Contingent Liabilties & Assets

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
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
Disputed demand of Sales Tax/ VAT for which company preferred appeal	9,200.12	1,870.48
Disputed demand of Service Tax for which company preferred appeal	549.74	526.90
Disputed demand of Entry Tax for which company preferred appeal	3,627.36	3,549.74
Others (including motor accident, labour & civil matters)	438.27	463.13
(Interest and penalties if any, on above cases will be decided at the time of settlement)		
Other		
- Letter of Credit outstanding	-	760.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note 40.1: 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 41: Guarantees

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(i) Bank Guarantees - Executed in favour of National Highways Authority of India and others	206,027.18	141,898.19
(ii) Corporate guarantee - - 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)	9,984.84	11,063.73
- 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

Note 42: Commitments

(₹ In lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Net of advance of ₹ NIL (previous year ₹ 1005.14 Lacs)	424.86	1,005.14
(b) Capital Commitment for Equity and others (Net of Investment)		
PNC Rajasthan highways Private Limited	19.47	62.47
PNC Chitradurga Highways Pvt Ltd	103.77	-
PNC Bundelkhand Highways Pvt Ltd	125.75	-
PNC Khajurao Highways Pvt Ltd	99.85	-

Note 43: 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:

(₹ In lakhs)

Office Premises	Year ended 31.03.2018	Year ended 31.03.2017
Less than 1 year	99.67	78.80
Between 1-5 years	486.60	294.79
More than 5 years	605.51	-
Period	**10 years**	**10 years**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

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 ₹ 459.83 Lacs (PY ₹ 365.17 Lacs).

The lease rentals have been included under the head 'Rent" under Note No.39

Note 44: Disclosure pursuant to Indian Accounting Standard-11 "Construction Contracts" (₹ In lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Total Contract revenue	177,100.67	168,926.03
Particulars about contracts in progress at the end of the period:		
Aggregate amount of cost incurred up to period end	155,322.47	148,864.45
Aggregate amount of profit / (Loss) Recognized	21,778.20	20,061.58
Advance Received	29,714.54	19,890.12
Retention Amount	14,470.43	19,289.54

Note 45: Related Party Disclosures

The names of related parties where control exist and/or with whom transactions have taken place during the year.

A. List of Related Parties and Relationships

Associates

1 Pradeep Kumar Jain HUF
2 Yogesh Kumar Jain HUF
3 Ghaziabad Aligarh Expressway Private Limited
4 Smt. Premwati Devi Smriti Nyas

Key Managerial Personal (KMP)

1	Pradeep Kumar Jain	(Chairman and Managing Director)
2	Naveen Kumar Jain	(Whole Time Director up to 02.12.2017)
3	Chakresh Kumar Jain	(Managing Director & Chief Financial Officer)
4	Yogesh Kumar Jain	(Managing Director)
5	Anil Kumar Rao	(Whole Time Director)
6	D K Agarwal	(Chief Financial Officer up to 15.07.2017)
7	Tapan Jain	(Company Secretary) (From 20.01.2017)

Relatives of KMP

1	Meena Jain	(W/o Pradeep Kumar Jain)
2	Renu Jain (up to 02.12.2017)	(W/o Naveen Kumar Jain)
3	Madhvi Jain	(W/o Chakresh Kumar Jain)
4	Ashita Jain	(W/o Yogesh Kumar Jain)
5	Ashish Jain	(Brother In Law of promotor directors)
6	Ishu Jain	(Daughter in Law of Pradeep Kumar Jain)
7	Bijali Rao	(W/o Anil Rao)
8	Harshvardhan Jain	(S/o Chakresh Kumar Jain)
9	Naveen Kumar Jain	(Brother of Chairman and Managing Directors)

Entities controlled/ influenced by KMP and their relatives with whom Transactions 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 CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

B. Transactions with Related Parties (₹ In lakhs)

S.No.	Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Transactions during the Year			
1	**Receipt on account of EPC and Other Contract**		
	Associates Compay		
	Ghaziabad Aligarh Expressway Private Limited	50.60	3,469.21
	Entities controlled/influenced by KMP and their relatives		
	Ideal Buildtech Private Limited	-	50.01
	Total	**50.60**	**3,519.22**
2	**Payment of Rent/Services**		
	Entities controlled/influenced by KMP and their relatives		
	Subhash International Private Limited	89.82	69.53
	Exotica Buildtech Private Limited	9.66	8.61
	Others	127.95	119.66
	Total	**227.43**	**197.80**
3	**Sale/ Purchase of Investment/ Loan and Shares Application Money in Equity Share Capital**		
	Ghaziabad Aligarh Expressway Private Limited	3,735.84	10,581.58
	Total	**3,735.84**	**10,581.58**
4	**Interest Income**		
	Ghaziabad Aligarh Expressway Private Limited	-	1,398.15
	Total	**-**	**1,398.15**
5	**Key management personnel compensation**		
	Short Term Employee Benefits	897.74	793.78
	Post-employemnt benefits *		-
	Total	**897.74**	**793.78**

* 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 (₹ In lakhs)

S.No.	Particulars	As at March 31, 2018	As at March 31, 2017
1	Amount Recoverable		
	Ghaziabad Aligarh Expressway Private Limited	11,363.84	7,634.02
	Total	**11,363.84**	**7,634.02**
2	Corporate Guarntee Given on behalf of		
	Ghaziabad Aligarh Expressway Private Limited	9,984.84	11,063.73
	Total	**9,984.84**	**11,063.73**

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

Note 46: Interest in other entities

(A) Subsidiaries

The group's subsidiaries at 31 March 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity 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, 2018	March 31, 2017	March 31, 2018	March 31, 2017	
		%	%	%	%	
Hospet Bellary Highways Private Limited	India	65	65	35	35	BOT Project
Ferrovia Transrail Solutions Private Limited	India	51	51	49	49	Infrastructure developmet
PNC Raebareli Highways Private Limited	India	100	100	-	-	Annuity Project
PNC Bareilly Nainital Highways Private Limited	India	100	100	-	-	BOT Project
PNC Infra Holdings Limited	India	100	100	-	-	Infrastructure developmet
PNC Kanpur Ayodhya Tollways Private Limited	India	100	100	-	-	OMT Project
PNC Kanpur Highways Limited	India	100	100	-	-	BOT Project
M. P. Highways Private Limited	India	100	100	-	-	BOT Project
PNC Delhi Industrialinfra Private Limited	India	100	100	-	-	Redevelopment & maintenance Project
PNC Rajasthan Highways Private Limited	India	100	100	-	-	HAM Project
PNC Chitradurga Highways Private Limited	India	100	-	-	-	HAM Project
PNC Bundelkhand Highways Private Limited	India	100	-	-	-	HAM Project
PNC Khajurao Highways Private Limited	India	100	-	-	-	HAM Project
PNC Triveni Sangam Highways Private Limited	India	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.

				(₹ In lakhs)
Summarised balance sheet	Hospet Bellary Highways Pvt. Ltd.		Ferrovia Transrail Solutions Pvt. Ltd.	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current assets	0.79	0.83	1,320.62	2,131.50
Current liabilities	(1,294.81)	(1,294.52)	(2,606.80)	(3,539.92)
Net Current assets	**(1,294.02)**	**(1,293.69)**	**(1,286.18)**	**(1,408.42)**
Non-current assets	-	-	1,290.54	1,420.27
Non-current liabilities	-	-	(2.57)	(10.23)
Net Non-current assets	**-**	**-**	**1,287.96**	**1,410.04**
Net assets	**(1,294.02)**	**(1,293.69)**	**1.78**	**1.62**

(₹ In lakhs)

Summarised statement of profit and loss	Hospet Bellary Highways Pvt. Ltd.		Ferrovia Transrail Solutions Pvt. Ltd.	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue	-	-	14.63	1,331.55
Profit for the year	(0.33)	(0.32)	0.17	0.23
Other comprehensive income	-	-	-	-
Total comprehensive income	**(0.33)**	**(0.32)**	**0.17**	**0.23**
Profit allocated to NCI	(0.12)	(0.11)	0.08	0.11
Dividends paid to NCI	-	-	-	-

(₹ In lakhs)

Summarised cash flows	Hospet Bellary Highways Pvt. Ltd.		Ferrovia Transrail Solutions Pvt. Ltd.	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Cash flows from operating activities	(0.03)	(0.03)	1,287.46	(168.26)
Cash flows from investing activities	-	-	22.56	-
Cash flows from financing activities	-	-	(1,348.97)	212.25
Net increase/(decrease) in cash and cash equivalents	**(0.03)**	**(0.03)**	**(38.95)**	**43.99**

(C) Interest in Associates

Set out below are associates of the group as at March 31, 2018 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, 2018	March 31, 2017	
		%	%	
Ghaziabad Aligarh Expressway Private Limited	India	35	35	Infrastructure development

(₹ In lakhs)

Summarised balance sheet	Ghaziabad Aligarh Expressway Pvt. Ltd.	
	March 31, 2018	March 31, 2017
Current assets	1,123.25	881.94
Current liabilities	(47,477.77)	(33,253.77)
Net Current assets	**(46,354.52)**	**(32,371.83)**
Non-current assets	184,757.26	188,703.88
Non-current liabilities	(130,903.07)	(147,126.81)
Net Non-current assets	**53,854.19**	**41,577.07**
Net assets	**7,499.67**	**9,205.24**

(₹ In lakhs)

Summarised balance sheet	Ghaziabad Aligarh Expressway Pvt. Ltd.	
	March 31, 2018	March 31, 2017
Revenue	21,772.08	24,491.89
Profit for the year	(1,705.57)	(5,920.69)
Other comprehensive income		
Total comprehensive income	**(1,705.57)**	**(5,920.69)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
for the financial year ended March 31, 2018

Note 47: 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 ₹ 487.33 Lacs (previous year ₹ 308.85 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, 2018 is ₹ 637.41 Lakhs (Previous year ₹ 469.51 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	
	2017-18	2016-17
1. Change in Present Value of Obligation		
Present value of obligation at the beginning of the period	690.99	554.02
Acquisition cost	-	-
Interest cost	48.14	44.32
Current service cost	156.43	132.60
Benefits paid	(6.47)	-
Actuarial gain/(loss) on obligation	-	-
a) Effect of changes in demographic assumptions	5.43	-
b) Effect of changes in financial assumptions	(20.45)	18.84
c). Effect of experience adjustments	62.65	(58.79)
Present value of obligation at end of period	**936.73**	**690.99**
Current Obligation	233.99	214.68
Non Current Obligation	702.74	476.31
2. Change in Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the period	229.07	201.24
Acquisition adjustment		-
Actual return on plan assets		-
Interest Income	18.22	17.18
Contributions	70.02	22.39
Benefits paid	(6.47)	-
Actuarial gain/(loss) on plan assets	(11.52)	(11.74)
Fair value of plan assets at the end of the period	**299.32**	**229.07**
3. Amount to be recognised in Balance Sheet		
Present value of obligation as at end of the period	936.73	690.99
Fair value of plan assets as at the end of the period	(299.32)	(221.48)
Funded Status	637.41	469.51
Net Asset/(liability) recognised in Balance Sheet	**(637.41)**	**(469.51)**

(₹ In lakhs)

Particulars	Gratuity	
	2017-18	2016-17
4. Expenses recognised in the statement of profit & loss.		
Current service cost	156.43	132.60
Net Interest cost	1.51	-
Interest Expense on DBO	48.14	44.32
Interest (income) on plan assets	18.22	16.91
Total Net Interest Cost	29.92	27.41
Net actuarial (gain)/loss recognised in profit/loss	-	-
Expenses recognised in the statement of Profit & Loss	**186.34**	**160.01**
5. Recognised in other comprehensive income for the year		
a) Effect of changes in demographic assumptions	5.43	-
b) Effect of changes in financial assumptions	(20.45)	18.84
c) Effect of experience adjustments	62.65	(58.79)
d) (Return) on plan assets (excluding interest income)	(11.52)	(11.47)
e) Changes in asset ceiling (excluding interest income)	-	-
f) Total remeasurements included in OCI	**59.14**	**(28.48)**
6. Maturity Profile of Defined Benefit Obligation		
1. Within the next 12 months (next annual reporting period)	222.01	151.49
2. Between 2 and 5 years	472.82	429.47
3. Between 6 and 10 years	232.62	235.11
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	936.73	690.99
a. Impact due to increase of 100 Basis Points	906.27	667.49
b. Impact due to decrease of 100 Basis Points	969.44	716.29
Impact of the change in salary increase		
Present Value of Obligation at the end of the period	936.73	690.99
a. Impact due to increase of 1 %	964.31	711.86
b. Impact due to decrease of 1 %	910.48	671.00
Attrition Rate		
Present Value of Obligation at the end of the period	936.73	690.99
a. Impact due to increase of 1 %	930.75	684.75
b. Impact due to decrease of 1 %	942.87	697.47

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

(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.

Significant Actuarial assumptions	31.03.2018	31.03.2017
a) Economic Assumptions		
i. Discounting Rate -current year	8%	7%
Discounting Rate - Previous Year	7%	8%
ii. Salary escalation	9%	9%
iii. Attrition rate	25%	25%
b) Demographic Assumption		
i) Retirement Age (Years)	58	58
ii) Mortality rates inclusive of provision for disability	IALM (2006 - 08) Ultimate	
Withdrawal rate		

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	
	2017-18	2016-17
Present Value of unfunded obligation	214.18	135.24
Expeses recognised in Statement of Profit and Loss	47.50	12.74
Discount rate (p.a)	8%	7%
Salary excalation rate (p.a)	9%	9%

Note 48: Operating 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 Primary 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:

(₹ in Lakhs)

Particulars	Year Ended	
	31-Mar-18	31-Mar-17
Segment Revenue		
Contract	180,517.90	168,726.99
Toll Annuity	60,621.39	56,506.21
Total	**241,139.29**	**225,233.20**
Less: Inter-segment revenue	-	-
Net revenue from operations	**241,139.29**	**225,233.20**
Segment Results		
Contract	17,061.73	16,298.29
Toll Annuity	33,642.26	21,952.61
Total	**50,704.00**	**38,250.90**
Less: Other unallocable expenditure	30,930.96	31,019.21
Add: Unallocable other income	2,459.59	4,059.57
Profit before tax and non-controlling interests	**22,232.62**	**11,291.26**
Segment Assets		
Contract	201,033.78	199,156.81
Toll and Annuity	389,169.23	322,694.19
Unallocated	-	-
	590,203.01	**521,851.00**
Segment Liabilities		
Contract	93,315.04	85,707.36
Toll and Annuity	328,015.67	290,039.67
Unallocated	-	-
	421,330.71	**375,747.03**

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 49: Fair Value Measurement

Financial instruments by category (₹ in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Asset						
Investments		14,069.87			6,808.55	
Trade receivables	223,479.49			181,355.82	-	-
Cash and Bank Balances	18,517.00			4,655.17	-	-
Others	28,723.11			25,871.88		-
Total Financial Assets	**270,719.60**	**14,069.87**	**-**	**211,882.88**	**6,808.55**	**-**
Financial Liabilities						
Borrowings	202,089.06			190,648.10		
Trade payables	146,084.82			138,057.72	-	-
Other Financial Liabilities	23,943.27			17,232.22		-
Total Financial Liabilities	**372,117.16**	**-**	**-**	**345,938.03**	**-**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

(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 Group'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	As at March 31,2018			As at March 31,2017		
	Fair Value Measurement using			Fair Value Measurement using		
	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Asset and Liabilities measured at fair value through profit and loss or other comprehensive income						
-Investment	-	14,069.87	-	-	6,808.55	-
Total	**-**	**14,069.87**	**-**	**-**	**6,808.55**	**-**
Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed						
(i) Financial Assets						
- Trade receivables	-	164,026.01	-	-	116,118.70	-
- Security Deposit	-	-	8,571.40	-	-	9,546.05
- Others	-	524.11	-	-	688.49	-
Total	**-**	**164,550.11**	**8,571.40**	**-**	**116,807.19**	**9,546.05**
(ii) Financial Liabilities						
- Borrowings	-	202,089.06	-	-	190,648.10	-
- Trade Payable	-	98,816.16	-	-	110,380.57	-
- Retentions	-	-	6,482.03	-	-	5,462.56
- Others	-	6,537.57	-	-	5,825.16	-
Total	**-**	**307,442.80**	**6,482.03**	**-**	**306,853.83**	**5,462.56**

(ii) Valuation techniques used to determine Fair value

The Group 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 Group 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 Group 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 50: FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group principal financial asset includes loan , trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Group'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 Group'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:

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Variable rate borrowings	182,867.54	182,706.23
Fixed rate borrowings	19,221.52	7,941.88
Total borrowings	**202,089.06**	**190,648.11**

(ii) As at the end of reporting period, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

(₹ in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cash Credit Limit			0.00%	9.44%	8,972.12	4.71%
Net exposure to cash flow interest rate risk		**-**			**8,972.12**	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

(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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
INR	+50	+50	-	44.86
INR	- 50	- 50	-	(44.86)

(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 Group does not operates internationally and as the Group 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 Group does not hedges its exposure of foreign currency risk.

The carrying amounts of the Group'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, 2018	As at March 31, 2017
Trade payables		
- Exposure of Euros (in INR)	6,024.90	4,988.94

Foreign currency sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on profit before tax and other comprehensive income:

(₹ in Lakhs)

Particulars	2017-18		2016-17	
	5% increase	5% decrease	5% increase	5% decrease
Euros (in INR)	301.24	(301.24)	37.48	(37.48)

(c) Price Risk

The Group exposure to equity securities price risk arises from the investments held by Group and classified in the balance sheet at fair value through profit and loss. The Group 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 Group. To manage this, the Group 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 Group 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 Group 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.

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:

(₹ in Lakhs)

Ageing	Carrying Value	0-180 days	More than 181 days and Less than 365 days	More than 365 days	Total
As at March 31, 2017					
Gross Carrying Amount	181,355.82	165,234.31	8,158.02	7,963.49	181,355.82
Expected Credit Loss (in ₹)	-	-	-	-	-
Carrying Amount (net of impairment)	**181,355.82**	**165,234.31**	**8,158.02**	**7,963.49**	**362,711.64**
As at March 31,2018					
Gross Carrying Amount	223,479.49	177,608.06	39,040.43	6,830.97	223,479.46
Expected Credit Loss (in ₹)	-	-	-	-	-
Carrying Amount (net of impairment)	**223,479.49**	**177,608.06**	**39,040.43**	**6,830.97**	**446,958.95**

The Group 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%

III. Liquidity Risk

Liquidity risk is defined as the risk that Group will not be able to settle or meet its obligation on time or at a reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group'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 Group'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, 2018	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	202,089.06	-	17,816.64	34,711.05	149,561.37	202,089.06
Trade payables	146,084.82	-	65,545.02	46,058.36	34,481.45	146,084.83
Other Liabilities	23,943.27	-	10,923.67	13,019.60	-	23,943.27
Total	**372,117.16**	**-**	**94,285.34**	**93,789.01**	**184,042.83**	**372,117.17**

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	190,648.10	12,128.66	11,182.88	31,024.68	136,311.88	190,648.10
Trade payables	138,057.72	-	49,609.70	50,664.19	37,783.82	138,057.72
Other Liabilities	17,232.22	-	5,944.49	11,287.72	-	17,232.22
Total	**345,938.03**	**12,128.66**	**66,737.07**	**92,976.60**	**174,095.70**	**345,938.03**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended March 31, 2018

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, 2018	As at March 31, 2017
Expiring within one year (Bank overdraft and other facilities)		
Cash Credit	65,000.00	56,027.88
Bank Gaurantee	53,398.66	21,886.00
Total	118,398.66	77,913.88

Note 51: 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, 2018	As at March 31, 2017
Debt	202,089.06	190,648.10
Cash & bank balances	18,517.00	4,655.17
Net Debt	183,572.07	185,992.92
Total Equity	168,871.19	146,103.13
Net debt to equity ratio (Gearing Ratio)	**1.09**	**1.27**

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

Particulars	Recognized in the year ending	
	March 31, 2018	March 31, 2017
(i) Dividends Recognized		
Final dividend for the year ended 31st March 2017 of ₹ 2.5/- per equity share of ₹ 10 each		
(31st March 2016 ₹ 2.5/- per equity share of ₹ 10 each)	1,610.58	1610.58
(ii) Dividend proposed but not recognised in the books of accounts*		
In addition to the above dividends, for the year ended 31st March 2018 the directors have recommended the payment of a final dividend of ₹ 0.50/- equity share of ₹ 2 each.	1,546.36	1610.58
(31st March 2017- ₹ 0.50/- equity share of ₹ 2 each)		

* The proposed dividend is subject to the approval of shareholders in the ensuing general meeting

Note 52: The Parent 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 53: Recent Accounting Pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customer The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customer.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The company is evaluating the effect on adoption of Ind AS 115.

Note 54: Previous year figures have been regrouped/ rearranged, wherever considered necessary to confirm 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

Tapan Jain
Company Secretary
M. No. A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN 00086653

Chakresh Kumar Jain
Managing Director and Chief Financial Officer
DIN 00086768

Place: Agra
Date: May 23, 2018

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES U/S 129(3)

Part 'A" : Subsidiaries

(₹ in Lakhs)

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 Industrial infra Pvt. Ltd.	PNC Kanpur Ayodhya Tollways Pvt. Ltd.	PNC Rajasthan Highways Pvt. Ltd.	PNC Chitradurga Highways Pvt. Ltd.	PNC Bundelkhand Highways Pvt. Ltd.	PNC Khajuraho Highways Pvt. Ltd.	PNC Triveni Sangam Highways Pvt. Ltd.
Sl. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Date since when subsidiary was acquired	17.01.2012	07.07.2011	31.07.2012	28.08.2012	12.01.2011	08.12.2010	10.01.2011	07.07.2011	19.02.2013	22.08.2016	20.04.2017	21.04.2017	20.04.2017	27.12.2017
Reporting Year	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
Reporting Currency	INR	INR	INR	INR	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	N.A	N.A	N.A	N.A
Share Capital	1	7,460.00	1	13,960.00	9202.08	7,830.00	6,750.00	3,500.00	5.00	2000.00	325.00	225.00	425.00	25.00
Reserves & Surplus	-1295.02	-3,965.18	0.78	6706.93	36682.91	-2920.3	2555.93	3990.01	-13720.75	29.58	-93.97	-172.07	-176.36	-2.89
Total Assets	0.79	55,838.98	2611.15	98,306.20	45886.56	27,849.22	33,625.29	25,048.77	88320.77	41075.48	22262.61	7129.17	17017.62	22.61
Total Liabilities	1294.81	52,344.16	2609.36	77,639.27	1.57	22,939.52	24,319.36	17,558.76	102036.52	39045.90	22031.58	7076.24	16768.98	0.50
Investments	0	0	0	6610.64	45863.24	3663.56	3608.45	0	0	131.68	0	0	0	0
Turnover	0	4153.22	0	10,081.75	0	6,147.78	8844.1	3,135.88	28,967.25	37,589.61	6,709.84	6,338.36	9,017.06	0.00
Profit/(Loss) before Tax	-0.33	-2451.05	-7.51	312.19	-21.74	130.65	442.32	514.73	343.32	18.54	-93.97	-172.07	-176.36	-2.89
Provision for Taxation	0	205.82	-6.47	-268.21	-1.87	-177.93	-742.89	134.74	-89.44	-11.09	0	0	0	0
Profit/(Loss) after Tax	-0.33	-2656.86	-1.04	580.4	-23.62	308.58	1185.21	379.99	432.76	29.63	-93.97	-172.07	-176.36	-2.89
Proposed Dividend	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of Shareholding (Effective)*	65%	100%	51%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

1. Names of subsidiaries which are yet to commence operations - Nil
2. Names of subsidiaries which have been sold during the year - Nil

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

CORPORATE INFORMATION

Corporate Identification No : L45201DL1999PLC195937
LEI No.: 3358008RNTVF1WKN6B22

BOARD OF DIRECTORS

Chairman and Managing Director
Pradeep Kumar Jain

Managing Director(s)
Chakresh Kumar Jain
Yogesh Kumar Jain

Whole Time Director
Anil Kumar Rao

Independent Director(s)
C R Sharma
Ashok Kumar Gupta
Rakesh Kumar Gupta
Deepika Mittal
Gauri Shanker

Chief Financial Officer
Chakresh Kumar Jain

Company Secretary
Tapan Jain

AUDITORS

M/s. S.S. Kothari Mehta & Co.
Chartered Accountants
146-149 Tribhuvan Complex
Ishwar Nagar, Mathura Road,
New Delhi- 110065 (India)

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

CORPORATE/HEAD OFFICE

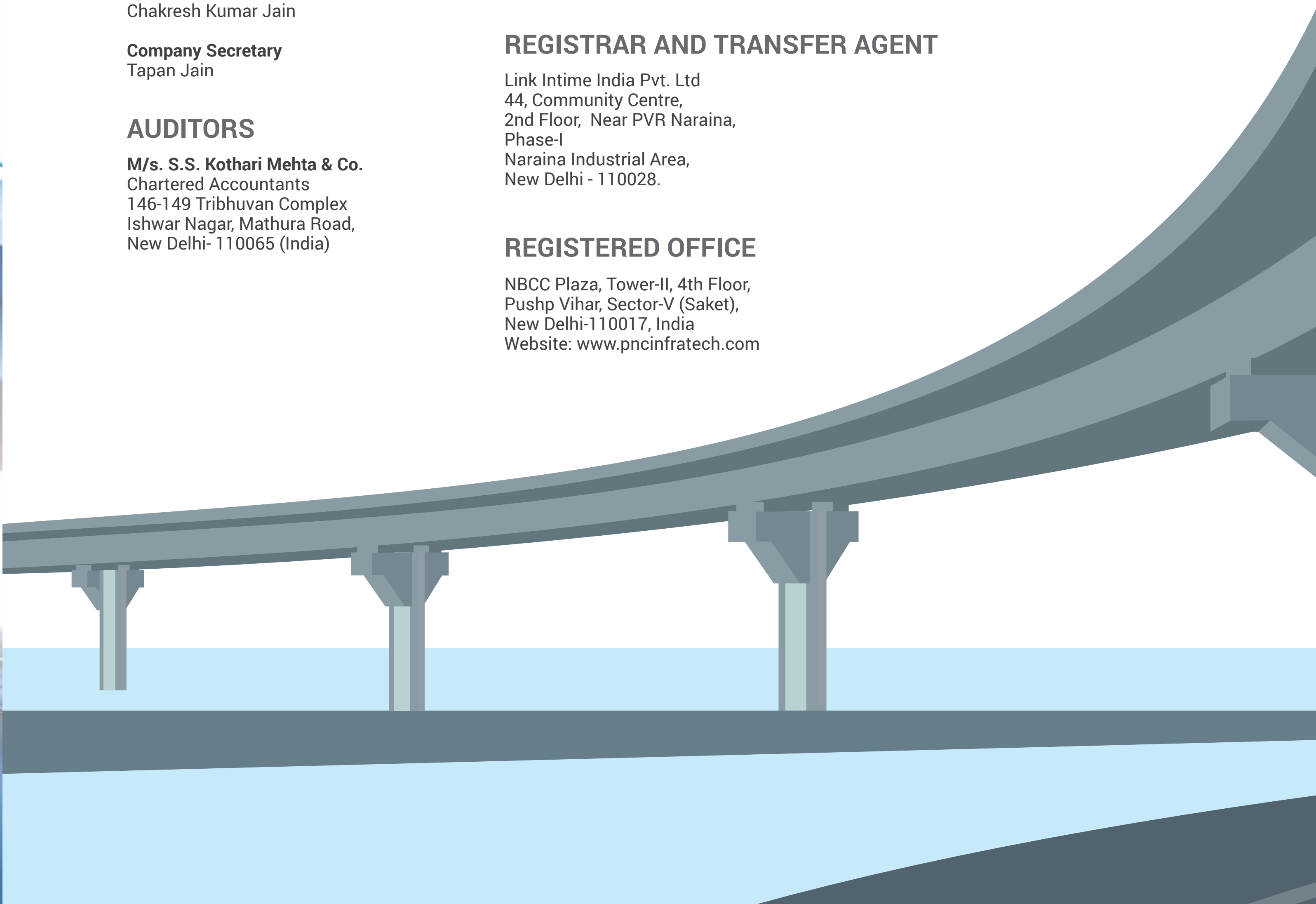
PNC House,
3/22-D, Civil Lines, NH-2,
Agra-Delhi Bypass Road,
Agra-282005 (U.P.)

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.

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

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