



PNC INFRA TECH LIMITED
ANNUAL REPORT 2013-14



INSIGHT INTO PNC INFRATECH

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At PNC, we appraise the infrastructure business through a broad perspective. By building bridges, roads and airports, we connect lives, enhance hope and change the idea of what's possible.

Now with the 12th Five Year Plan projecting US\$ 1 trillion worth of infrastructure investments in India, the sky is literally our limit.

By the virtue of more than 15 years of experience, we are excited about our prospects of enhancing value for all our stakeholders.

Our calling card

PNC Infratech Limited is one of the most prominent infrastructure development, construction and management companies in India.

Legacy

Incorporated in 1999 as PNC Construction Company Private Limited by Mr. Pradeep Kumar Jain, Promoter and Director, the Company was renamed PNC Infratech Limited in 2007.

The Company's offering comprises the construction and development of:

- Highways
- Airport runways
- Bridges and flyovers
- Power transmission lines
- Water supply infrastructure solutions
- Waste management solutions
- Industrial areas

Visibility and presence

The Company's registered office is located in New Delhi and corporate office in Agra. The Company has undertaken projects in Punjab, Haryana, Tamil Nadu, Madhya Pradesh, Maharashtra, Karnataka, Rajasthan, Uttar Pradesh, Uttarakhand, West Bengal and North Eastern India.

Accreditations

- The Company is accredited with the ISO 9001:2008 certification
- Accredited with the SS (Super Special) Class by Military Engineering Services

OUR GROWTH STRATEGY

- Diversify and expand into new functional areas;
- Focus on EPC contracts penetrate BOT and OMT projects;
- Strengthen our systems and internal processes;
- Enhance the competitiveness of our existing business;
- Develop strong relationships with our clients and strategic partners.

Clientele

- National Highways Authority of India (NHAI)
- Airports Authority of India (AAI)
- Military Engineering Services (Ministry of Defence)
- RITES Limited
- Delhi State Industrial and Infrastructure Development Corporation Limited (DSIIDC)
- Haryana State Roads and Bridges Development Corporation Limited (HSRDC)
- Madhya Pradesh Road Development Corporation Limited (MPRDC)
- Uttar Pradesh Power Corporation Limited (UPPCL)
- Uttar Pradesh State Highways Authority (UPSHA)
- Public Works Department (PWD)
- Dedicated Freight Corridor Corporation of India Limited



Milestones

1999

- Incorporated as 'PNC Construction Company Private Limited'

2001

- Received 'Super Special' class certification from Military Engineer Services
- Executed first project with the NHAI, being the four-laning road project of the Agra-Gwalior section of National Highway 3 in Uttar Pradesh, independently

2003

- Received bonus from the NHAI for independent completion of project before the scheduled time of the four-laning road project of the Agra-Gwalior section of 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

2008

- Entered into the business of setting up power transmission lines with the construction project of approximately 350 kilometers of 132/220 kilovolt lines on a turn-key basis, excluding supply of towers, conductors and earth-wires for the Uttar Pradesh Power Transmission Corporation Limited

2006

- Our total revenue crossed ₹ 1,500 million

2007

- Awarded BOT road project by MPRDCL, Madhya Pradesh executed through our joint venture, JNTRCPL

2009

- Our total revenue crossed ₹5,000 million
- Awarded bid contract in respect of improvement of Gurgaon-Nuh-Rajasthan Border (State Highway 13) by four laning, widening, strengthening, providing, drains, widening or bridges and culverts, retaining of structures and other miscellaneous work by the Haryana State Roads and Bridges Development Corporation Limited, the single largest project awarded to our Company in terms of value, amounting to ₹3,380 million

2010

- Received certification of ISO 9001:2008
- Awarded our first independent road project on a BOT basis, in respect of Gwalior-Bhind Madhya Pradesh/Uttar Pradesh Border Road two laning project through two sections on National Highway 92, which is being undertaken independently by our Company
- Awarded road project of two laning with paved shoulders 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

2011

- Received an investment of ₹1,500 million from NYLIM JB, through subscription to 5,686,833 Equity Shares of our Company
- Executed work of four-laning of Jaora-Nayagaon section on State Highway 31 in Madhya Pradesh



2012

- Awarded project of two laning with paved shoulders of Raebareli to Jaunpur Section of National Highway 231 in Uttar Pradesh under NHDP IV
- Executed work of construction of road over bridge on Ajmer Beawer Road, Old National Highway, including approaches at railway/kilometer 306/8-9 on Ajmer Saradhana Section
- Awarded the project of construction of Hamipur Kalpi road (State Highway 91) four-laning under the Rajya Yojna Samanya project for the year 2013-14 in Uttar Pradesh
- Awarded the project of resurfacing of runway at Air Force Station, Gorakhpur

2013

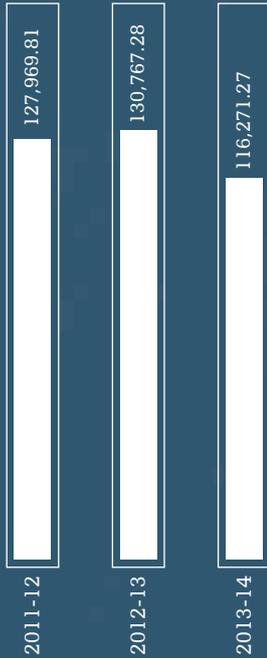
- Awarded and commenced collection of tolls in respect of first project on OMT basis, the operation and maintenance of Kanpur-Lucknow section of National Highway 25, Lucknow bypass of National Highway 56A and National Highway 56B and Lucknow-Ayodhya section of National Highway 28 in Uttar Pradesh on OMT basis by the NHAI for a period of nine years from August 2013

2014

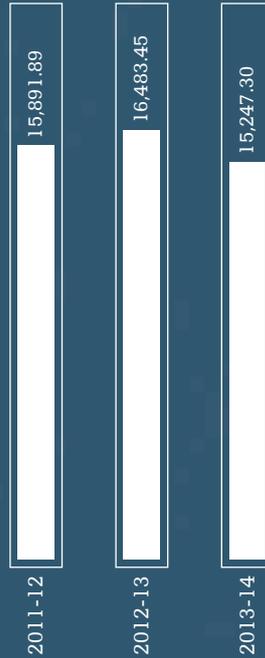
- Executed work of redevelopment and management of Narela Industrial Estate

Financial performance, 2013-14

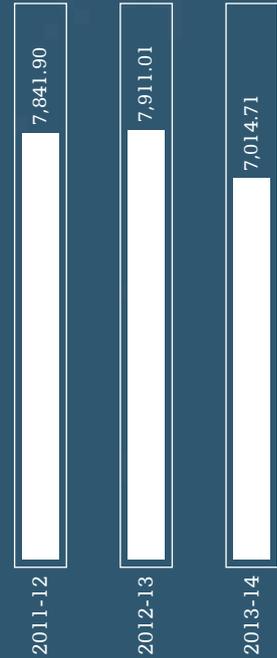
Total income ₹ in lac



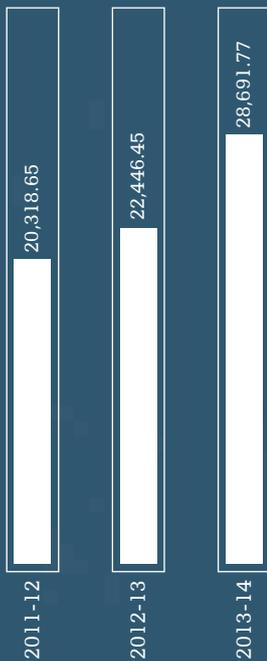
EBIDTA ₹ in lac



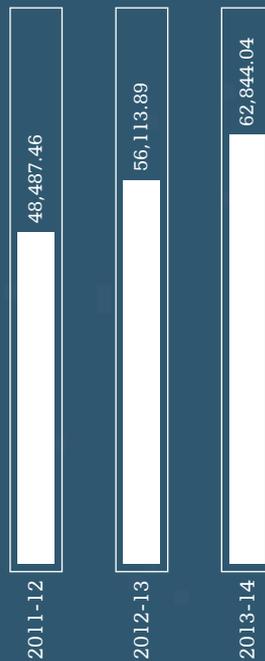
Profit after tax ₹ in lac



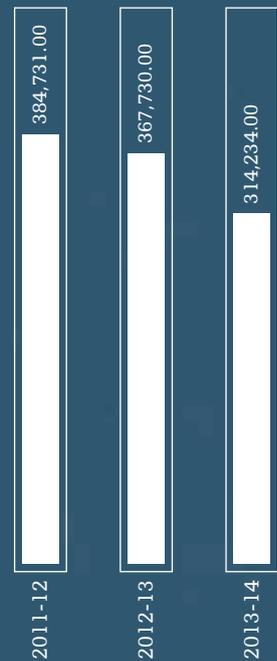
Gross block ₹ in lac



Net worth ₹ in lac



Order book ₹ in lac



₹ 116,271.27 lac
Revenue in 2013-14

₹ 70,14.71 lac
Profit after tax in 2013-14

₹ 15,247.30 lac
EBIDTA in 2013-14

₹ 314,234 lac
Order book as on March 31, 2014

₹ 62,844.04 lac
Networth as on March 31, 2014

₹ 28,691.77 lac
Gross block as on March 31, 2014

13.11%
EBIDTA margin

6.03%
Net profit margin

21
Projects under execution
as on March 31, 2014

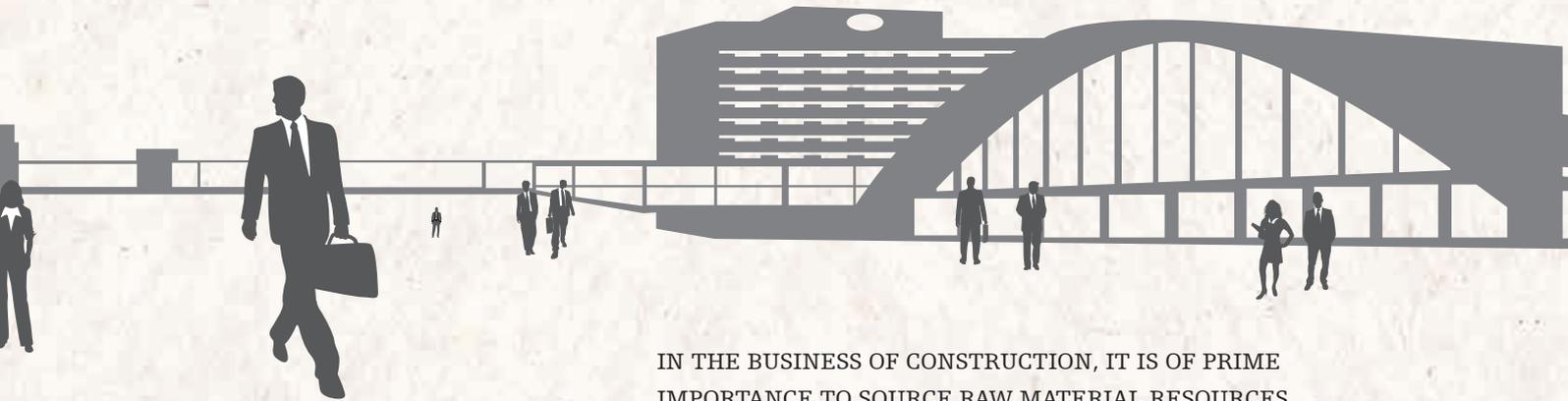
42
Major projects completed
as on March 31, 2014

2,500+
Team size as on
March 31, 2014

15 years
Experience in the
infrastructure sector

Building a strong corporate foundation through timely project delivery

PNC Infratech is an Indian infrastructure construction, development and management company with expertise in the execution of major projects that comprise highways, bridges, flyovers, power transmission lines, airport runways, industrial areas and others.

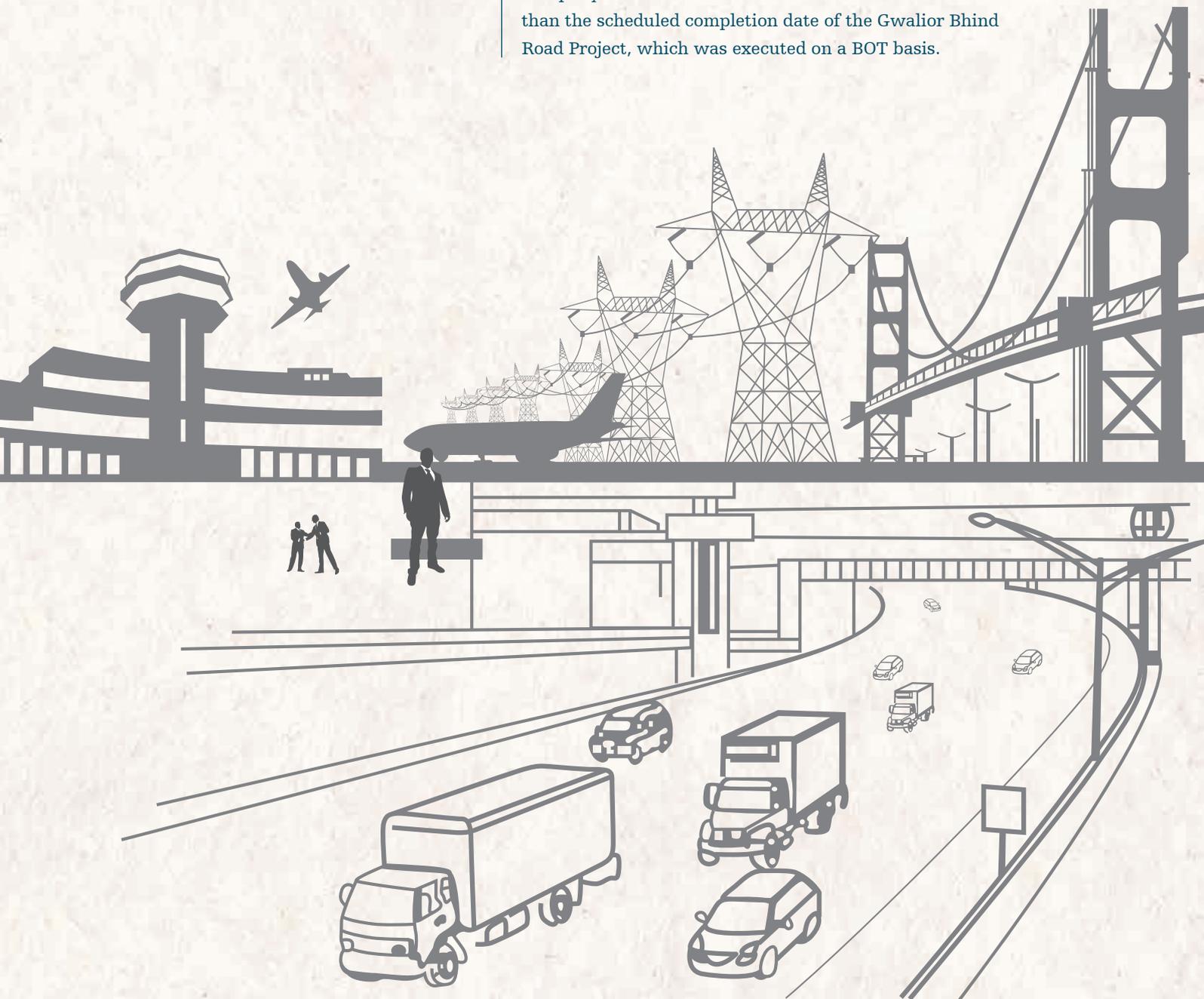


IN THE BUSINESS OF CONSTRUCTION, IT IS OF PRIME IMPORTANCE TO SOURCE RAW MATERIAL RESOURCES and regulatory approvals on time because delays can affect project completion timelines and corporate reputation.

PNC enjoys an established track record of executing large infrastructure projects across segments like roads and highways, power transmission lines and airport runways. The Company has completed 42 major projects; it enjoys a track record of delivering a number of its projects on or before schedule (as on 31 March 2014).

THE COMPANY'S PRUDENT PROCUREMENT PROCESSES AND EFFICIENT PROJECT EXECUTION SKILLS HAVE enabled it to complete two projects ahead of schedule.

For instance, the Company received a bonus from the NHAI for early completion of the four-laning road project of the Agra-Gwalior section of National Highway 3 (from 8.00 kilometres to 24.00 kilometres) in Uttar Pradesh. The Company commenced toll collection three months earlier than the scheduled completion date of the Gwalior Bhand Road Project, which was executed on a BOT basis.



Building a strong corporate foundation through decisive initiatives and speedy decision-making

During the year under report, PNC embraced a number of initiatives to strengthen its business:

- PNC Infratech established a real-time toll monitoring system at its corporate office in Agra, which helped monitor the entire toll collection process and efficiency.
- Entered into the OMT (Operation-Management-Transfer) segment of the National Highways Authority projects which will enhance its ability to harness project execution competencies and enhance its insight into the sector, helping it capitalise on opportunities.

- Secured the first project of operations, maintenance and tolling (OMT) of the Kanpur-Lucknow (NH 25), Lucknow Bypass (NH 56A and NH 56B) and Lucknow-Ayodhya section (NH 28) in Uttar Pradesh, which commenced operations in August 2013.
- Completed the first industrial area redevelopment project at Narela Industrial Estate in Delhi in December 2013.
- Entered into track construction on design-build format (lump sum basis) of a 66-kilometres double-track electrified railway line on the Mughalsarai – Sonnagar section of the Eastern dedicated freight corridor, as a part of a joint venture with BF Infrastructure Limited.

The Company is executing 21 infrastructure projects on an EPC basis; one project is being executed with a joint venture partner.

The Company's order book was around ₹3,14,234 lac as on March 31, 2014, compared with ₹3,67,730 lac as on March 31, 2013.

Going ahead, the Company plans to implement ERP to achieve improved operational efficiency and control at its headquarters, regional offices and project sites.

21

infrastructure projects
under execution on an
EPC basis

Chairman's review

The Company is one of the few infrastructure firms in India possessing proven capabilities in infrastructure development ...

Dear shareholders,

The Indian economy experienced one of its most challenging slowdowns in a decade, reporting a sub-5% GDP growth for the second year running in 2013-14. Amid such an adverse environment, I am happy that PNC reported a contrarian performance of revenues of ₹1,16,271.27 lac, compared with ₹1,30,767.28 lac in 2012-13 and profit after tax of ₹7,014.71 lac, compared with ₹7,911.01 lac in 2012-13.

The broad message that I would like to convey to our shareholders is that I am pleased with the performance of the Company in 2013-14 even though the infrastructure industry in general and the construction sector in particular experienced difficult times. The Company was able to weather challenges and remain engaged in the construction of several projects of national importance. As a result, our order book stood at a sizable ₹314,234 lac. The Company is currently executing 21 infrastructure projects across various states of the country and also pursuing a number of opportunities across sectors and geographies.

The year 2013-14

- The Company entered into the OMT (operation-maintenance-transfer) segment of NHAI projects that will provide it with an additional platform to leverage project execution and management competencies.
- The Company secured its first project of operations, maintenance and tolling of the

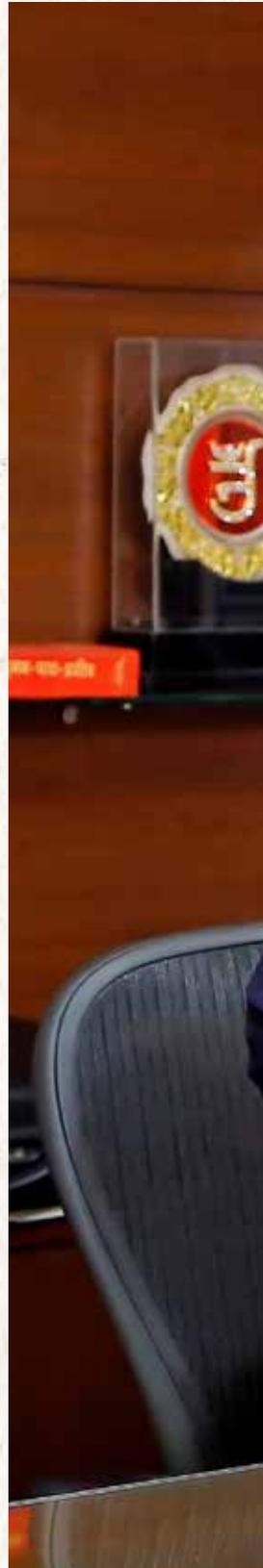
Kanpur-Lucknow (NH 25), Lucknow bypass (NH 56A and NH 56B) and Lucknow-Ayodhya section (NH 28) in Uttar Pradesh on an OMT basis, projects which commenced operations in August 2013.

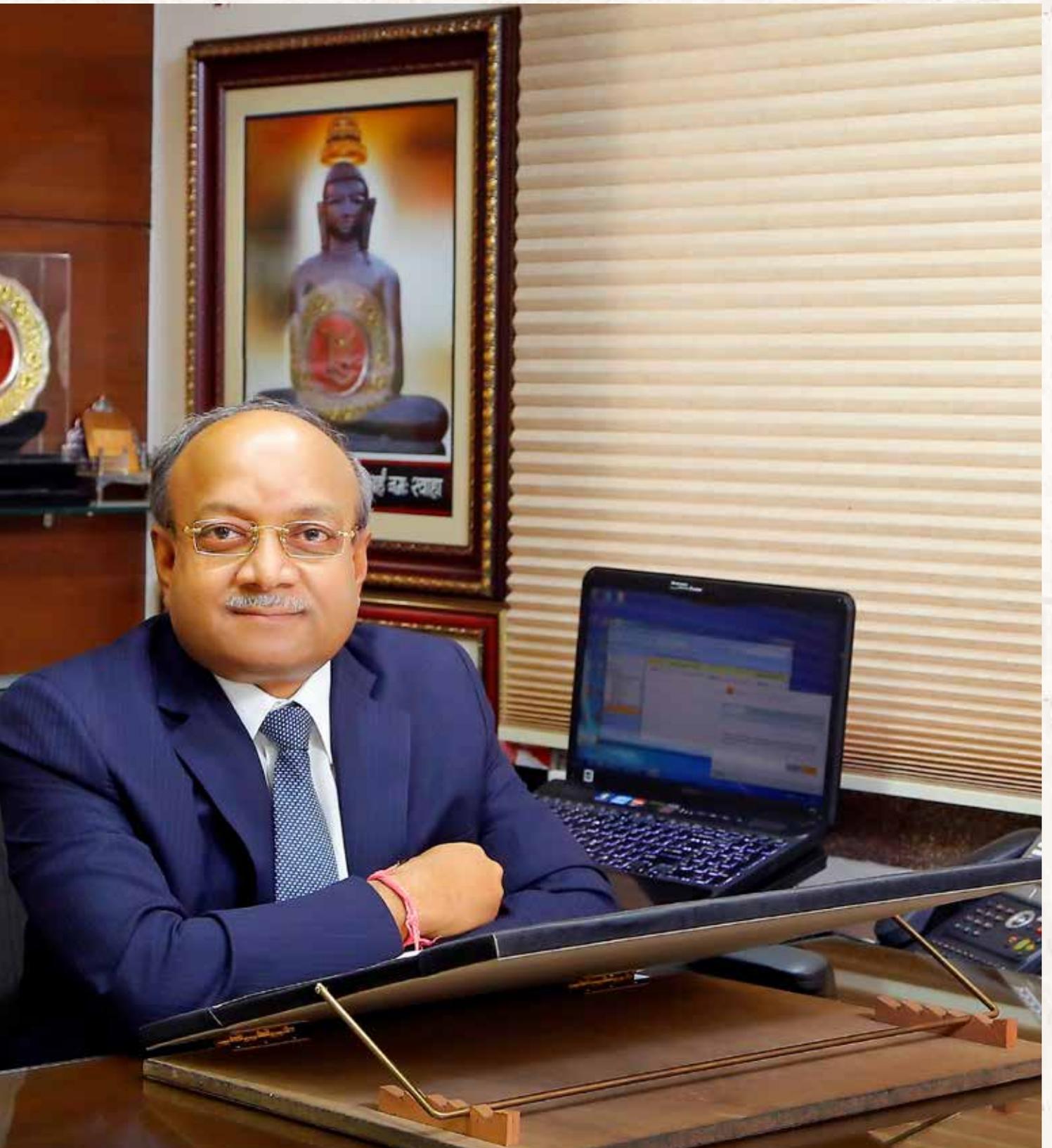
- The Company completed its first industrial area redevelopment project (Narela Industrial Estate, Delhi) in December 2013.
- The Company established a centralised real-time monitoring system at its Agra office which is expected to result in efficient toll management collections and leakage minimisation.

Strengths

The Company is one of the few infrastructure firms in India that possesses proven capabilities in all spheres of infrastructure development, including investment, development, construction and management.

The Company's core competence in EPC (engineering-procurement-construction) is time-tested and established. The Company possesses best-in-class construction equipment - stone crushers, concrete batch plants and bituminous hot mix plants, among others. The Company also has in place a large transportation fleet. An employee strength of over 2,500 (including engineers, MBAs, chartered accountants and other professionals) enable successful and scheduled project completion.





It is also important to mention that the Company undertakes construction activities of all its DBFOT projects (BOT-toll and BOT-annuity) independently making it less dependent on third parties for project implementation. These multifarious capabilities enhance control leading to scheduled project completion.

Challenges

During the year under review, the Company faced challenges including delays in land acquisition (by clients) for highway projects. To address these issues, the Company planned resource deployment and initiated project implementation schedules that minimised delays and impact. The Company took mitigation initiatives to limit damages to a minimum in such exigent circumstances.

An unanticipated increase in the cost of construction materials, fuel, labour and other inputs and the client's inability to secure land acquisition rights, environmental and forest clearances as well as regulatory approvals could potentially delay project implementation and increase costs.

However, with its prudent procurement strategies and efficient execution capabilities, the Company ensured that these threats were countered efficiently. Furthermore, with its experience of having faced similar situations in the past and its negligible dependence on third parties, the Company was able to ensure that costs and timelines remained within control.

Business strategy

The Company focuses on addressing quality contracts with high margins. Going ahead, the Company's strategies for growth and value creation will comprise:

- **Greater focus on highway projects.** The Company believes that highway development will be a major growth driver in the Indian construction industry due to increased government commitment and participation, reflecting in more EPC projects. The Company seeks to capitalise on these opportunities by leveraging its established execution capabilities, expertise and competence.
- **Maintain performance and competitiveness of existing activities.** Besides committing to grow through expansion, the Company seeks to improve the performance and competitiveness of activities that include the construction of roads, airport runways as well as power transmission and distribution projects. As a part of its growth strategy, the Company intends to continue to invest in equipment to support expanding operations, convinced that investments in modern equipment ensure a continuous availability of critical resources and facilitate cost-effective operations. The Company intends to purchase more equipment and rely minimally on hired and leased equipment.
- **Develop and maintain strong relationships with clients and strategic partners.** The Company's services are significantly dependent

on winning construction projects undertaken by government agencies and organisations. The Company develops and maintains strategic alliances with contractors with whom it enters into project-specific joint ventures / sub-contracts for specific purposes. The Company seeks to develop and maintain healthy alliances and share risks with companies whose resources, skills and strategies are complementary to its business.

The Company expects to implement an ERP for improved efficiency and better enterprise-wide control. The competition for roping in qualified personnel and skilled labourers among construction companies in India has intensified. Consequently, the Company expects to attract, train and retain talent on the back of an increased focus on training in advanced and basic engineering as well as construction technology and skills. The Company also seeks to offer engineering and technical personnel a range of work experience, in-house training and learning opportunities by providing a platform to work on a variety of large and complex construction projects.

I am optimistic about the working of the Company in 2014-15. With over ₹314,234 lac of order-book as on March 31, 2014, with 21 ongoing projects across sectors and a good pipeline, the future appears bright and the Company is expected to report good growth in terms of revenues and bottomline.

Regards,

Pradeep Kumar Jain
Chairman

Our competencies



Entrenched experience

The Company possesses an experience of over 15 years in the infrastructure development sector of India. It has an employee base of over 2500 consisting of engineers, MBAs, Chartered Accountants and qualified professionals.

15 years

Experience in the infrastructure sector



Visibility

The Company is extensively engaged in the construction of highways, bridges, airport runways, flyovers, power transmission lines, rail freight corridor, industrial area development as well as water supply & waste management systems, among others.



Accreditations

The Company was awarded the ISO 9001:2008 certification by Det Norske Veritas and 'Super Special' Class status by the Military Engineering Services.



Clientele

- National Highways Authority of India (NHAI)
- Airports Authority of India (AAI)
- Military Engineering Services (Ministry of Defence)
- RITES Limited
- Delhi State Industrial and Infrastructure Development Corporation Limited (DSIIDC)
- Haryana State Roads and Bridges Development Corporation Limited (HSRDC)
- Madhya Pradesh Road Development Corporation Limited (MPRDC)
- Uttar Pradesh Power Corporation Limited (UPPCL)
- Uttar Pradesh State Highways Authority (UPSHA)
- Public Works Department (PWD)
- Dedicated Freight Corridor Corporation of India Limited



Timely project completion

The Company owns a large equipment fleet, reducing its dependence on external vendors, facilitating timely and before-schedule completion of projects.



Robust financials

The Company enjoyed a net worth of ₹62,844.04 lac, RoCE of 21.26% and an order book of ₹314,234.00 lac as on March 31, 2014, providing a clear revenue visibility.

₹314,234 lac

Order book as on March 31, 2014



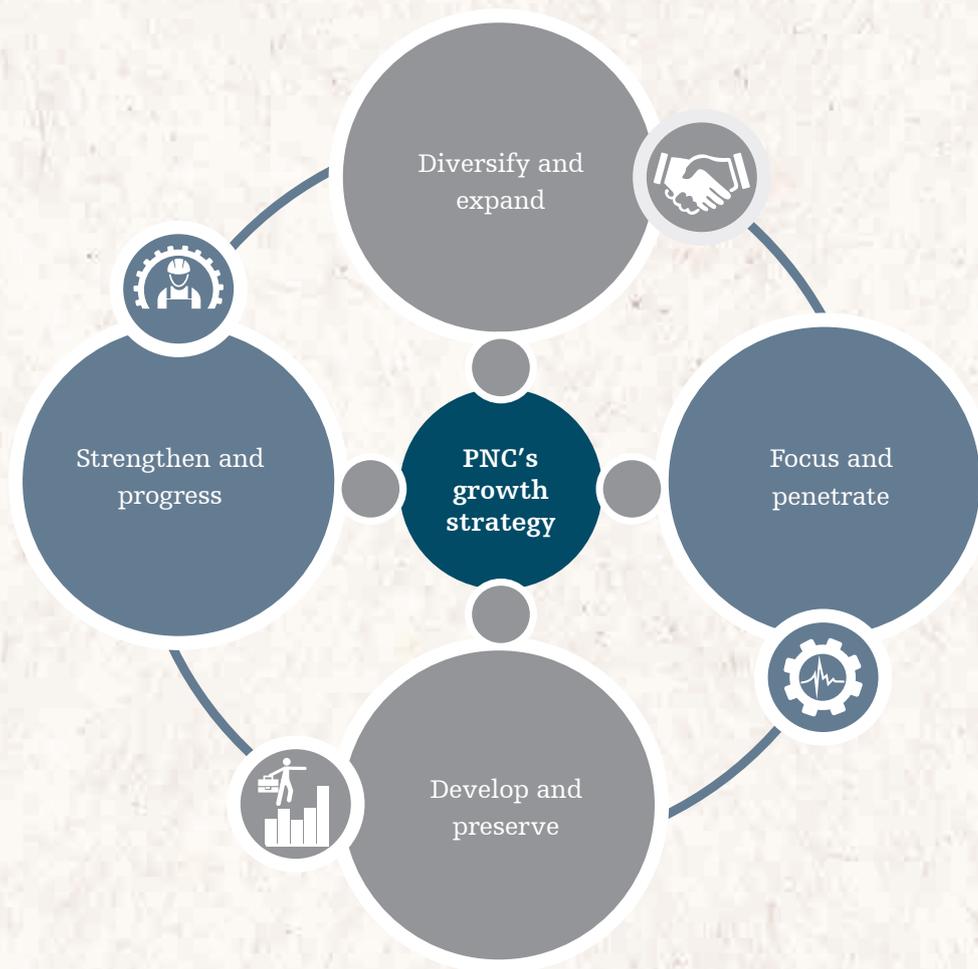
Reach

The Company has completed projects in Haryana, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand, Karnataka, Punjab, West Bengal and North East Indian states. The Company has taken up projects in difficult terrains and delivered them on schedule.

21

Number of EPC infrastructure projects being executed by the Company, of which one is being executed with a joint venture partner

PNC's growth strategy



DIVERSIFY AND EXPAND

PNC Infratech seeks to capitalise on opportunities by leveraging its established project execution record and diversifying into new infrastructure development areas. The Company has handled 42 major infrastructure projects on an EPC basis, executed them within the stipulated time periods, and forayed into BOT road and power transmission contracts.

The Company intends to expand its presence in the

development of industrial areas and dedicated freight corridor projects, diversifying into waste management and water infrastructure projects.

The Company enjoys a presence across various states, and intends to foray into new geographies. The Company believes that this will allow it to address more government projects and consolidate its position in the infrastructure sector.

FOCUS AND PENETRATE

Historically, the Company's core infrastructure operations have comprised EPC contracts. The Government of India and various State Governments have encouraged participation in infrastructure development through PPP projects. Currently, the Company is executing 21 projects on an EPC contract basis and developing/operating seven BOT projects.

While the Company intends to actively pursue BOT/BOOT opportunities, independently and in partnership, it seeks to sustain its focus on EPC contracts as well.

BOT projects provide superior operating margins due to the added control on project costs by the contractor. Additionally, BOT projects offer the possibility of higher contractor revenues by the virtue of a better-than-anticipated asset use.

The Company also seeks to undertake additional projects on an OMT basis, which guarantee maintenance contracts along with revenues from toll collection. The Company was awarded the Kanpur-Lucknow-Ayodhya Road Project by the NHAI on an OMT basis, hoping to carve a niche in this space.

DEVELOP AND PRESERVE

The Company's services are dependent on winning construction projects undertaken by large government agencies and companies, as well as infrastructure projects undertaken by governmental authorities, and those funded by governments.

The Company's business is dependent on developing and maintaining strategic alliances with other contractors with whom the Company may want to enter into project-specific joint ventures or sub-contracting relationships for specific purposes. The Company will develop and maintain these relationships.

The Company intends to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary and likely to enhance opportunities. In the recent past, the Company collaborated with POSCO Engineering and Construction India Private Limited for infrastructure development projects. The Company will continue to jointly bid for projects with other domestic and foreign companies which may enable it to leverage strengths and build competencies.

STRENGTHEN AND PROGRESS

The Company understands that maintaining quality, minimising costs and ensuring timely completion of engineering and construction projects depend largely on employee skill and workmanship. As competition for qualified personnel and skilled labourers rise, the Company seeks to attract, train and retain qualified personnel and skilled labourers through training in advanced and basic engineering and construction technologies.

The Company seeks to implement an ERP (enterprise resource planning) for improved efficiency and control over project sites, offering its engineering and technical personnel a range of work experience, training and learning opportunities across large and complex construction projects.

The Company also proposes to improve cross-functional teams with its objective of giving the employees an opportunity to innovate.

Risk management

Risks lie at the core of every business; their mitigation translates into success. At PNC Infratech, we have instituted relevant processes and controls to manage risks.

Industry risk

If there is a slowdown in the infrastructure industry, will it affect the Company's growth?

A major slowdown in the industry may affect prospects. India's Planning Commission projected an investment of US\$ 1 trillion for the infrastructure sector during the 12th Five-Year Plan (2012-17). The value of total roads and bridges infrastructure in India is anticipated to grow at a compounded annual growth rate (CAGR) of 17.4% over FY12-17. The country's roads and bridges infrastructure, which was valued at US\$ 6.9 billion in 2009, is projected to touch US\$ 19.2 billion by 2017. The country's infrastructure segment is poised to grow as 18,637 kilometres of expressways are required to be built by the end of the Thirteenth Five Year Plan period, which ends in 2022.

Therefore, the Company does not foresee any industry slowdown.

Competition risk

If there is an increase in competition will it affect the Company's ability to grow sustainably?

The Company has bid for and won large complex projects showcasing its ability to manage large assignments across terrains, demonstrating its proven bidding strategy and engineering capabilities. The Company has invested in the latest equipment and technologies, which has helped it reduce its dependence on vendors, saving time and strengthening profitability.

The Company enjoys excellent qualifications, credentials and accreditations with the exclusive 'Super Special' status by the MES, enabling it to enhance competitiveness.

The Company's pride-enhancing clients include National Highways Authority of India, Airports Authority of India, Public Works Department, Military Engineering Services, Madhya Pradesh Road Development Corporation Limited, Uttar Pradesh State Highways Authority and the Delhi State Industrial & Infrastructure Development Corporation Limited, among others.

Technology risk

Could any technology obsolescence impact the Company's growth?

The Company has invested in state-of-the-art equipment and provides continuous training to its personnel resulting in operational seamlessness. The Company entered into joint ventures to widen its presence across verticals and qualify for large complex projects.

Timely project completion risk

Could any delay in project completion affect the Company's brand?

The Company possesses a dedicated team to monitor project progress. The Company was rewarded by the National Highways Authority of India for timely project delivery; it received a bonus from NHAI in 2003 for pre-schedule project completion. The Company's investment in cutting-edge-technologies has accelerated project completion.

Funding risk

Could an inability to source funds at competitive rates impact viability?

The Company has collaborated with a consortium of eight banks for meeting its working capital requirements. The Company's interest cover stood at a comfortable 5.69x. Its outstanding debtor days declined from 111 days in 2012-13 to 109 days in 2013-14, strengthening cash flow and optimising the working capital cycle. The Company enjoys rating "A1" for short term borrowings and "A" for long term borrowings from CARE. Therefore, there will not be any impact on Company's business viability.

Raw material risk

Could an inability to secure raw materials at the right price and right time impact profitability?

The Company possesses a dedicated procurement department and a logistics services team to procure raw materials and supply these to various project sites apart from its captive sources. The Company invested in storage facilities for petroleum products, machinery components and cement, among others, to ensure uninterrupted work at sites. The Company also conducts stone crushing operations.

Human capital risk

Could a failure to attract, recruit and retain intellectual capital impact growth?

The Company recruits talent through advertisements in newspapers, websites, campus interviews and employee referrals. The Company conducts on-the-job and off-the-job training to enhance employee skills and talent. The Company evaluates and remunerates employees transparently as per industry benchmarks.



Management discussion and analysis



Four laning of Ghaziabad-Aligarh section of NH 91

Indian economy

The Indian economy experienced one of its most challenging slowdowns in a decade, the combined effect of global headwinds, domestic imbalances and fiscal slowdown, which moderated GDP growth to 4.5% in 2012-13 and 4.7% in 2013-14.

Construction industry

The construction industry plays a critical role within the country's GDP growth. The sector accounts for 8% of the country's GDP, is one of the largest employment contributors outside agriculture and employs about 41 million people. Since 2010-11, the country's construction industry has been in a state of slowdown – from 10% growth in 2010-11 to 4% growth in 2012-13.

The slowdown has been the result of issues related to delayed land acquisition, statutory approvals and stringent lending norms. Besides, sector-specific issues have comprised fuel shortages related to the power sector and aggressive bidding coupled with low traffic volumes for national highway projects that affected margins. However, infrastructure deficit and government intent are expected to revive the construction sector.

The Indian construction industry registered a compounded annual growth rate of 13.52% in nominal terms during the review period between 2009–2013, driven by private and public investments in infrastructure, as well as in institutional and commercial construction projects. Infrastructural development over the past few

years has been a key driver of the construction industry through direct (60% of the annual infrastructure investment) and ancillary industries (equipment and material markets).

Issues and challenges

- In India, projects are often awarded following partial land acquisition, as a result of which projects can be stalled indefinitely if even 10-20% of the required land is not handed over to developers. Extensive environmental approvals are required at project commencement. Central and the State Governments lack coordination, leading to standoffs on critical approvals compounded by inadequate support.
- Inadequate financing has also accounted for significant

India's infrastructure focus has helped make it the second fastest-growing economy in the world, a trend that is likely to sustain over the years to come.

- The Planning Commission projected an infrastructure investment of US\$ 1 trillion during the 12th Five Year Plan (2012–17), with 40% of the funds derived from the country's private sector.
- The Indian Government permitted 100% foreign direct investment under the automatic route for port development projects, decided to convert connecting roads into National Highways.

construction delay. The past 12-18 months have been marked by economic slowdown, with investors becoming increasingly risk averse. Consequently, equity players have shied from investing in the infrastructure sector. Banks made lending norms more stringent, resulting in several infrastructure projects unable to achieve financial closure.

- Disputes between project owners and contractors on issues (quantity variation, incremental billing, payment terms and timelines) have often warranted time-consuming government intervention.

Outlook

India is expected to emerge as the world's third largest construction market by 2020.

India's growing population requires proper infrastructure. The government has provided assistance through policies that have attracted private sector involvement, now a key player in the growth of road infrastructure. The Indian government plans to develop 66,117 km of roads under different programmes such as National Highways Development Project (NHDP), Special Accelerated Road Development Programme in North East (SARDP-NE) and Left Wing Extremism (LWE), setting an objective to build 30 km of road a day from 2016 onwards. About two-thirds of NHDP road projects (ex-phase IV) have not been awarded, offering a massive opportunity to private players.

Highways, flyovers and bridges

108,045

Turnover in 2013-14
(₹ lac)

293,555

Outstanding contract value
in 2013-14 (₹ lac)

117,580

Turnover in 2012-13
(₹ lac)

345,489

Outstanding contract value
in 2012-13 (₹ lac)

93.78

Contribution to total
turnover in 2013-14 (%)

9

Projects added
in 2013-14

90.20

Contribution to total
turnover in 2012-13 (%)

18

Projects under execution
in 2013-14

Overview

In India, more than 60% of freight and 85% of passenger traffic is carried by road. Although National Highways constitute only about 1.7% of the road network, they carry 40% of the country's road traffic.

Easy availability, adaptability to individual needs and sizeable cost savings are some of the factors that favour road transportation. Besides, road transport feeds railway, shipping and air traffic. Over the years, the number of vehicles has grown at an average 10% per annum; the share of road traffic grew from 13.8% of freight traffic and 15.4% of passenger traffic in 1950-51 to an estimated 62.9% of freight traffic and 90.2% of passenger traffic a few years ago. To sustain this momentum, road network expansion is warranted in addition to enhanced regulation, energy efficiency, lower pollution and increased safety.

The Central Government is responsible for the development and maintenance of National Highways.

The Ministry of Roads, Transport and Highways (MORTH) has undertaken the phased National Highways Development Project that envisages the improvement of



Four laning of Agra-Gwalior section of NH 3

more than about 54,500 kilometres of arterial National Highways in line with international standards. There is a prime focus on creating facilities for uninterrupted traffic flow with enhanced safety features including better riding quality, better road geometry, better traffic management, noticeable signage, divided carriageways, service roads, grade separators, over bridges, underpasses, bypasses and wayside amenities.

A total 21,787 kilometres of National Highways had been completed till March 2014. The National Highways Authority of India constructed 2,844 road kilometres in 2012-13, its peak annual achievement. During 2013-14, 1,901 kilometres of road construction was completed. The Indian Government formulated initiatives to expedite projects under the National Highways Development Project comprising project preparation, streamlined land acquisition/environmental clearances, dispute resolution, equity investor exits and coordination with other relevant bodies, among others.

Highlights of Union Budget, 2014-15

- Proposed the institution to mainstream PPPs (4P India) with a corpus of ₹500 crore.
- Proposed investment of ₹37,880 crore in the NHAI and state roads proposed (including ₹3,000 crore for North-Eastern India).
- Proposed achievement of National Highway construction target of 8,500 kilometres in the current fiscal

Over the years, the number of vehicles has grown at an average 10% per annum; the share of road traffic grew from 13.8% of freight traffic and 15.4% of passenger traffic in 1950-51 to an estimated 62.9% of freight traffic and 90.2% of passenger traffic a few years ago. To sustain this momentum, rapid road network expansion is warranted in addition to the need for enhanced regulation, energy efficiency, lower pollution and increased safety

- Proposed initiation of work on select expressways in tandem with industrial corridors.
- Allocation of ₹500 crore by the NHAI for project preparation.

Performance highlights, 2013-14

- The highways, flyovers and bridges segment represents the Company's flagship business (commissioned in 1999). The Company is actively engaged in designing, engineering, financing, constructing, operating and maintaining highways, flyovers and bridges.
- The Company completed 24 major projects prior to 2013-14 with 18 projects under execution as on March 31, 2014.
- The Company added nine projects to its order book during the year under review.

Company's strengths

- Longstanding experience in project execution and management;
- Strong financial performance and credit profile;

- Established relationships with a public sector clientele; excellent pre-qualification credentials;
- Robust order book and diversified portfolio;
- Integrated in-house design and engineering expertise, large fleet of sophisticated equipment and experienced employee base; and
- Highly qualified management team.

Significant road projects completed

- Four-laning of the existing two-lane section of the Etawah Bypass on National Highway 2 granted by the NHAI, completed by May 31, 2008;
- Development of the Sagar Beena Road, funded by the Asian Development Bank, under the Madhya Pradesh Road Sector Development Programme Phase-I, completed by April 15, 2007;
- Development of Phase II of Package – 6 for Road number 9, Porsa-Mehgaon-Mau-Seonda section of State Highway 19, funded by the Asian Development Bank, completed on June 5, 2008;



Construction of ROB on Agra bypass connecting NH 2 with NH 3

- Four-laning of the Agra-Gwalior section of National Highway 3, including construction of a road-over bridge (contract package NS-19), completed on January 15, 2005;
- Construction of Gairatganj-Silwani-Gadarwada (State Highway 44), National Highway 12 Junction to Silwani (State Highway 15) and Bareli-Pipariya Road (State Highway 19) under Madhya Pradesh State Road Sector Project-II completed by January 21, 2011;
- Improvement of Gurgaon-Nuh-Rajasthan Border (State Highway

13) by four laning, widening, strengthening, providing, drains, widening or bridges and culverts, retaining of structures and other miscellaneous work under the Haryana State Roads and Bridges Development Corporation Limited completed by June 30, 2011;

- Widening and strengthening of National Highway 24 to four-lane standards (Garhmukhteshwar to Moradabad) and construction of road over bridge spanning a distance of 181 kilometres on National Highway 24 and bridges on National Highway 87 in Uttar

Pradesh (Package-II), completed by October 10, 2012;

- Development of Section III, Jaora Section under JNTRCPL (Joint Venture) completed by May 4, 2011;
- Four-laning of Agra-Gwalior section of National Highway 3, including the construction of a major bridge on the Khari river (contract package NS 4), completed by July 18, 2001; and
- Short-term improvement and maintenance of the Panipat-Jalandhar section on National Highway 1, including collection of user-free (toll), completed by December 20, 2003.

Prominent projects under execution

- Rehabilitation and upgradation of Sonauli to Gorakhpur Section (from 0.00 kilometres to 80.00 kilometres) of National Highway 29E in Uttar Pradesh to two-lane, with paved shoulders under the National Highway Development Project Phase-IV of total contract value (including escalation) of ₹4,410.00 million;
- Construction of the balance work of the new four-lane Agra bypass in Uttar Pradesh of total contract value (including escalation) of ₹3,850.00 million;
- Four-laning of a part of the Dholpur-Morena section (from 51.00 kilometres to 61.00 kilometres), including Chambal Bridge, of National Highway 3 on North-South Corridor in Rajasthan and Madhya Pradesh of a total contract value (including escalation) of ₹2,936.10 million;
- Rehabilitation and upgradation of Barabanki-Jarwal section of National Highway 28C (from 0.00 kilometers to 43.00 kilometres) in Uttar Pradesh under National Highway Development Phase IV of a total contract value (including escalation) of ₹2,727.00 million; and
- Contract for design, engineering, finance, construction, operation and maintenance of Ghaziabad-Aligarh section (from 23.60 kilometres to 140.20 kilometres) of National Highway 91 in Uttar Pradesh under the National Highway Development

Project Phase-III of a total contract value of ₹17,249.90 million;

- Two-laning with paved shoulders of Rae Bareilly to Jaunpur section (from 0.00 kilometres to 166.40 kilometres) of National Highway 231 in Uttar Pradesh under the National Highway Development Project Phase-IV of a total contract value of ₹7,283.60 million;
- Four-laning with paved shoulders of Bareilly-Almora section of State Highway 47 in Uttar Pradesh of a total contract value of ₹5,400.00 million;
- Two-laning with paved shoulders of Kanpur-Kabrai section of National Highway 86 in Uttar Pradesh of a total contract value of ₹4,290.00 million; and
- Two-laning of Gwalior-Bhind up to the Uttar Pradesh border on National Highway 92 in Madhya Pradesh/ Uttar Pradesh of a total contract value of ₹3,158.70 million.

BOT projects held by the Company

- Construction on a BOT basis of the four-laning of Jaora-Nayagaon section of SH 31 (from 125 kilometres to 252.81 kilometres) in Madhya Pradesh (joint venture)
- Construction of the Ghaziabad-Aligarh section of NH 91 from 23.60 kilometres to 140.20 kilometres in Uttar Pradesh under NHDP Phase-III on DBFOT basis (in joint venture)
- Construction of the two-laning of Gwalior-Bhind Road (NH-92) on a BOT basis in Uttar Pradesh

- Construction of two-laning with paved shoulders of the Kanpur-Kabrai section of NH 86 in Uttar Pradesh DBFOT on toll basis
- Construction of the four-laning of the Bareilly-Almora section of SH 37 in Uttar Pradesh
- Development and management of the Narela Industrial Estate on a DBFOT basis
- Construction of two-laning, with paved shoulders, of the Rae Bareilly-Jaunpur section of NH 231 from 0.000 kilometres to 166.400 kilometres in Uttar Pradesh under NHDP IVA on a BOT (annuity) basis
- Operation and maintenance of the Kanpur-Lucknow section (11.005 kilometres to 75.500 kilometres) stretch of NH-25, Lucknow Bypass (0.00 kilometres to 22.850 kilometres) stretch of NH 56A and 56B and Lucknow-Ayodhya section (8.000 kilometres to 137.970 kilometres) stretch of NH 28 (total length 217.315 kilometres) in Uttar Pradesh

Outlook

The Company intends to venture into more highway sector projects over the next few years.

The Company intends to venture into more highway sector projects over the next few years

Business segment

Airports

1,051 Turnover in 2013-14 (₹ lac)	17,198 Outstanding contract value in 2013-14 (₹ lac)
4,632 Turnover in 2012-13 (₹ lac)	1,192 Outstanding contract value in 2012-13 (₹ lac)
0.91 Contribution to total Turnover in 2013-14 (%)	2 Projects added in 2013-14
3.55 Contribution to total Turnover in 2012-13 (%)	2 Projects under execution in 2013-14

Overview

The USD 16 billion Indian civil aviation industry is among the 10 largest in the world. The Airports Authority of India (AAI) operates 125 airports and civil enclaves in India out of 449 airports as of FY 2013-14. During the year under review, AAI-managed airports delivered a 5.2% increase in domestic passenger traffic over the 116.37 million reported in 2012-13; international passenger traffic grew by 8.34%. Aircraft movements amounted to 1.48 million and freight handled stood at 2.19 million tonnes.

The Indian civil aviation industry is marked by expanding low-cost carriers, modern airports, FDI, cutting-edge technologies, no-frills infrastructure and regional connectivity. In FY 2013, the low-cost carrier model accounted for almost 70% of the domestic capacity.

Indian carriers plan to double fleet size to around 800 aircraft by 2020; as per KPMG, the people requirement of airlines is estimated to rise from 62,000 in FY-2011 to an estimated 117,000 by FY-2017; the sector will need to invest 350,000 more employees to facilitate growth across the coming decade.



India has the potential to emerge as the third largest aviation market by 2020 and the largest by 2030, considering that this mode of travel is still a dream for nearly 99.5% of the country's population (Source: FICCI-KPMG Indian Aviation 2014).

Highlights, Union Budget, 2014-15

- New airports will be developed in small cities and towns; AAI will build/develop airports through the public-private partnership (PPP) model.
- Non-metro airports account for 30% of the total air traffic, expected to rise to 45% in next few years. India plans to build 200 low-cost airports in 20 years to connect tier-II and tier-III cities.
- The government finished development across 33 non-metro airports for increasing regional connectivity; it plans to construct 15 additional airports under the Greenfield Airport Policy.

Performance highlights, 2013-14

- This business segment is the second largest within the Company,

focusing on the construction and resurfacing of airport runways.

- The Company completed 17 major projects prior to 2013-14; two projects were under execution as on March 31, 2014.
- The Company added two projects worth ₹ 17,198 lac during the year.

Significant airport projects completed

- Strengthening of main runway 19L/01R and proving CAT – II lighting at 19L approach at the NSCBI Airport, Kolkata, completed by May 3, 2005 through a joint venture, PNC-Thorn JV;
- Upgradation of airstrips for the operation of Boeing 737 type aircrafts at the Saifai Etawah, Uttar Pradesh, completed by February 2, 2007;
- Resurfacing of runway, extension of existing runway and allied works at AFS Jorhat under MES, completed by April 18, 2014;
- Extension and strengthening of the runway and construction of the new apron and isolation bay and associated works at the Devi Ahilyabai Holkar Airport, Indore, granted by the AAI and completed by

Indian carriers plan to double their fleet size to around 800 aircraft by 2020; as per KPMG, the manpower requirement of airlines is estimated to rise from 62,000 in FY-2011 to 117,000 by FY-2017; the sector will need to invest in about 350,000 more employees to facilitate growth across the coming decade

July 15, 2009;

- Repairs and resurfacing, of the shoulders of existing runway and area drainage works at Air Force Station Yelahanka, Bangalore, of MES, completed by January 6, 2005; and
- Resurfacing of hard standing at Mehra Chowk at 402 Air Force Station Chakeri, Kanpur, of Military Engineers Services, Ministry of Defence, Government of India, completed by March 3, 2004.

Outlook

Going ahead, the Company expects to secure more airport runway projects.

Prominent projects under execution

Airport runway projects	Employer	Location
Resurfacing of runway and allied works, at AFS Panagarh	Military Engineer Services	West Bengal
Resurfacing of Runway at Air Force Station, Gorakhpur	Military Engineer Services	Uttar Pradesh

Business segment

Power

2,726

Turnover in 2013-14
(₹ lac)

3,120

Outstanding contract value
in 2013-14 (₹ lac)

5,004

Turnover in 2012-13
(₹ lac)

2,346

Outstanding contract value
in 2012-13 (₹ lac)

2.37

Contribution to total
turnover in 2013-14 (%)

None

Project completed
in 2013-14

3.84

Contribution to total
turnover in 2012-13 (%)

1

Project under execution
in 2013-14

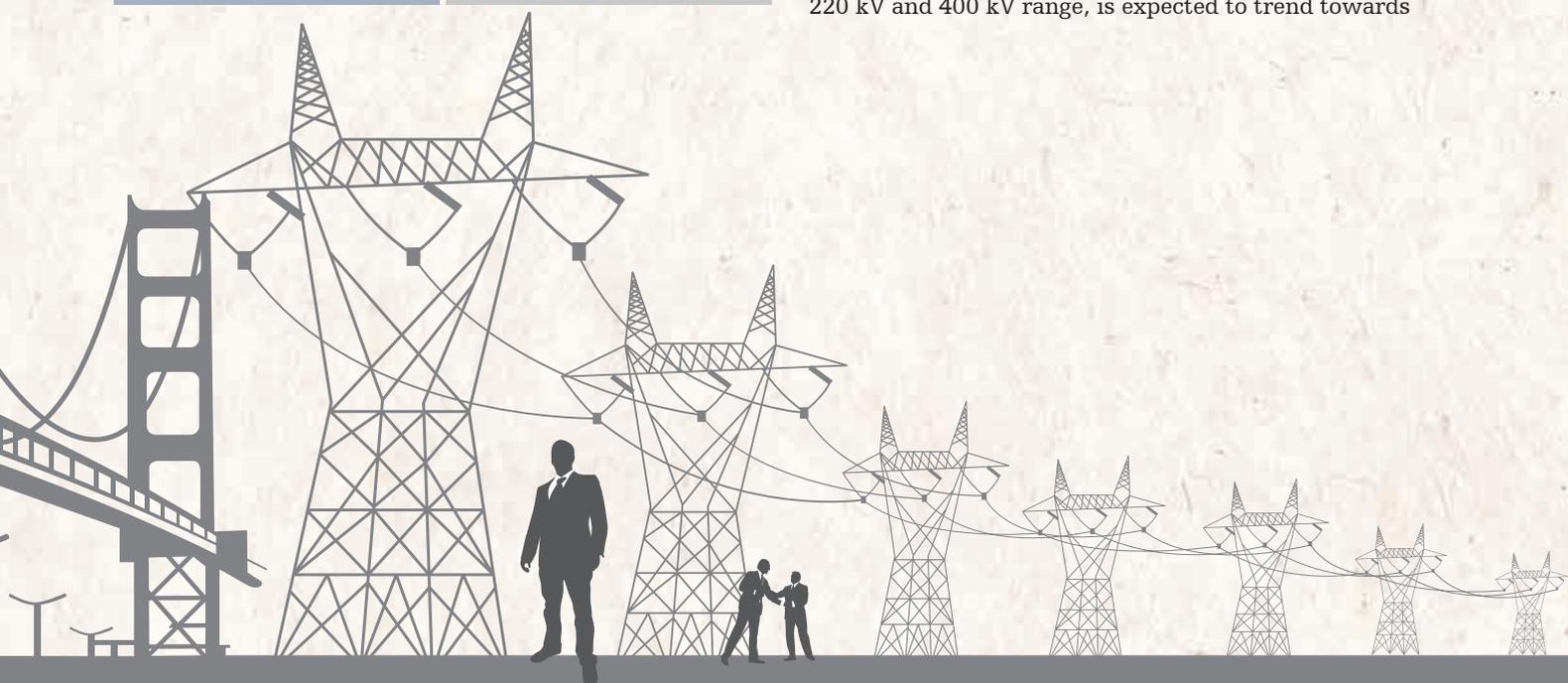
Overview

A production of 1,006 terawatt-hours makes India the fifth largest producer and consumer of electricity in the world.

Going forward, the government targets capacity addition of 88.5 gigawatts during the 12th Five Year Plan period and around 100 gigawatts during the 13th Five Year Plan period.

The 2013-14 capacity addition target was 18,432.3 MW; the country added 17,825.01 MW during the year. Capacity addition during the 12th Five Year Plan is targeted at 88,537 MW; the country achieved 38,447.81 MW during the current Plan upto March 2014. The 12th Five Year Plan performance depends on fuel supply (coal and gas) and the fiduciary health of State Electricity Boards.

The Government of India strengthened sectoral prospects through policies like The Electricity Act (2003) and The Tariff Policy (2006), which resulted in mergers and acquisitions (M&A) as well as large sectoral investments. Consequently, power transmission, currently in the 220 kV and 400 kV range, is expected to trend towards



765 kV and high-voltage (HV) direct current.

Government policies and initiatives

The Government of India has identified the power sector as a key focus area to catalyse industrial growth reflected in the following initiatives:

- Proposed addition of 76,000 MW of power generation capacity in the 12th Five Year Plan (2012-17) and 93,000 MW in the 13th Five Year Plan (2017-22).
- FDI of ₹43,530.99 crore (US\$ 7.24 billion) attracted from April 2000 to May 2014.
- The Government of India plans to buy equity of Power System Operation Corporation Limited (POSOCO), a wholly-owned subsidiary of the Power Grid Corporation of India, at a book value of around ₹35 crore (US\$ 5.82 million).
- Agence Française de Développement (AFD) is extending a Line of Credit (LoC) worth ₹100 million (US\$ 134.73 million) for a 15-year tenure to Indian Renewable Energy Development Agency Ltd

(IREDA) to finance renewable energy and energy efficiency projects in India.

- The Electricity Supply Companies (ESCOM) of Karnataka and Andhra Pradesh Power Generation Corporation (APGENCO) signed a power purchase agreement for sharing 230 MW power generated from the Priyadarshini Jurala hydro power project.
- The Government of India joined hands with IIT Mumbai to implement cost-effective solar powered rural lighting solutions, which could save 36 million litres of kerosene.

Performance highlights, 2013-14

- The Company extended towards establishing power lines (survey, route alignment, installment and optimisation of tower locations).
- As on March 31, 2014 there was one project that was under execution.

Outlook

The Company intends to secure larger power transmission projects over the next few years.

The 2013-14 capacity addition target was 18,432.3 MW; the country added 17,825.01 MW during the year. Capacity addition during the 12th Five Year Plan has been targeted at 88,537 MW; the country achieved 38,447.81 MW during the current plan upto March 2014

Prominent project under execution

Airport runway projects	Employer	Location
Construction of 132 kV S/C and 220 kV D/C lines for the Uttar Pradesh Power Transmission Corporation Limited at Lucknow of a total contract value (including escalation) of ₹2,201.40 million.	Uttar Pradesh Power Transmission Corporation Limited	Uttar Pradesh

Directors' Report

Deen Shandohberg

Your Directors take pleasure in presenting the 15th Annual Report and the Audited Accounts for the financial year ended March 31, 2014.

FINANCIAL RESULTS

The Company's financial results for the financial year, ended March 31, 2014, and the previous financial year are summarised below:
(₹ in Lacs)

Particulars	Financial Year ended	
	As at March 31, 2014	As at March 31, 2013
Total income	1,16,271.27	1,30,767.28
Less: Expenditure	1,01,023.97	1,14,283.83
Profit before interest, depreciation and tax	15,247.30	16,483.45
Less: Financial charges	2,340.82	2,348.10
Less: Depreciation	2,482.91	2,283.69
Profit before tax(s)	10,423.57	11,851.66
Less: Provision for tax	3,408.86	3,940.65
Profit after tax	7,014.71	7,911.01
Less : Proposed Dividend	298.56	298.56
Tax on Proposed Dividend	50.74	50.74
Balance carried to Balance Sheet	6,665.41	7,561.71

FINANCIAL PERFORMANCE

During the year under review your Company recorded a gross turnover, including other income, of ₹1,16,271.27 lacs as against ₹1,30,767.28 lacs in the previous financial year. Turnover for the year under review was lower due to delay in start of work at the Company's Raebareli - Jaunpur project, which was due to delay in providing appointed date by NHAI.

Profit, after providing for interest, depreciation and taxation (PAT), amounted to ₹7,014.71 lacs as against ₹7,911.01 lacs in F.Y. 2012-13.

DIVIDEND

Keeping in view the continued good performance and the

future funds requirements of the Company, your Directors have recommended a dividend of 7.5 %, i.e. ₹0.75 per equity share on 3,98,07,833 equity shares of ₹10/- each for the financial year ended 31st March, 2014, which if approved at the Annual General Meeting of the Company, shall be paid to the eligible members, whose names appear in the Register of Members of the Company as on the record date fixed for this purpose.

REVIEW OF OPERATIONS

During the year under review, the Company has bid for and been awarded the following projects:

Name and description of the contract

Resurfacing of runway and allied works at AFS PANAGARH (WB).

Resurfacing of runway at AFS GORAKHPUR (UP).

Construction of Hamirpur-Kalpi Road (SH-91) to Four Lane from Km. 1.000 to 22.000.

Widening & Strengthening of Single lane to Two-Lane Road in Dist. Lalitpur-Kailguan Road from NH-44 Ch. 96.800 to Buragaon power generation plant

Widening and Strengthening work from Km. 55 to 99 (800) of Pilibhit-Bareilly-Budaun-Mathura-Bharatpur (State Highway No. 33) in Distt. Bareilly (Under Plan connecting District Headquarter by four lane)

Rehabilitation and upgradation of Sonauli to Gorakhpur section [Km. 0+000 to Km. 80+000] of NH-29E in Uttar Pradesh to two lane with paved shoulder on EPC mode under NHDP Phase-IV.

Rehabilitation and Upgradation of Barabanki-Jarwal section of NH-28C (Km 0.000 to Km 43.000) in the State of Uttar Pradesh under NHDP-IV on EPC Basis

Widening and strengthening work of 3.50 Km. to 29.30 Km. long road in Kannauj/Farrukhabad District



During the year, the Company through its subsidiary PNC Kanpur Ayodhya Tollways Private Limited has started the toll collection on its "Kanpur-Lucknow-Ayodhya" Project.

During the year, your Company has successfully completed work on the project "Renovation, upgradation, operation, maintenance, management and transfer of Narela Industrial Area", through its subsidiary, PNC Delhi Industrialinfra Pvt. Ltd. and started commercial operations.

The total order book of the Company, as on 31st March, 2014, stands over ₹3,000 Crores. Further opening of Bids are awaited from various clients fortenders submitted by the Company.

The Toll collection at Gwalior-Bhind Project, which was started in F.Y.2012-13, has shown marked improvement with the average toll collection per day going up to ₹9.0 lacs in recent months as against an average of ₹6.9 lacs per day in the financial year 2013-14.

The Company is presently executing the following major projects:

Sl. No.	Highways/ Water supply/ Power/etc.	Name of the Project
1	Highways	EPC Contract for-Design, Engineering, Finance, Construction, Operation and Maintenance of Ghaziabad-Aligarh Section of NH-91 from Km.23.600 to km 140.200 in the State of Uttar Pradesh Under NHDP Phase III on Design, Build, Finance, Operate and Transfer (the "DBFOT") basis.
2	Highways	Construction of Balance work of New Four Lane Agra Bye pass connecting Km 176.800 of NH-2 to Km.13.03 of NH-3 in the state of UP.
3	Highways	Four laning of km 51 to 61 (Including Chambal Bridge) on Dholpur-Morena Section of NH-3 on North-South corridor in the state of Rajasthan – Madhya Pradesh (This project consist of 850 m long State of the art high level PSC Bridge across Chambal river, besides one No. ROB, Two Flyovers and 10 Km long 4 Lane highways).
4	Highways	EPC Contract for- 2 laning with paved shoulders of Kanpur to Kabrai section of NH-86 from Km 7.430 to Km 130.100 in the State of Uttar Pradesh on Design, Build, Finance, Operate and Transfer (DBFOT) on Toll Basis.
5	Highways	EPC Contract for Two Laning with Paved Shoulders of Raebareli to Jaunpur Section (Km 0+000 to Km 166.4000) of NH-231 in the State of Uttar Pradesh Under NHDP IV on BOT (Annuity)
6	Highways	Rehabilitation and upgradation of Sonauli to Gorakhpur section (Km.0+000 to Km.80+000) of NH-29E in Uttar Pradesh to two lane with paved shoulders on EPC mode under NHDP Phase-IV.
7	Highways	Rehabilitation and upgradation of Barabanki-Jarwal section of NH-28C (Km. 0.000 to Km. 43.000) in the state of Uttar Pradesh under NHDP-IV on EPC Basis
8	Airport Runways	Resurfacing of runway and allied works at AFS PANAGARH (WB). awarded by Military Engineering Services.
9	Airport Runways	Resurfacing of runway at AFS GORAKHPUR (UP). awarded by Military Engineering Services.
10	Water Supply	Construction of Pipe Bridge across Yamuna River. (This Project envisages Construction of Pipe cum Road Bridge across river Yamuna including its approaches near Kailash Mandir, Sikandra, Agra)
11	Power	Supply & Installation of 132 KV & 220 KV T/L in various part of U.P.
12	DFCCI	Design, procurement, construction of Track and track related works and its testing & commissioning for double track electrified railway line on a Design Build Lump Sum Basis from New Karwandiya (Rly. Km. 564) to Durgawati (Rly. Km. 630) approx. 66 Kms on Mughalsarai-Sonnagar Section of Eastern Dedicated Freight Corridor

CLAIMS UNDER ARBITRATION

In compliance with Accounting Standard as applicable to our nature of business, the Company is recognizing the revenue on receipt of favorable arbitration awards on its claims including interest as awarded from time to time. The status of various claims is as under:

a. During the year the Company has received ₹652.24 Lacs towards arbitration claim from National Highways Authority of India (NHAI) and the same has been accounted

for in current year as operating revenue.

- b. The arbitral tribunal awarded for ₹702.31 Lacs in favour of the Company, against which the respondent UP PWD has preferred objection against the aforesaid award. The same will be accounted for on final settlement.
- c. The Company has further filed four arbitration claims, aggregating to an amount of ₹257.76 Crores, which include two cases against NHAI and two cases against

Madhya Pradesh State Road Sector Development Corpn.
The same will be accounted for on final settlement.

FUTURE OUTLOOK

Infrastructure development in India has been going through a very difficult phase over the last three years. Year 2013-14 has not been a good year for the Indian economy in general and the construction sector also has been adversely affected. Governments' plan for massive development of infrastructure, has not translated to on-ground implementation. Several large infrastructure projects are stuck for various reasons including lack of finance, land acquisition related issues, delays in environment and regulatory approvals, policy uncertainty etc.

Despite the contemporary economic situation which was marked by political uncertainties, the demand for infrastructure is greater than ever before and it is expected that the sector will bounce back in the second half of financial year 2014-15. PNC is engaged in the construction of highways, flyovers, bridges, roadways and runways, among others, resulting in a diversified order book. Our approach towards projects is to remain focused and we are concentrating on improving our bid success ratio, rather than increasing the number of bids. We are sharpening our cash flow management. Our focus in the coming year will be on order book accretion, timely completion of projects and regular cash flow. Your Company's experienced management and execution teams coupled with robust planning and management systems for projects, plants and human resources will enable us to tide over challenges in the future.

SHARE CAPITAL

During the year under review, your Company's authorised share capital has remain unchanged at ₹50,00,00,000 (Rupees Fifty Crore only) comprising of 5,00,00,000 (Five crores) equity shares of ₹10 each.

During the year under review, your Company's paid up share capital has remain unchanged at ₹39,80,78,330 (Rupees Thirty Nine Crores Eighty Lacs Seventy Eight Thousands Three Hundred Thirty Three only) comprising of 3,98,07,833 (Three Crores Ninety Eight Lacs Seven Thousands Eight Hundred Thirty Three) equity shares of ₹10 each.

DIRECTORS

Mr. S K Awasthi resigned as a Director of the Company w.e.f. 02.06.2014 due to personal reasons. The Board places on record their appreciation for the valuable guidance and services rendered by Mr. S K Awasthi.

Mr. S C Kalia, a seasoned career banker with 38 years experience in Public Sector Banks, has been appointed as an Independent Director of the Company w.e.f. 30.06.2014, for a period of five years subject to the approval of shareholders at a general meeting.

In terms of Sec. 152 of the Companies Act, 2013, Mr. C K Jain and Mr. Y K Jain, Managing Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Your Directors recommend their re-appointment at the ensuing Annual General Meeting.

SUBSIDIARY COMPANIES

Your Company has the following subsidiaries / step down subsidiaries, as on 31st March, 2014:

(A) Subsidiary Companies

- i) PNC Power Private Limited
- ii) PNC Infra Holdings Limited
- iii) Ferrovia Transrail Solutions Private Limited.

(B) Step-Down Subsidiary Companies*

- i) MP Highways Private Limited
- ii) PNC Kanpur Highways Limited
- iii) PNC Delhi Industrialinfra Private Limited
- iv) Hospet Bellary Highways Private Limited
- v) PNC Kanpur Ayodhya Tollways Private Limited
- vi) PNC Bareilly Nainital Highways Private Limited
- vii) PNC Raebareli Highways Private Limited.

*(Subsidiaries of PNC Infra Holdings Limited, hence would also be deemed to be subsidiaries of your company).

During the year, PNC Raebareli Highways Private Limited, which was a Subsidiary of the Company last year, has become a step down subsidiary. The Statement pursuant to Section 212 of the Companies Act, 1956 is annexed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of the Section 217 (2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (ii) That appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs as on March 31, 2014 and of the profit of the Company for the year ended on that date.
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for



preventing and detecting fraud and other irregularities.

- (iv) The annual accounts for the year ended March 31, 2014 have been prepared on a going concern basis.

AUDIT COMMITTEE

The constitution of the Audit Committee has been enumerated in the Corporate Governance Report, part of the Annual Report. During the year there were no recommendations of the Audit Committee that were not accepted by the Board. Hence there is no requirement for disclosure of the same in this report.

FIXED DEPOSITS

The Company has not accepted any deposits from the public in terms of Section 58A or 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules 1975.

CORPORATE GOVERNANCE

Clause 49 of the Listing Agreement with the stock exchanges is not applicable to your Company, being an unlisted Company. The Company, however, observes good corporate governance practices with a view to bring transparency, accountability and equity in all facets of its operations, maximize shareholders value, maintain a healthy work culture and responsibility towards the society on a continuous basis.

This Report sets out the compliance status of the Company with the requirements for the financial year 2013-14. The Corporate Governance report is annexed with the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is annexed with the Annual Report.

AUDITORS

M/s Purushottam Agrawal & Co., Chartered Accountants (Firm Reg. no. 000731C) and M/s S.S Kothari Mehta & Co., (Firm Reg. no. 000756N), Chartered Accountants, Joint Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible have sought reappointment.

The Company has received letters from them to the effect that their reappointment, if made, would be in accordance with Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and they are not disqualified for such reappointment within the meaning of Companies Act, 2013.

AUDITORS' REPORT

The Auditors Report to the members on the accounts of the Company for the financial year ended March 31, 2014 does not contain any qualification. The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do

not call for any further explanations.

CASH FLOW STATEMENT

The Cash Flow Statement for the financial year 2013-14 is annexed along with the Company's annual accounts.

PARTICULARS OF EMPLOYEES

The particulars of employees as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, as amended, is annexed to this report.

INDUSTRIAL RELATIONS

The Company enjoyed cordial industrial relations during the year under review and the Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, hard work, cooperation and support have enabled the Company to prosper.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is given as per Annexure A and forms an integral part of this Report.

ACKNOWLEDGEMENT

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, banks and financial institutions, clients and vendors 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, Airport Authorities of India, MPRDC, UPSHA, HSRDC, MES, DSIIDC and other Central and State Government agencies and thank them for the same and look forward to their continued support.

Your Directors also wish to place on record their sincere thanks to M/s. NYLIM Jacob Ballas India (FVCI) III LLC, our private equity partner, who has reposed trust in your Company.

Your Directors take this opportunity to recognise 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)

Place: Agra

Date: June 30, 2014

SECTION 212

Statement pursuant to section 212 of the Companies Act, 1956, relating to subsidiary/ step down subsidiary companies as at March 31, 2014. (₹ in lacs)

Sl. No	Name of the Subsidiary/ Step Down Subsidiary Companies	PNC Power Pvt. Ltd.	PNC Infra Holdings Ltd	PNC Bareilly Nainital Highways Pvt. Ltd. (1)	PNC Raebareilly Highways Pvt. Ltd. (1)	Ferrovia Transrail Solutions Pvt Ltd	PNC Kanpur Ayodhya Tollways Pvt Ltd(1)	MP Highways Pvt. Ltd (1)	PNC Kanpur Highways Ltd. (1)	PNC Delhi Industrialinfra Pvt. Ltd. (1)	Hospet Bellary Highways Pvt. Ltd. (1)
1	The Financial Year of the Subsidiary Company ends on	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14
2	Holding Company's Interest	26,500 equity shares of ₹10/- each.	5,84,55,794 equity shares of ₹10/- each	50,00,000 equity shares of ₹10/- each	10 equity shares of ₹10/- each	5,100 equity shares of ₹10/- each	10 equity shares of ₹10/- each	-	-	-	-
3	Extent of Holding	72.60%	100%	100% (3)	100% (3)	51.00%	99.99%(3)	100% (2)	100% (2)	100% (2)	65% (2)
4	The net aggregate amount of the Subsidiary Company profit/ (loss) so far as it concerns the members of the Holding Company.										
	a) Not dealt with in the Holding Company's accounts										
	i) For the Financial Year ended March 31, 2014	-	(2.54)	-	-	-	(26.30)	(152.01)	-	51.93	-
	ii) For the previous Financial Years of the Subsidiary Company since they became the holding Company's Subsidiary	-	(1.91)	-	-	-	-	(185.38)	-	1.32	-
	b) Dealt with in the Holding Company's accounts										
	i) For the Financial Year ended March 31, 2014	-	-	-	-	-	-	-	-	-	-
	ii) For the previous Financial Years of the Subsidiary Company since they became the Holding Company's Subsidiary	-	-	-	-	-	-	-	-	-	-

Notes:-

(1) Step Down Subsidiary companies.

(2) Extent of Holding referred is held through subsidiary company.

For and on behalf of the Board of Directors

(3) Extent of Holding referred is held directly and through subsidiary company

Chairman & Managing Director

Managing Director

Company Secretary

Place: Agra

Dated: June 30, 2014

ANNEXURES TO THE DIRECTORS' REPORT

Statement as required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the board of directors) Rules, 1988.

Conservation of Energy		
(a)	Energy conservation measures taken	The Company is taking all necessary measures for conservation of energy.
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy	No
(c)	Impact of the measures in (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods	The company is involved in construction of highways and airport runways, hence no major impact on the cost of production/ construction.
(d)	Total energy consumption and energy consumption per unit of production as per Form A	N.A.

Research and Development (R&D)		
1.	Specific areas in which R&D carried out by the company.	The Company has in house R & D cell to construct high quality roads and to meet the specification.
2.	Benefits derived as a result of the above R&D	N.A.
3.	Future Plan of action	Reduction in cost and improvement in quality.
4.	Expenditure on R&D	
	(a) Capital –	–
	(b) Recurring	–
	(c) Total	–
	(d) Total R&D expenditure as a percentage of total turnover	–

Technology Absorption, Adoption and Innovation		
1.	Efforts, in brief, made towards technology absorption, adaptation and innovation.	The Company develops in-house technology and is not dependent on any outside technology/source.
2.	Benefits derived as a result of the above efforts	Improvements in quality
3.	In case of imported technology,	
	(a) Technology imported	–
	(b) Year of import	–
	(c) Has technology been fully absorbed?	–
	(d) If not fully absorbed, areas where this has not taken place, reasons there for and future plan of action.	–

Foreign Exchange Earnings and Outgo		
1.	Activities relating to exports, initiative taken to increase exports, development of new Export markets or products and export plans	–
2.	Total foreign exchange earned & used (₹ / Lacs)	Earned– – Used– Nil

Statement of particulars of employees pursuant to the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended March 31, 2014.

Employed throughout the financial year and in receipt of remuneration which was more than ₹5,00,000/- per month.

Sl. No.	Name of the Employee	Designation/ Nature of Duties	Gross Remuneration (₹)	Qualification	Age	Experience	Date of Commencement of Employment	Particulars of last Employment
1.	Shri P. K. Jain	Chairman and Managing Director	10,800,000	B.A.	56	36 Years	09.08.1999	Self Employed
2	Shri N. K. Jain	Whole Time Director	9,000,000	B.A.	52	27 Years	20.02.2006	Self Employed
3	Shri C. K. Jain	Managing Director	9,000,000	B.Sc., LLB	50	26 Years	09.08.1999	Self Employed
4	Shri Y. K Jain	Managing Director	9,000,000	B. Tech.	42	22 Years	09.08.1999	Self Employed

- Gross Remuneration includes Salary and perquisites as per rules of the company and computed under Income Tax Act. 1961
- All the four Directors are in whole time employment of the company and the employment is contractual in nature.
- There is no employee who has drawn at a rate in aggregate in excess of that drawn by MD/ WTD and holds himself or along with spouse and dependent children not less than 2% of the equity capital of the Company.
- There is no employee who was employed during the part of the year and was in receipt of remuneration which was more than ₹5,00,000/- per month.

On Behalf of the Board of Directors

(Pradeep Kumar Jain)
Chairman & Managing Director

Place: Agra

Date: June 30, 2014



Report on Corporate Governance

Clause 49 of the Listing Agreement relating to the Corporate Governance is not applicable to the company during the financial year under review, being an unlisted company. However, the company observes good corporate governance practices.

The Directors present the Company's Report on Corporate Governance for the financial year 2013-14.

1. COMPANY'S PHILOSOPHY

PNC Infratech Limited ("PNCIL") is committed to implement sound corporate governance practices with a view to bring transparency, accountability and equity in all facets of its operations, maximize shareholders value, maintain a healthy work culture and responsibility towards the society on a continuous basis.

2. BOARD OF DIRECTORS

The composition of Board of Directors, as on 31st March, 2014 comprised of Ten Directors out of which five are Executive Directors; four are Non-Executive Directors and one Nominee Director appointed by M/s NYLIM Jacob Ballas India (FVCI) III LLC, private equity investor of the Company. The composition of the Board of Directors and the category of each Director during the captioned period, to which this Report belongs, is as under:

Sl. No.	Name	Designation	Category
1.	Shri Pradeep Kumar Jain	Chairman and Managing Director	Promoter / Executive Director
2.	Shri Naveen Kumar Jain	Whole Time Director	Promoter / Executive Director
3.	Shri Chakresh Kumar Jain	Managing Director	Promoter / Executive Director
4.	Shri Yogesh Kumar Jain	Managing Director	Promoter / Executive Director
5.	Shri Anil Kumar Rao	Whole Time Director	Non Promoter / Executive Director
6.	Shri Sunil Chawla	Director	Nominee Director
7.	Shri C.R. Sharma	Director	Independent / Non- Executive Director
8.	Shri S K Awasthi*	Director	Independent / Non- Executive Director
9.	Shri Ashok Kumar Gupta	Director	Independent / Non- Executive Director
10.	Shri Dharam Veer Sharma	Director	Independent / Non- Executive Director

*Shri S K Awasthi has resigned from the Board of Directors w.e.f. 02.06.2014.

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

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.

NUMBER OF BOARD MEETINGS HELD

Four Board meetings were held during the financial year 2013-14. The intervening period between two Board meetings was well within the gap of four months prescribed under Clause 49 of Listing Agreement.

The details of the Board Meeting are as under:-

Sl. No.	Dates	Board Strength	No. of Directors Present
1.	25.06.2013	10	9
2.	23.09.2013	10	9
3.	17.12.2013	10	8
4.	25.03.2014	10	7

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, 2014 is as under:

Name of Director	Category	No. of shares held	No. of Board meeting attended	Last AGM attended	Directorship held in other Indian Companies	Other Committee positions held in Indian Public Limited Companies	
						As Chairman	As Member
Shri Pradeep Kumar Jain	Chairman and Managing Director	3,002,325	04	Yes	Six	One	None
Shri Naveen Kumar Jain	Whole Time Director	3,551,625	01	No	Two	None	None
Shri Chakresh Kumar Jain	Managing Director	435,225	04	No	Nine	One	One
Shri Yogesh Kumar Jain	Managing Director	3,291,225	04	Yes	Eight	None	Two
Shri Anil Kumar Rao	Whole Time Director	300	04	No	Three	None	One
Shri Sunil Chawla	Nominee Director	NIL	04	No	Three	None	Three
Shri C.R. Sharma	Independent Director	NIL	04	Yes	Three	None	None
Shri Sudhanshu Kumar Awasthi	Independent Director	NIL	02	Yes	One	None	None
Shri. Ashok Kumar Gupta	Independent Director	NIL	03	No	None	None	None
Shri Dharam Veer Sharma	Independent Director	NIL	03	No	One	None	None

No Directors were appointed or resigned during the year. Shri S K Awasthi has resigned from the Board of Directors w.e.f. 02.06.2014.

Director retiring by rotation

As per the provisions of Sec. 152 of the Companies Act, 2013, Mr. C K Jain and Mr. Y K Jain, Managing Directors of the Company, retire by rotation, at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

3. COMMITTEES OF THE BOARD

The Company has the following statutory Committees of the Board:

A) Audit Committee

Composition, Name of the Member and the Chairman

In terms of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, the Board of Directors of the Company has constituted an Audit Committee comprising of Three Non-Executive and Independent Directors, One Nominee Director and One Executive Director. The composition of Audit Committee, as on 31st March, 2014 comprised of:

Name	Designation	Category
Shri C. R. Sharma	Chairman	Non-Executive and Independent Director
Shri Sunil Chawla	Member	Nominee Director
Shri C. K. Jain	Member	Executive Director
Shri S. K. Awasthi*	Member	Non-Executive and Independent Director
Shri A. K. Gupta	Member	Non-Executive and Independent Director

*Shri S K Awasthi has resigned w.e.f. 02.06.2014.

Shri B. K. Dash is the Secretary to the Audit Committee.

The Minutes of the meeting of the Audit Committee are circulated to all the Member of the Board along with the Agenda.

a. The Audit Committee has the following powers:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice

b. The role of the Audit Committee includes the following:

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommendation to the Board, of the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and the fixation of audit fees
3. Approval of payment to Statutory Auditors for any other services rendered by them
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' responsibility statement, to be included in the Directors' Report, in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reason for the same
 - Major accounting entries involving estimates based on the exercise of judgement by the management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of related party transactions
 - Qualifications in draft audit report
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval
6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control systems

7. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
8. Discussion with Internal Auditors on any significant findings and follow up thereon
9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud, irregularity or a failure of internal control systems of a material nature; and reporting the matter to the Board
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain areas of concern
11. To look into the reason for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
12. To review the functioning of the whistle blower mechanism.
13. Carrying out such other functions, as may be specifically referred to the Committee, by the Board of Directors and/or other committees of Directors of the Company.
14. To review the following information:
 - The management's discussion and analysis of financial condition and results of operations
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
 - All material individual transactions with related parties or others, which are not on an arm's length basis, together with the management's justification for the same
 - Management letters/letters of internal control weaknesses issued by the Statutory Auditors
 - Internal audit reports relating to internal control weaknesses
15. Recommendation to the Board, of the appointment, re-appointment and, if required, the replacement or removal of Internal Auditors and the fixation of remuneration

Attendance of the Members of the Audit Committee Meetings;

During the current Financial Year 2013-14 Four Audit Committee Meetings were held and the details of the Audit Committee Meetings are as follows:-

Sl. No.	Dates	Committee Strength	No. of Directors Present
1.	25.06.2013	5	4
2.	23.09.2013	5	5
3.	17.12.2013	5	4
4.	25.03.2014	5	4

B) Remuneration & Selection Committee

The Remuneration Committee has been constituted to formulate and recommend to the Board all elements of the Remuneration package of the Managing Directors and Whole Time Directors, including perquisites payable to the Managing and Whole Time Directors.

In terms of Clause 49 of the Listing Agreements, the Board of Directors of the Company has constituted this Committee comprising Three Non-Executive and Independent Directors and One Non-Executive Nominee Director. The composition of Remuneration & Selection Committee, as on 31st March, 2014 comprised of :

Name	Designation	Category
Shri S. K. Awasthi*	Chairman	Non-Executive and Independent Director
Shri Sunil Chawla	Member	Nominee Director
Shri C. R. Sharma	Member	Non-Executive and Independent Director
Shri A. K. Gupta	Member	Non-Executive and Independent Director

*Shri S K Awasthi has resigned w.e.f. 02.06.2014.

Shri B. K. Dash is the Secretary to the Remuneration Committee.

The Minutes of the meeting of the Remuneration Committee are circulated to all the Member of the Board along with the Agenda.

Attendance of the Members of the Remuneration Committee Meetings;

During the current Financial Year 2013-14 one Remuneration Committee Meetings were held and the details of the meetings are as follows:-

Sl. No.	Dates	Committee Strength	No. of Directors Present
1.	25.03.2014	4	3

Remuneration paid to the Directors during the financial year 2013-14.

Name	Category	Salary and Perquisite (₹)	Sitting fee (₹)	Total
Managing / Whole Time Directors				
Shri Pradeep Kumar Jain	Chairman and Managing Director	1,08,00,000	–	1,08,00,000
Shri Naveen Kumar Jain	Whole Time Director	90,00,000	–	90,00,000
Shri Chakresh Kumar Jain	Managing Director	90,00,000	–	90,00,000
Shri Yogesh Kumar Jain	Managing Director	90,00,000	–	90,00,000
Shri Anil Kumar Rao	Whole Time Director	50,71,992	–	50,71,992

Name	Category	Salary and Perquisite (₹)	Sitting fee (₹)	Total
Independent Directors				
Shri C R Sharma	Independent Director	–	65,000	65,000
Shri Sudhanshu Kumar Awasthi	Independent Director	–	35,000	35,000
Shri. Ashok Kumar Gupta	Independent Director	–	50,000	50,000
Shri Dharam Veer Sharma	Independent Director	–	30,000	30,000
Shri Sunil Chawla	Nominee Director	–	70,000	70,000

D) Shareholders'/Investors' Grievance / Share Transfer and Transmission Committee

The composition of Shareholders'/Investors' Grievance / Share Transfer and Transmission Committee, as on 31st March, 2014, comprised of:

Name	Designation	Category
Shri A. K. Gupta	Chairman	Non-Executive and Independent Director
Shri C. K. Jain	Member	Executive and Non-Independent Director
Shri Y. K. Jain	Member	Executive and Non-Independent Director

Shri B.K. Dash is the Secretary to the Shareholders'/Investors' Grievance / Share Transfer and Transmission Committee.

Shareholders complaints status;

Opening	Nil
Number of shareholders' complaints received during the year under review:	Nil
Number of complaints not resolved to the satisfaction of shareholders:	Nil
Number of pending share transfer applications on March 31, 2014:	Nil

Name and designation of Compliance Officer;

Shri B.K. Dash, Company Secretary

E) Corporate Social Responsibility Committee:

During the year, in terms of Section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, the Company has constituted Corporate Social Responsibility Committee.

The Committee comprises of the following members:

Sl. No.	Name	Designation
1	Shri. Chakresh Kumar Jain	Chairman
2	Shri. Anil Kumar Rao	Member
3	Shri. Ashok Kumar Gupta	Member

Scope and Responsibility of the CSR Committee are:

- To formulate the Corporate Social Responsibility Policy
- To recommend the activities to be undertaken, as per Sch. VII of the Companies Act, 2013
- To recommend the amount of expenditure
- To Monitor the Corporate Social Responsibility Policy and the expenditure
- 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

Shri B.K. Dash is the Secretary to the Corporate Social Responsibility Committee.

4. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	Special Resolution
2012-13	NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector – V, Saket, New Delhi	September 30, 2013	11.30 A.M.	Nil
2011-12	NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector – V, Saket, New Delhi	September 29, 2012	12.00 Noon	One
2010-11	D-5/7, Vasant Vihar, New Delhi	September 29, 2011	12.00 Noon	One

5. POSTAL BALLOT

No resolution was passed by way of postal ballot, by the Company during 2013-14.

6. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS OF CLAUSE 49 OF THE LISTING AGREEMENT

The Company obtained a certificate from the Practising Company Secretary, regarding compliance to the conditions of Corporate Governance; given as an annexure to the Directors' Report.

7. OTHER NON-MANDATORY REQUIREMENTS

The Board

Independent Directors have a tenure not exceeding, in the aggregate, a period of nine years, on our Board. None of the Independent Directors on our Board have served, for a tenure exceeding nine years from the date when the new Clause 49 became effective.

Audit qualification

There are no Audit qualifications in the accounts.

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.

Disclosures

Related-party transactions:

Materially-significant related party transactions with the Promoters, the Directors, the management or their relatives that may have potential conflict with the interest of the Company at large, are disclosed in the Notes to the Accounts.

There have been no penalties or strictures imposed on the Company by the stock exchanges, SEBI or any statutory authority on any matter related to capital markets during the last three years.

Means of communication

The company shall intimate and publish the results, shareholding pattern etc. as per the Listing Agreement, subsequent to listing of the company.

Dematerialisation of shares

The shares held by Promoters and Promoter group and by NYLIM Jacob Ballas India (FVCI) III LLC are in dematerialised form. The shares held by some shareholders, constituting 13.44% of the Company's equity share capital, are yet to be dematerialised. Subsequent to the IPO, all trading in equity shares is permitted only in dematerialised form, as per notification issued by SEBI.

CEO certification

Certificate from Mr Pradeep Kumar Jain, CMD and CEO in terms of Clause 49(V) of the Listing Agreement (to be executed) for the year under review, was placed with the Board of Directors of the Company in their meeting held on June 30, 2014. A copy of the certificate is given along with this report.



General Shareholders Information

- i) Annual General Meeting Before 30th September, 2014
- ii) Financial calendar April 1 to March 31
- iii) Dividend payment date Record date to be fixed for the purpose
- iv) Listing on stock exchanges and stock code The Company is yet to make an offer to the public of its equity shares and get listed on BSE/NSE.
- iv) ISIN No. for NSDL / CDSL ISIN-INE195J01011
- v) Share Transfer System The Company has appointed Registrar and Shareholder Transfer Agents as under.
- vi) Registrar and Share Transfer Agents Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Road Bhandup (West) Mumbai
Branch off: - A-40, IInd Floor,
Phase II, Naraina Industrial Area,
New Delhi.

viii) Pattern of Shareholding as on 31st March, 2014.

Sl. No.	Category	No. of Holders	No. of Shares	%age
1	Promoter and Promoter group	20	28,768,200	72.27
2	Mutual Funds	Nil		Nil
3	Financial Institution	Nil		Nil
4	Foreign Institutional Investors / Foreign Direct Investors	1	5,686,833	14.29
5	Other Body Corporates	3	5,352,500	13.44
6	Non Resident Individual	Nil		Nil
7	Resident (Individuals & others)	1	300	0.00
	Total	25	39,807,833	100

For and on behalf of the Board of Directors

Sd/-
Pradeep Kumar Jain
Chairman & Managing Director

Place: Agra

Date: June 30, 2014

Certificate on Corporate Governance

To the members of
PNC Infratech Ltd,

We have examined the compliance of conditions of Corporate Governance by PNC Infratech Ltd. for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement with the stock exchange (To be executed by the Company).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the 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 explanations given to us, we certify that, during the year the Company has complied with, to the extent applicable, the conditions of Corporate Governance as stipulated in Clause 49 of Listing Agreement.

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

For R. C. Sharma & Associates

Place: Agra
Date: 30th June, 2014

R. C. Sharma
Company Secretary
(CP. No. 7957)



Certification by ceo

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

Re: Certification by CEO for financial year 2013-14

I, Pradeep Kumar Jain, Chairman and Managing Director of PNC Infratech Limited to the best of my knowledge and belief, certify that:

- (a) I have reviewed the balance sheet as on March 31, 2014 and Profit and Loss Account, Cash Flow Statement and the Director's Report for the financial year 2013-14 and based upon my knowledge and information confirm that:
 - (I) These statements do not contain any materially untrue statement, 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
 - (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 I am aware
 - (III) Taken necessary steps/proposed necessary steps to rectify these deficiencies
- (d) I have indicated to 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
 - (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

Place: Agra
Date: 30th June, 2014

Pradeep Kumar Jain
Chairman and Managing Director

INDEPENDENT AUDITOR'S REPORT

To
The Members of
PNC Infratech Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PNC Infratech Limited, which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and Notes to Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') (read with clarification issued vide General Circular No.15/2013 dated 13.09.2013, for applicability of Section 133 of Companies Act, 2013 in regard to applicability of existing accounting standards notified under Companies Act 1956 till the time accounting standards are prescribed by Central Government in consultation and recommendation of National Financial Reporting Authorities). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (read with clarification issued vide General Circular No.15/2013 dated 13.09.2013, for applicability of Section 133 of Companies Act, 2013 in regard to applicability of existing Accounting Standards notified under Companies Act,1956 till the time Accounting Standards are prescribed by Central Government in consultation & recommendation of National Financial Reporting Authority).
 - e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

Purushottam Agrawal & Co.
Chartered Accountants
Firm Reg. no. 000731C

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Reg. no. 000756N

Sanjay Agarwal
Partner
Membership No. : 72696

Neeraj Bansal
Partner
Membership No. : 95960

Place : Agra
Dated : 30.06.2014

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under the heading of Report on Other Legal and Regulatory Requirements of our report of even date to the members of PNC Infratech Limited on the financial statements for the year ended March 31, 2014]

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
- (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 physical verification were not material and have been properly dealt within the books of account.
- (c) Based on records of the Company and according to the information and explanations given to us, no substantial part of fixed assets affecting the going concern, have been disposed off during the year.
2. (a) According to the information & explanations given to us, the management has physically verified the inventory during the year to a reasonable extent except material in transit which has been subsequently verified. The Company is in process of covering all material items. Further we are explained that there are no items, either in control of management or lying with third party, for which physical verification was not done.
- (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 found and for other discrepancies considered reasonable have been adjusted in books of account. The process of recording of physical verification needs to be further strengthened considering the nature and cycle of various projects.
3. (a) Based on examination of records and information & explanation provided to us, the Company has not granted loans to one company covered in the register maintained under section 301 of the Companies Act, 1956 where maximum balance is ₹169.33 Lacs during the year. Amount outstanding at the end of the year is ₹ Nil.
- (b&c) According to information and explanation given to us, the prima facie non prejudiciality of the company in case of non charging if interest, for other terms and condition and for recovery of principal and interest can not be adjudge, as the company is in process of updating the relevant records.
4. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to sale of goods and rendering of construction related services. In case of certain specialized specified construction related material items purchased and service rendered, we are explained that they are of special nature and suitable alternative sources did not exist for obtaining comparable quotations during the course of our audit, and examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five Lacs or more in respect of each party, during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except in case of specified specialized services as mentioned in point (4) above and matter given in 3 (b & c) above.
6. The Company has not accepted deposits from the public, so the direction issued by Reserve Bank of India and the provision of Section 58A, 58AA or any other relevant provision of the Companies Act 1956 and rules framed there under are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business. The recording procedure needs to be further strengthened, considering the nature and cycle of various projects.

8. We have broadly reviewed the construction related project's cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government of India under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. However, we have not made the detailed examination of cost and compliance record with a view to determine whether they are accurate or complete. The company is in process of obtaining the updated compliance report.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular and is in process of aligning with changing regulations, in depositing undisputed statutory dues including

Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax/VAT/Work Contract Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities except out of total wealth tax payable of ₹9.89 Lacs at the balance sheet date, out of which outstanding for more than six months is ₹7.51 Lacs 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, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess as at March 31, 2014 which have not been deposited on account of disputes, are as follows-

Name of Statute	Nature of Dues	Period to which Amt. relates	Forum where Dispute is pending	Demand Amount (in Lacs)	Amount Deposited (in Lacs)
MP Entry Tax Act, 1976	Entry Tax	2007-08, 2008-09, 2009-10	Appellate Tribunal & challenge the constitution validity with Hon'ble Supreme Court of India	181.44	46.33
UP Entry Tax Act, 2007	Entry Tax	2004-05 to 2013-14	Hon'ble Supreme Court of India	440.30	68.00*
Rajasthan Entry Tax Act, 2003	Entry Tax	2009-10 to 2011-12	Assessing Officer, Commercial Tax Deptt., Rajasthan	80.48	14.39
UP Trade Tax, 1948	Sale Tax	2006-07	Assessing Officer, Commercial Tax Deptt., Agra	38.10	-
UP VAT ACT, 2008	VAT	2006-07 TO 2007-08	Appellate Tribunal	125.52	13.19
		2007-08 (1.4.2007-31.12.2007)	Hon'ble Allahabad High Court	176.76	-
		2009-10	First appellate	815.57	-
		2010-11	Appellate Tribunal	1.40	1.40
		2008-09 to 2012-13	Hon'ble Allahabad High Court	885.00**	-
		2011-12	Appellate Tribunal	0.40	0.40
Uttarakhand VAT Act, 2005	VAT	2008-09	First appellate	20.07	-
		2005-06 to 2006-07	First appellate	14.17	-
MP VAT Act, 2002	VAT	2010-11	First appellate	12.11	-
Central Excise & Service Tax Act, 1994	Service Tax	2005-06	CESTAT , New Delhi	308.23	-
	Service Tax	2003 to 2006	CESTAT , Ludhiana	150.10	-
Income Tax Act, 1961	Income Tax	2002-03	Hon'ble Allahabad High Court, U P	128.98	128.98
	Income Tax	2004-05	Hon'ble Allahabad High Court, U P	85.18	-
	Income Tax	2005-06 to 2011-12	Commissioner (Appeal) of IT, Agra	1125.93	-
Labour Welfare Act, 1953	Labour Cess	2010	Hon'ble MP High Court	268.85	2.69
Total				4858.59	275.38

*includes bank guarantee of ₹34 Lacs.

**total amount on estimated basis



10. The Company does not have accumulated losses as at 31st March, 2014. The Company has not incurred cash losses during the current financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of its dues to financial institutions and banks.
12. In our opinion and according to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. As per the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the Order is not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, and based on written representation from the Company, the Company has given corporate guarantee for loans taken by one of its associates (refer note 34) and terms and conditions of such corporate guarantee is not prima facie prejudicial to the interest of the company. The Company has also given general business undertakings for shortfall of funds availed for facilities in subsidiaries and associates for BOT (build, operate and transfer) projects.
16. In our opinion, and according to the information and explanations given to us, the term loans availed by the Company were prima facie applied by the Company during the year for the purpose for which the loan was obtained.
17. In our opinion, and according to the information and explanations given to us, and based on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been prima facie used for long term investment.
18. According to the information and explanation given to us, the Company has not made preferential allotment of shares to any of the parties covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. 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.

Purushottam Agrawal & Co. For **S.S. Kothari Mehta & Co.**
Chartered Accountants *Chartered Accountants*
Firm Reg. no. 000731C Firm Reg. no. 000756N

Sanjay Agarwal **Neeraj Bansal**
Partner *Partner*
Membership No. : 72696 Membership No. : 95960

Place : Agra
Dated : 30.06.2014

BALANCE SHEET as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	3,980.78	3,980.78
(b) Reserves and surplus	3	58,918.27	52,252.86
2 Non-current liabilities			
(a) Long-term borrowings	4	2,887.84	2,439.93
(b) Deferred tax liabilities (Net)	5	273.07	177.89
(c) Other long term liabilities	6	17,380.65	9,588.20
(d) Long-term provisions	7	371.46	342.55
3 Current liabilities			
(a) Short-term borrowings	8	21,934.27	20,935.81
(b) Trade payables	9	6,996.16	14,414.40
(c) Other current liabilities	10	14,802.29	6,923.98
(d) Short-term provisions	11	450.14	440.35
TOTAL		127,994.93	111,496.75
ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	15,283.18	11,349.61
(ii) Intangible assets	13	1.08	4.11
(iii) Capital work-in-progress	14	157.93	1,228.29
(b) Non-current investments	15	35,098.68	27,120.68
(c) Long-term loans and advances	16	9,454.66	7,316.78
(d) Other non-current assets	17	376.14	290.62
2 Current assets			
(a) Inventories	18	10,483.45	10,513.62
(b) Trade receivables	19	34,355.96	39,292.72
(c) Cash and bank balances	20	9,990.73	3,817.58
(d) Short-term loans and advances	21	12,662.22	10,395.15
(e) Other current assets	22	130.90	167.59
TOTAL		127,994.93	111,496.75
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS	1-47		

As per our report of even date attached.

For Purushottam Agrawal & Co.
Chartered Accountants
Firm Registration No. 000731C

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No. 000756N

On behalf of the Board of Directors

Sanjay Agarwal
Partner
Membership No. 72696

Neeraj Bansal
Partner
Membership No. 95960

Pradeep Kumar Jain
Chairman and Managing Director

Chakresh Kumar Jain
Managing Director

Place: Agra
Date: 30.06.2014

Binaya Kumar Dash
Company Secretary



STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from operations	23	115,212.30	130,356.20
Other income	24	1,058.97	411.08
Total Revenue		116,271.27	130,767.28
Expenses:			
Cost of materials consumed	25	37,154.59	36,679.52
Changes in inventories of work-in-progress	26	985.31	201.81
Employee benefits expense	27	5,767.06	4,724.98
Finance costs	28	2,340.82	2,348.10
Depreciation and amortization expense	29	2,482.91	2,283.69
Other expenses	30	57,117.01	72,677.52
Total expenses		105,847.70	118,915.62
Profit before tax (A)		10,423.57	11,851.66
Tax expense:			
Current Tax		3,313.68	3,896.57
Taxes of earlier years		-	69.61
Deferred Tax Charge/(Credit)		95.18	(25.53)
Total Tax (B)		3,408.86	3,940.65
Profit (Loss) for the period (A - B)		7,014.71	7,911.01
Earnings per equity share of ₹10 each	31		
Basic (in ₹)		17.62	19.87
Diluted (in ₹)		17.62	19.87
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS	1-47		

As per our report of even date attached.

For Purushottam Agrawal & Co.
Chartered Accountants
Firm Registration No. 000731C

For S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No. 000756N

On behalf of the Board of Directors

Sanjay Agarwal
Partner
Membership No. 72696

Neeraj Bansal
Partner
Membership No. 95960

Pradeep Kumar Jain
Chairman and Managing Director

Chakresh Kumar Jain
Managing Director

Place: Agra
Date: 30.06.2014

Binaya Kumar Dash
Company Secretary

CASH FLOW STATEMENT for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and exceptional items	10,423.57	11,851.66
Adjustments for:		
Depreciation and amortization expenses	2,482.91	2,283.69
Finance cost	2,340.82	2,348.10
Interest Income	(618.95)	(217.38)
Loss/(Profit) on Sale of Fixed Assets(Net)	9.49	99.84
Miscellaneous Expenses written off	64.73	64.73
Other Non- Cash items	1.44	(14.28)
Operating Profit Before Working Capital Changes	14,704.01	16,416.36
Adjustments for changes in Working Capital :		
(Increase)/Decrease in Inventories	30.17	4,325.74
(Increase)/Decrease in Trade Receivables	4,936.77	1,654.64
(Increase)/Decrease in Other Receivables	(7,101.57)	(1,057.32)
Increase/(Decrease) in Trade Payables	(6,081.13)	6,354.12
Increase/(Decrease) in Other Payables	13,355.53	(3,989.09)
Cash Generated From Operations	19,843.78	23,704.45
Taxes Paid (net of refunds)	(3,313.68)	(3,667.62)
Net Cash Generated from Operating Activities	16,530.10	20,036.83
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including Capital work in progress)	(5,524.24)	(3,567.85)
Sale of Fixed Assets	171.66	261.42
Purchase of Investment	(5,423.00)	(12,850.83)
Net Cash Used in Investing Activities	(10,775.59)	(16,157.26)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	3,359.46	3,666.99
Repayment of Long Term Borrowings	(2,244.39)	(1,800.86)
Proceeds from Working Capital Borrowings from Banks (Net)	998.46	(3,591.06)
Finance cost paid	(2,340.82)	(2,348.10)
Interest Income	645.93	213.84
Net Cash Used in Financing Activities	418.64	(3,859.19)
Net Increase/(Decrease) in Cash & Cash Equivalents	6,173.15	20.38
Opening Cash and Cash Equivalents	3,817.58	3,797.20
Closing Cash and cash equivalents	9,990.73	3,817.58



CASH FLOW STATEMENT (contd.) for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Notes:		
1 Closing Cash and cash equivalents Comprise :		
a. Cash & Cash Equivalents		
Cash in hand	152.50	100.65
Cheques in hand	8.00	18.70
Bank Balances in:		
Current Account	5,007.80	1,654.39
Fixed Deposits (Less than 3 months)	3,700.00	1,000.00
Fixed deposits as margin money on bank guarantee (less than 3 months maturity)	338.18	209.00
Earnest money deposits (less than 3 months maturity)	145.85	140.22
b. Balances with banks (with maturity more than 3 months but upto 12 months)		
Fixed deposits as Margin money on bank guarantee	610.08	626.28
Earnest money deposits	28.32	68.34
Total	9,990.73	3,817.58
2 Figures in bracket indicate cash outflow.		
3 The above cash flow statement has been prepared under the indirect method set out in AS-3 notified under the Companies Act, 1956		
4 Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year's classification.		
5 This is the Cash Flow Statement referred to in our report of even date.		

As per our report of even date attached.

For **Purushottam Agrawal & Co.**
Chartered Accountants
Firm Registration No. 000731C

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No. 000756N

On behalf of the Board of Directors

Sanjay Agarwal
Partner
Membership No. 72696

Neeraj Bansal
Partner
Membership No. 95960

Pradeep Kumar Jain
Chairman and Managing Director

Chakresh Kumar Jain
Managing Director

Place: Agra
Date: 30.06.2014

Binaya Kumar Dash
Company Secretary

COMPANY OVERVIEW

PNC Infratech Limited was incorporated on 9 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 engaged in India's infrastructure development through the construction of highways including BOT (built, operate and transfer projects), airport runways, bridges, flyovers and power transmission projects, among others.

In case of BOT, the company bid as a sponsor either alone or in the joint venture with other venturer and once the project is awarded then it is executed by incorporating a company (special purpose vehicle)

The Company's registered office is located in New Delhi, corporate office in Agra and operations are spread across Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand, Assam and West Bengal, 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 Company had private equity investment from NYLIM Jacob Ballas India (FVCI) Fund III, LLC of ₹1,500 million in 2010-2011.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of preparation of financial statements:

These financial statements are prepared in accordance with generally accepted accounting principles in India under the historical cost convention on going concern basis.

Further, these financial statements are prepared to comply in all material aspect with Accounting Standards (Companies (Accounting Standards) Rules, 2006, as amended) notified under section 211(3C) and other relevant provisions of the Companies Act, 1956. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate collection.

1.2. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures of contingents liabilities at the date of financial statements and results of operations during the reporting period. Although these estimates are based upon management's basic knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognized in the year in which the results are shown / materialized.

1.3. Fixed assets and capital work in progress:

Tangible Assets

Tangible fixed assets are stated at cost less depreciation and 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.

Intangible Assets

Intangible assets are stated at cost of acquisition net of accumulated amortization and impairment losses if any.

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.

1.4. Depreciation & amortization:

Deprecation is provided on straight line method (except for plant & machinery which is depreciated on written down value basis) in the manner and at the rate specified in schedule XIV to the Companies Act, 1956, and is on pro-rata basis for addition and deletions.

Intangible assets are amortized on straight line method over the expected duration of benefits not exceeding 10 years. The life is determined as per guidance of Accounting Standard (AS -26) "Intangible Assets".

Tangible fixed assets of value up to ₹5000 are depreciated in full in the year of purchase.



NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

1.5. Cash & cash equivalents:

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.

1.6. Revenue Recognition:

Construction contract: Contract revenue is recognized under percentage of completion method. The Stage of Completion is determined on the basis of certified completion of physical proportion of the contract work.

Revenue related claims are accounted in the year in which arbitration award is awarded / settled or accepted by customer or there is a tangible evidence of acceptance received.

Other sales are accounted on dispatch of material and excludes applicable sales tax/VAT and are net of discount.

Revenue from Joint Venture contract is accounted for net of joint venture share, under turnover, in these financial statements. Agency & like charges, if any, are recognized receipts basis as other operating income.

1.7. Other Income:

Interest income is generally recognized on a time proportion basis by considering the outstanding amount and applicable 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.

Income from dividend is recognized when the right to received is established.

1.8. 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.

1.9. Investments:

Long term investments are stated at cost and diminution in carrying amount, other than temporary, is written down / provided for.

Current investments which are acquired to be disposed off / liquidated within one year of the date of acquisition are valued at lower of cost and fair market value.

1.10. Accounting For Leases:

Finance Lease is recognized as an asset and liability to the lessor at fair value at the inception of the lease.

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit & Loss on a straight-line basis over the period of lease; or any other appropriate basis.

1.11. Employee Benefits:

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standards (AS-15) "Employee Benefits"

Post employment benefit plans (Unfunded)

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: Gratuity is in the nature of defined benefit plan. 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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

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 Statement of Profit & Loss for the period in which they occur.

Other long term employee benefits (unfunded)

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 recognized immediately in the Statement of Profit & Loss in which they occur.

Short term employee benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the period in which the employee render the service.

1.12. Transactions in foreign currencies:

All transaction in respect of foreign currencies are recorded at exchange rate prevailing on the date of the transactions.

All monetary assets and liabilities in foreign currency are restated at the end of accounting period, using closing rate.

Exchange differences on restatement/settlements of monetary items are recognized in the Statement of Profit & Loss.

1.13. Borrowing costs:

Borrowing costs that are attributed to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.14. Segment Reporting:

The Company's operations pre-dominantly consist of infrastructure development and construction, hence it operates in one business segment, Thus, the reporting requirement of Accounting Standard (AS-17) Segment Reporting are not applicable.

1.15. Earnings per share:

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS-20).

Basic earning per share is computed by dividing the net profit for the year attributable to the equity share holder by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity share, attributable to the equity share holders by the weighted average number of the equity shares and dilutive potential equity share outstanding during the year except where the results are anti dilutive.

1.16. Taxation:

The tax expense comprises of current tax & deferred tax charged or credited to the Statement of Profit and Loss for the year.

Current tax is determined as an amount of tax payable in respect of taxable income for the year in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the book and tax profit for the year is accounted using the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date in accordance with 'Accounting Standard (AS-22) Accounting for taxes on income'.

1.17. Impairment Of assets:

The carrying amount of assets, other than inventories is reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists the recoverable amount of assets is estimated. The recoverable amount is greater of asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present value. An impairment loss is recognised whenever the carrying amount of assets or its cash generating unit exceeds its recoverable amount.

1.18. Miscellaneous Expenditures

Preliminary Expenses and pre private equity expenses are being written off in five year from the year of expenses.



NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd.)

1.19. 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.

1.20. Provisions, Contingent liabilities and contingent assets:

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation.

When it is not probable and amount can not be estimated reliably than it is disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events are also disclosed as contingent liabilities unless the probability of outflow of resource embodying economic benefit is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 2 SHARE CAPITAL		
Authorised		
Equity Shares of ₹10/- each		
50,000,000 (Previous Year 50,000,000)	5,000.00	5,000.00
	5,000.00	5,000.00
Issued ,Subscribed & Fully Paid up		
Equity Shares of ₹10/- each		
39,807,833 (Previous Year 39,807,833)	3,980.78	3,980.78
Total	3,980.78	3,980.78

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

Particulars	As at March 31, 2014	As at March 31, 2013
Opening	39,807,833	39,807,833
Add: Issued during the year	-	-
Less: Deductions	-	-
Closing	39,807,833	39,807,833

B Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	As at March 31, 2014		As at March 31, 2013	
	Nos.	%	Nos.	%
Pradeep Kumar Jain	3,002,325	7.54	3,002,325	7.54
NYLIM Jacob Ballas India (FVCI) Fund III, LLC	5,686,833	14.29	5,686,833	14.29
Madhvi Jain	3,599,700	9.04	3,599,700	9.04
Alberta Merchants Private Limited	3,162,500	7.94	3,162,500	7.94
Renu Jain	2,334,300	5.86	2,334,300	5.86
PNC Project Private Limited	2,133,000	5.36	2,133,000	5.36
Yogesh Kumar Jain	3,291,225	8.27	3,291,225	8.27
Naveen Kumar Jain	3,551,625	8.92	3,551,625	8.92

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 2 SHARE CAPITAL (contd.)

C Rights and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 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. The company has proposed dividend @ 7.5% of paid up equity share capital for year 2013-14. There are no restrictions attached to Equity Shares Except as contained in the Investment Agreement dt 11.01.2011

In the case of liquidation, the total proceeds remaning after the discharging the liabilities of the Company, shall be distributed as per Investor Agreement dt 11.01.2011

d The aforesaid Shares are after/include:

Particulars	Year					
	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Fully paid-up by way of Bonus Shares of ₹ 10 per share by utilization of security premium and general reserves.(Agreegate number of shares)	-	-	-	-	11,057,000	-

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 3 RESERVES AND SURPLUS		
Securities premium reserves		
Opening Balance	18,440.67	18,440.67
(+) Addition During the Year	-	-
(-) Utilization During the Year	-	-
Closing Balance	18,440.67	18,440.67
General Reserve		
Opening Balance	293.62	293.62
(+) Current Year Transfer from Statement of Profit & Loss	-	-
(-) Utilization During the Year	-	-
Closing Balance	293.62	293.62
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	33,518.57	25,956.86
(+) Net Profit for the current year	7,014.71	7,911.01
Amount available for appropriation	40,533.28	33,867.87
(-) Proposed Dividends on Equity Shares	298.56	298.56
(-) Corporate Dividend Tax	50.74	50.74
Closing Balance	40,183.98	33,518.57
Total	58,918.27	52,252.86



NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 4 LONG TERM BORROWINGS		
Secured		
Term loans -from banks	2,795.79	2,400.45
Term loans -from financial institutions	92.05	39.48
Total	2,887.84	2,439.93

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

(₹ in Lacs)

Particulars	Total EMI	Current Maturity	Non-Current Maturity	
			2nd Year	3 to 5 Years
Term Loan From Banks				
Axis Bank	1,209.16	454.63	442.10	312.44
	(357.13)	(118.06)	(129.03)	(110.04)
HDFC Bank Limited	4,123.51	2,119.59	1,440.14	563.78
	(3,961.79)	(1,800.40)	(1,409.22)	(752.16)
ICICI Bank	64.79	27.46	28.58	8.75
	-	-	-	-
Term Loan From Financial Institutions				
SREI Equipment Finance Private Limited	135.21	43.15	47.09	44.96
	(98.68)	(59.21)	(39.48)	-
Total	5,532.67	2,644.83	1,957.91	929.93
	(4,417.60)	(1,977.67)	(1,577.73)	(862.20)

(i) The above loans are secured by way of hypothecation of respective financed assets (Vehicles and Machineries).

(ii) The above loans are repayable in equitable monthly installment over the period of loan.

(iii) Figures in brackets represents previous year figures.

(₹ in Lacs)

Particulars	As at March 31, 2014	Charge/ (Credit) during the year	As at March 31, 2013	Charge/ (Credit) during the year	As at March 31, 2012
NOTE 5 DEFERRED TAX ASSET/(LIABILITY)					
Deferred Tax Assets on account of :					
Gratuity & Leave encashment	153.24	12.56	140.68	30.98	109.70
Pre IPO & PE Expenses	-	(25.35)	25.35	(12.57)	37.92
Bonus	-	-	-	(6.34)	6.34
Provision for Doubtful Debts	3.93	0.35	3.58	3.58	-
Total Deferred tax Assets	157.17	(12.44)	169.61	15.65	153.96
Deferred Tax Liabilities on account of :					
Difference between Book and tax depreciation	404.89	57.39	347.50	(9.88)	357.38
Pre IPO & PE Expenses	25.35	25.35	-	-	-
Total Deferred tax liabilities	430.24	82.74	347.50	(9.88)	357.38
Deferred tax Asset/(Liability)	(273.07)	95.18	(177.89)	(25.53)	(203.42)

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 6 OTHER LONG TERM LIABILITIES		
Trade Payables		
Retention from contractors/suppliers	3,827.58	2,490.11
Others		
Advances from customers	13,489.04	7,038.99
Security received from contractor/suppliers	64.03	59.10
Total	17,380.65	9,588.20

NOTE 7 LONG TERM PROVISIONS

Provision for employee benefits*		
Gratuity (unfunded)	301.66	251.27
Leave Encashment (unfunded)	69.80	91.28
Total	371.46	342.55

*For details refer Note No. 39

NOTE 8 SHORT TERM BORROWINGS

Secured		
Working Capital Loans - repayable on demand	21,934.27	20,935.81
Total	21,934.27	20,935.81

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	<p>Cash credit facilities and working capital demand loans from consortium of banks are secured by:</p> <p>(i) Hypothecation against first charge on whole of the current Assets (namely Stock of raw material, Stocks in Process, Semi Finished and finished goods, Plant & Machineries (excluding hypothecated to NBFC's/ FI's) stores and spares not relating to plant & Machineries, Consumables store & Spares, Bills Receivable and Book Debts and other movables both present and future, other terms as defined in more detail in term of sanctioned letter.</p> <p>(ii) Equitable mortgage of 7 properties (Land & Building) as per joint deed of Hypothecation belonging to the Directors & their family members.</p> <p>(iii) Corporate Guarantee and second charge of plant & machinery of PNC Cold Storage Private Limited.</p> <p>(iv) Personal guarantee of promoter directors and their relatives.</p>

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 9 TRADE PAYABLES		
Dues of MSME parties*	-	-
Dues of other than MSME parties**	6,996.16	14,414.40
Total	6,996.16	14,414.40

*There are no dues payable to parties to the extent of information received by Company under the Micro, Small & Medium Enterprises Development Act 2006

**Including retention money ₹874.04 Lacs (Previous Year ₹798.43 Lacs)

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

- 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 10 OTHER CURRENT LIABILITIES

Current maturities of long-term debt		
From Banks	2,601.68	1,918.46
From Financial institution	43.15	59.21
Total Current maturity of long term debt (A)	2,644.83	1,977.67
Advance received from contract customer & others	8,271.43	1,466.13
Other payables		
Due to employees	647.28	526.40
Statutory dues	1,072.28	810.81
Bank Overdraft (Book Overdraft)	4.87	3.65
Others*	2,161.60	2,139.32
Total Others (B)	12,157.46	4,946.31
Total (A+B)	14,802.29	6,923.98

*For details refer Note No. 36

NOTE 11 SHORT TERM PROVISIONS

Provision for employee benefits*		
Gratuity (unfunded)	74.61	64.89
Leave Encashment (unfunded)	26.23	26.16
Others		
Provisions for Proposed Dividend	298.56	298.56
Provisions for Corporate Dividend tax	50.74	50.74
Total	450.14	440.35

*For details refer Note No. 39

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	Gross Carrying Value			Amortisation			Net Carrying Value			
	As at April 1, 2013	Additions during the year	Disposals/ Adjustments	As at March 31, 2014	Upto April 1, 2013	For the year	Other adjustments during the year	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
Freehold Land	109.18	-	-	109.18	-	-	-	-	109.18	109.18
Buildings	148.79	510.70	-	659.49	17.98	4.45	-	22.43	637.06	130.81
Plant and Equipment	18,853.57	5,094.76	331.81	23,616.52	8,916.02	1,789.51	151.14	10,554.39	13,062.13	9,937.55
Furniture and Fixtures	159.53	48.26	0.09	207.70	74.63	26.96	0.09	101.50	106.20	84.90
Vehicles	681.28	238.77	16.92	903.13	259.26	69.51	16.62	312.15	590.98	422.02
Office equipment	115.91	53.82	0.46	169.27	46.23	9.53	0.28	55.48	113.79	69.68
Computers	434.17	90.53	0.01	524.69	239.08	59.73	0.01	298.80	225.89	195.09
Temporary Building	1,944.02	557.77	-	2,501.80	1,543.64	520.20	-	2,063.84	437.96	400.38
Total	22,446.45	6,594.61	349.29	28,691.77	11,096.84	2,479.89	168.14	13,408.59	15,283.18	11,349.61
Figures as at March 31, 2013	20,318.64	2,915.71	787.90	22,446.45	9,242.59	2,280.89	426.64	11,096.84	11,349.61	11,076.05

Particulars	Gross Carrying Value			Amortization			Net Carrying Value			
	As at April 1, 2013	Additions during the year	Disposals/ Adjustments	As at March 31, 2014	Upto April 1, 2013	For the year	Other adjustments during the year	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
Softwares (Acquired)	7.56	-	-	7.56	3.45	3.03	-	6.48	1.08	4.11
Total	7.56	-	-	7.56	3.45	3.03	-	6.48	1.08	4.11
Figures as at March 31, 2013	5.81	1.75	-	7.56	0.64	2.81	-	3.45	4.11	5.17



NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 14 CAPITAL WORK - IN - PROGRESS		
Capital Work in Progress		
Opening Cost	1,228.29	577.90
Addition during the year	157.93*	1,045.65
Capitalized/Adjustments during the year	1,228.29	395.26
Total	157.93	1,228.29

*Includes work-in-progress of Temporary Building Constructions.

NOTE 15 NON-CURRENT INVESTMENTS

Trade, Unquoted (At Cost)		
Equity Shares fully paid-up:		
(i) Investment in Subsidiaries		
10 equity shares (Previous Year 50000) of PNC Raebareli Highways Private Limited of ₹10/- each (Face value ₹10/- each)*	0.00	5.00
5000000 equity shares (Previous Year 1950000) of PNC Bareilly Nainital Highways Private Limited of ₹10/- each (Face value ₹10/- each)	500.00	195.00
50000 equity shares (Previous Year 50000) of PNC Infra Holdings Limited of ₹10/- each (Face value ₹10/- each)	5.00	5.00
58405794 equity shares (Previous Year 43050794) of PNC Infra Holdings Limited acquired of ₹50/- each (Face value ₹10/- each)	29,202.90	21,525.40
20000 equity shares (Previous Year 20000) of PNC Power Private Limited of ₹10/- each (Face value ₹10/- each)	2.00	2.00
6500 equity shares (Previous Year 6500) of PNC Power Private Limited acquired of ₹200/- each (Face value ₹10/- each)	13.00	13.00
5100 equity shares (Previous Year 5100) of Ferrovia Transrail Solutions Private Limited of ₹10/- each (Face value ₹10/- each)	0.51	0.51
10 equity shares (Previous Year 10) of PNC Kanpur Ayodhya Tollways Private Limited of ₹10/- each (Face value ₹10/- each)*	0.00	0.00
(ii) Investment in 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
(iii) Investment in Others		
24423700 equity shares (Previous Year 24423700) of Jaora Nayagaon toll road company Private Limited. of ₹10/- each (Face value ₹10/- each)	2,442.37	2,442.37
5000 equity shares (Previous Year Nil) of Indian Highways Management Company limited	0.50	-
Total	35,098.68	27,120.68

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

Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	35,098.68	27,120.68
Provision for diminution in value of investments	-	-
	35,098.68	27,120.68

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 15 NON-CURRENT INVESTMENTS (contd.)

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	No. of Equity shares of ₹10 each	
		As at March 31, 2014	As at March 31, 2013
PNC Bareilly Nainital Highways Pvt. Ltd.	Subsidiaries	1,950,000	1,950,000
Ghaziabad Aligarh Expressway Private Limited	Associates	14,955,240	14,955,240
Jaora Nayagaon Toll Road Co. Pvt. Ltd.	Others	16,832,550	22,890,000

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013

NOTE 16 LONG TERM LOANS AND ADVANCES

(Unsecured, Considered good unless otherwise stated)

Capital Advances	326.48	21.25
Retentions & Security Deposits		
with government departments & Other clients	5,863.60	4,261.90
with related parties	824.23	824.23
with others	44.09	158.08
Advance tax & tax deducted at source (Net)*	343.85	13.63
(Includes current year provision ₹3313.68 Lacs, Advance Tax and TDS ₹3643.89)		
(previous year Includes provision ₹3896.57 Lacs, Advance Tax and TDS ₹3615.84)		
Tax & Duty deposited under protest	188.54	53.48
Mobilization advance to sub-contractors	703.30	1,155.10
Advances Recoverable in cash or In Kind or for Value to be received-others		
Balance with Government authorities	1,141.61	810.15
Others	18.96	18.96
Total	9,454.66	7,316.78

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

NOTE 17 OTHER NON CURRENT ASSETS

Other Bank balances-(having maturity of more than 12 months)*

-Term deposits as margin money for bank guarentees	364.14	228.46
-Earnest money deposits (in the form of term deposits)	12.00	7.14
Miscellaneous Expenditure:		
Preliminary expenses	-	1.42
Pre Private Equity Expenses	-	53.60
Total	376.14	290.62

*For details refer Note No.20

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 18 INVENTORIES		
Raw Materials (construction material)	7,206.06	6,836.46
Raw Material in transit	104.75	123.82
Work-in-progress	1,240.21	2,225.52
Stores and spares	1,932.34	1,322.17
Stores and spares in transit	0.09	5.65
Total	10,483.45	10,513.62

NOTE 18.1 BIFURCATION OF RAW MATERIAL AND WIP UNDER BROAD HEADS:

Raw material		
Bitumen	182.89	269.30
Cement	158.53	140.98
Steel	836.77	1,140.24
Stone,Grit and Sand	5,319.97	4,676.47
High speed diesel and Fuel oil	219.15	205.65
Others	488.75	403.82
	7,206.06	6,836.46
Work-in-progress		
Road	891.51	2,219.32
Airport Runways	348.70	6.20
	1,240.21	2,225.52

NOTE 19 TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)		
Trade receivables outstanding for a period more than six months from the date they are due for payment	397.68	1,931.94
Other Receivables	33,958.28	37,360.78
Total	34,355.96	39,292.72

NOTE 20 CASH AND BANK BALANCES

Cash & Cash Equivalents		
Cash in hand	152.50	100.65
Cheques in hand	8.00	18.70
Bank Balances with Scheduled Bank:		
In Current Account	5,007.80	1,654.39
In Term Deposits (Less than 3 months)	3,700.00	1,000.00
Other Bank Balances:		
(with maturity less than 3 months maturity)		
Earmarked Term deposits as Margin money for bank guarantee	338.18	209.00
Earnest money deposits	145.85	140.22
(with maturity more than 3 months but upto 12 months)		
Earmarked Term deposits as Margin money for bank guarantee	610.08	626.28
Earnest money deposits	28.32	68.34
Total	9,990.73	3,817.58

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 20 CASH AND BANK BALANCES (contd.)

Details of Term Deposits kept as security		(₹ in Lacs)	
Particulars	As at March 31, 2014	As at March 31, 2013	
Fixed deposits as Margin money on bank guarantee			
Under lien in favour of Banks as margin deposits for letter of credit and Bank Guarantees	1,312.40	1,063.74	
Earnest money (in form of term deposits) deposits in favour of customers.	186.17	215.70	
Total Deposits	1,498.57	1,279.44	
Deposit having more than 12 months maturity from reporting date			
Term Deposit	364.14	228.46	
Earnest money deposits	12.00	7.14	
Total Non-Current Deposits*	376.14	235.60	

* These deposits are treated as non current due to the reason that they are not expected to get matured within 12 months from the reporting date

NOTE 21 SHORT TERM LOANS AND ADVANCES

Unsecured and considered good- unless otherwise stated			
Retentions & Security Deposits			
with government and other clients	1,362.63	1,392.12	
with others	100.00	100.00	
Loans and advances to related parties			
Share Application Money	-	2,555.00	
Others	6,604.77	2,543.16	
Balance with Government Authorities			
Others	1,053.94	793.84	
Advances to suppliers			
Unsecured, considered good	1632.05	1235.14	
(+) Doubtful	<u>12.12</u>	<u>11.03</u>	
	1644.17	1246.18	
(-) Provision for Doubtful advances	<u>12.12</u>	<u>11.03</u>	
	1,632.05	1,235.14	
Mobilization advance to sub-contractors	1,522.12	1,155.10	
Other advances	386.71	620.79	
Total	12,662.22	10,395.15	

NOTE 22 OTHER CURRENT ASSETS

Interest accrued but not due on Margin money & Earnest money deposits	75.89	102.86	
Miscellaneous Expenses			
Preliminary expenses	1.42	1.42	
Pre Private Equity Expenses	53.59	63.31	
Total	130.90	167.59	



NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE 23 REVENUE FROM OPERATIONS		
Contract Turnover	112,043.13	127,590.44
Other operating revenues		
Sale of material and others	2,849.91	2,528.59
Sale of scrap material	319.26	237.17
Total	115,212.30	130,356.20

Details of Term Deposits kept as security

Contract		
Road	108,045.71	117,580.15
Airport Runways	1,050.77	4,632.36
Power Projects	2,726.27	5,004.47
Others	220.38	373.46
	112,043.13	127,590.44

NOTE 24 OTHER INCOME

Interest Income:		
From Bank	152.11	139.50
From Others	466.84	77.88
Other non-operating income (net of expenses)*	440.02	193.70
Total	1,058.97	411.08

* Includes assignment of Keyman Insurance ₹287.13 Lacs

NOTE 25 COST OF MATERIAL CONSUMED

Opening Stock		
Raw Material	6,836.46	11,085.75
Add: Purchases/Acretion of Raw Material	37,533.06	32,430.23
	44,369.52	43,515.98
Less: Closing Stock		
Raw Material	7,214.93	6,836.46
Raw material consumed	37,154.59	36,679.52

A Raw material consumed includes

Bitumen	8,468.95	4,418.28
Cement	2,221.26	3,645.33
Steel	4,853.54	4,652.81
Stone, Grit and Sand	5,982.90	7,798.25
High speed diesel and Fuel oil	9,298.40	6,526.79
Tower Parts	1,197.24	2,621.20
Boulder	4,655.02	6,729.28
Others	477.28	287.58

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 25 COST OF MATERIAL CONSUMED (contd.)

B Value of Imported and Indegenous raw material consumed

	Year ended March 31, 2014	Year ended March 31, 2013
Imported-(₹ In Lacs)	-	-
(in %)	0%	0%
Indegenous-(₹ In Lacs)	37,154.59	36,679.52
(in %)	100%	100%

NOTE 26 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS

Opening stock of Work-in-progress	2,225.52	2,427.33
Closing stock of Work-in-progress	1,240.21	2,225.52
Excess of opening stock over closing stock	985.31	201.81

NOTE 27 EMPLOYEE BENEFIT EXPENSE

(a) Salaries and Wages	5,383.27	4,439.91
(b) Contributions to - Provident fund & other funds	196.95	127.73
(d) Staff welfare expenses	186.84	157.34
Total	5,767.06	4,724.98

NOTE 28 FINANCE COSTS

Interest expense	2,224.00	2,201.13
Other borrowing costs		
Loan processing charges	41.02	49.52
Guarantee charges	75.80	97.45
Total	2,340.82	2,348.10

NOTE 29 DEPRECIATION AND AMORTIZATION EXPENSE:

Depreciation on Tangible Assets	2,479.89	2,280.88
Amortization on Intangible Assets	3.02	2.81
Total	2,482.91	2,283.69

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE 30 OTHER EXPENSES		
Consumption of Stores & Spares*	3,111.95	3,109.47
Power & Fuel	484.97	351.56
Contract Paid	42,919.29	61,451.09
Hire charges of Machineries	514.53	440.81
Other Manufacturing & Construction expenses	1,847.98	1,636.04
Rent	316.19	256.60
Insurance	284.83	209.36
Repairs to Buildings	4.63	6.61
Travelling and Conveyance	233.25	186.99
Postage & Telephone	65.37	64.64
Legal & Professional Expenses	105.25	96.35
Rates and Taxes**	5,241.64	3,755.35
Printing & Stationery	54.97	39.92
Auditor's Remuneration***	25.13	24.91
Charity & Donation	4.91	5.76
Advertisement Expenses	6.46	5.01
Tender & Survey Expenses	670.78	618.77
Hire charges of Vehicles	119.42	113.36
Director's sitting fees	2.50	2.50
Provision of Doubtful Debts	1.09	9.78
Impairment of Business Loan#	844.23	-
Loss on disposal of Fixed assets (Net)	9.49	99.84
Miscellaneous Expenses written off	64.73	64.73
Miscellaneous and General Expenses	183.42	128.07
Total	57,117.01	72,677.52

Refer to note 41

A Value of Imported and Indegenous Stores & Spares

Imported-(₹ In Lacs)	-	-
(in %)	0%	0%
Indegenous-(₹ In Lacs)	3,111.95	3,109.47
(in %)	100%	100%

B * 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.

C ** Includes sales/works contract tax (net) of ₹4091.18 Lacs (Previous year ₹3136.84 Lacs)

D * Auditor Remuneration includes:**

Audit Fees	20.22	20.22
Tax matters	0.67	0.67
Certification Fees	2.25	2.25
Other services	1.01	1.01
For Reimbursement of Expenses	0.98	0.76

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
NOTE 31 EARNINGS PER EQUITY SHARES		
Weighted Average number of Equity Shares outstanding	398.08	398.08
Profit after tax as per Statement of Profit and Loss	7,014.71	7,911.01
Nominal value per share (in ₹)	10.00	10.00
Basic & Diluted Earning per share (in ₹)	17.62	19.87

Particulars	(₹ in Lacs)	
	2013-2014	2012-2013
NOTE 32 VALUE OF IMPORTS ON CIF BASIS		
Raw materials	-	-
Components and spare parts	-	-
Capital goods	-	78.86
Total	-	78.86

NOTE 33 EXPENDITURE IN FOREIGN CURRENCY	Nil	Nil
--	-----	-----

NOTE 34 CONTINGENT LIABILITIES & COMMITMENTS

A) Contingent Liabilities		
a) 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 ₹35.92 crore arised in assessment of search proceedings up to AY 2012-13) for which company has preferred appeal. (refer note 42)	1,340.09	517.77
Disputed demand of Sales Tax/ VAT for which company preferred appeal	2,089.09	2,098.02
Disputed demand of Service Tax for which company preferred appeal	458.34	436.18
Disputed demand of Entry Tax for which company preferred appeal	702.22	533.46
Others (including motor accident, labour & civil matters)	809.55	391.96
(Interest and penalties if any, on above cases will be decided at the time of settlement)		
b) Guarantees		
(i) Bank Guarantees - Executed in favour of National Highways Authority of India and others	51,306.69	31,820.64
(ii) Corporate guarantee - The outstanding liability at reporting date against the corporate guarantee of ₹20500 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)	10,128.58	7,016.29



NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	2013-2014	2012-2013
NOTE 34 CONTINGENT LIABILITIES & COMMITMENTS (contd.)		
c) Other money for which the company is contingently liable		
Letter of Credit outstanding	-	299.37
(B) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Net of advance of ₹26.49 Lacs(previous year ₹216.74 Lacs)	1,079.86	355.13
(b) Capital Commitment for equity (Net of Investment)*		
Jaora Nayagaon Toll Road Company Private Limited	-	101.63
PNC Bareilly Nainital Highways Private Limited.	-	7,210.00
PNC Delhi Industrialinfra Private Limited.	-	450.00
PNC Rae Bareli Jaunpur Private Limited	13,705.00	-
PNC Kanpur Ayodhya Tollways Private Limited	900.00	-

NOTE 35 THE STATUS OF VARIOUS PROJECT CLAIMS IN ARBITRATIONS IS AS UNDER :

- The company had initiated arbitral proceedings against the National Highways Authority of India (NHAI), by an original claim dated March 2, 2007, claiming compensation of ₹1004.40 Lacs for loss incurred due to the delay in commencement of work, failure to handover possession of site in terms of an agreement with NHAI, removal of hindrances/ obstruction at the site etc. in relation to the contract for four lanning of Agra- Dholpur Section of N.H.-3 in the state of Uttar Pradesh/ Rajasthan. The claim was awarded by the Arbitral Tribunal, Delhi on September 30, 2010 awarding for ₹673.35 Lacs against which NHAI has filed an appeal with Delhi High Court. During the year the claim was amicably settled between both the parties and ₹652.24 Lacs received during the year from NHAI and same has been considered in current year operating revenue.
- 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 favour 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 Ld. Distt. Judge Mathura. The same will be accounted for on final settlement.
- In addition to the above, 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 36

During the previous year, the company has invoked two bank guarantees amounting to ₹3682.22 Lac, due to part execution & under performance under contract by a contractor. Out of the two guarantee, one of ₹1841.11 Lac, received against mobilization advance, has been adjusted with mobilization advance given. The second, which was performance guarantee, has been accounted as liability for likely expenditure to be incurred as the balance work is carried out through other agencies. During the year the contractor has approach the mediation centre of Hon'ble Highcourt Delhi for mediation. The mediation centre directed the company for participation in mediation and the same was refuted by the company on April 05, 2014 and required for out of court mediation and has also raised a counter claim of ₹18601.09 Lacs on April 09, 2014 on the party. since the matter is under dispute the same will be accounted for on the final settlement.

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	2013-2014	2012-2013
NOTE 37 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-7 "CONSTRUCTION CONTRACTS"		
Total Contract revenue	112,043.13	127,590.44
Particulars about contracts in progress at the end of the period:		
Aggregate amount of cost incurred up to period end	100,938.87	115,946.91
Aggregate amount of profit / (Loss) Recognised	11,104.26	11,643.53
Advance Received	21,760.46	8,505.12
Retention Amount	7,326.24	5,884.09
Gross Amount due from customers for contract work	1,240.21	2,225.52
Gross amount due to customers for contract work	-	-

NOTE 38 RELATED PARTY DISCLOSURES

The names of related parties where control exist and/or with whom transactions have taken place during the year and description of relationship as identified and certified by the management are:

A. List of Related Parties and Relationships

Subsidiaries (The Ownership Directly or Indirectly through subsidiaries)

- 1 MP Highways Private Limited
- 2 PNC Kanpur Highways Limited
- 3 PNC Delhi Industrialinfra Private Limited.
- 4 PNC Power Private Limited.
- 5 Hospet Bellary Highways Private Limited.
- 6 PNC Infra Holdings Limited
- 7 Ferrovia Transrail Solutions Private Limited
- 8 PNC Kanpur Ayodhya Tollways Private Limited
- 9 PNC Raebareli Highways Private Limited
- 10 PNC Bareilly Nainital Highways Private Limited.

Joint Ventures

- 1 PNC BEL Joint Venture
- 2 PNC TRG Joint Venture

Associates

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

Key Managerial Personal (KMP)

- 1 Pradeep Kumar Jain (Chairman and Managing Director)
- 2 Naveen Kumar Jain (Whole Time Director)
- 3 Chakresh Kumar Jain (Managing Director)
- 4 Yogesh Kumar Jain (Managing Director)
- 5 Anil Kumar Rao (Whole Time Director)

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 38 RELATED PARTY DISCLOSURES (contd.)

Relatives of KMP

1	Abhinandan Jain	(Son of P.K Jain)
2	Meena Jain	(W/o P.K Jain)
3	Renu Jain	(W/o N.K Jain)
4	Madhvi Jain	(W/o C.K Jain)
5	Ashita Jain	(W/o Y.K Jain)
6	Ashish Jain	(Sister's Husband)
7	Ishu Jain (P.K.Jain's Son's Wife)	

Entities controlled/ influenced by KMP and their relatives with whom Transactions have taken place during the year

1	PNC Mining Private Limited
2	MA Buildtech Private Limited
3	Taj Infra Builders Private Limited
4	Ideal Buildtech Private Limited
5	Subhash International Private Limited
6	Jaora Nayagaon Toll Road Company Private Limited
7	Siddhi Readymix Concrete Private Limited

B. Transactions with Related Parties

Amount (₹ Lacs)

S. No.	Particulars	Subsidiaries Co.	Joint Venture	Associates	KMP & Relatives	Entities controlled/ influenced by KMP and their relatives
Transactions during the year						
1	Receipt on account of EPC and Other Contract					
	MP Highways Private Limited	594.18 (17,069.49)	- -	- -	- -	- -
	Ideal Buildtech Private Limited	- -	- -	- -	- -	1,770.29 (4,781.58)
	Ghaziabad Aligarh Expressway Private Limited	- -	- -	49,311.18 (49,077.79)	- -	- -
	PNC BEL Joint Venture	- -	- (857.79)	- -	- -	- -
	PNC TRG Joint Venture	- -	3,386.34 (4,337.79)	- -	- -	- -
	PNC Kanpur Highways Limited	15,797.09 (9,855.09)	- -	- -	- -	- -
	PNC Bareilly Nainital Highways Private Limited	13,370.16 (4,236.77)	- -	- -	- -	- -
	PNC Delhi Industrialinfra Private Limited	3,361.61 (14,975.71)	- -	- -	- -	- -
	PNC Raebareli Highways Private Limited	12,860.51 -	- -	- -	- -	- -
	Others	- -	- -	- -	- -	0.94 (95.58)
	Total	45,983.55 (46,137.06)	3,386.34 (5,195.58)	49,311.18 (49,077.79)	- -	1,771.23 (4,877.16)

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 38 RELATED PARTY DISCLOSURES (contd.)

						Amount (₹ Lacs)
S. No.	Particulars	Subsidiaries Co.	Joint Venture	Associates	KMP & Relatives	Entities controlled/ influenced by KMP and their relatives
2	Payment of Rent/Services					
	Subhash International Private Limited	-	-	-	-	57.94
		-	-	-	-	(85.20)
	Others	-	-	17.40	58.74	14.61
		-	-	(16.90)	(39.30)	(17.91)
	Total	-	-	17.40	58.74	72.55
		-	-	(16.90)	(39.30)	(103.11)
3	Mobilization Advance/Security Deposits					
	M.P. Highways Private Limited	-	-	-	-	-
		(1,054.36)	-	-	-	-
	PNC Bareilly Nainital Highways Private Limited	9,953.31	-	-	-	-
		-	-	-	-	-
	PNC Delhi Industrialinfra Private Limited	-	-	-	-	-
		(1,928.70)	-	-	-	-
	Others	-	-	-	-	-
		-	-	-	-	-
	Total	9,953.31	-	-	-	-
		(2,983.06)	-	-	-	-
4	Salary & Perquisites					
	Pradeep Kumar Jain	-	-	-	108.00	-
		-	-	-	(108.00)	-
	Naveen Kumar Jain	-	-	-	90.00	-
		-	-	-	(90.00)	-
	Chakresh Kumar Jain	-	-	-	90.00	-
		-	-	-	(90.00)	-
	Yogesh Kumar Jain	-	-	-	90.00	-
		-	-	-	(90.00)	-
	Others	-	-	-	73.52	-
		-	-	-	(62.00)	-
	Total	-	-	-	451.52	-
		-	-	-	(440.00)	-
5	Sale/ Purchase of Investment/ Loan and Shares Application Money in Equity Share Capital					
	PNC Infraholdings Limited	8,282.50	-	-	-	-
		(14,037.60)	-	-	-	-
	Ghaziabad Aligarh Expressway Private Limited	-	-	4,095.00	-	-
		-	-	(2,600.00)	-	-
	Jaora Nayagaon Toll Road Company Private Limited	-	-	-	-	243.15
		-	-	-	-	(1,774.37)
	PNC Delhi Industrialinfra Private Limited	1,000.00	-	-	-	-
		-	-	-	-	-
	PNC Kanpur Ayodhya Tollways Private Limited	700.00	-	-	-	-
		-	-	-	-	-
	Others	1,455.65	-	-	-	-
		(829.01)	-	-	-	-
	Total	11,438.15	-	4,095.00	-	243.15
		(14,866.61)	-	(2,600.00)	-	(1,774.37)

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 38 RELATED PARTY DISCLOSURES (contd.)

						Amount (₹ Lacs)
S. No.	Particulars	Subsidiaries Co.	Joint Venture	Associates	KMP & Relatives	Entities controlled/ influenced by KMP and their relatives
Amount Outstanding at Reporting Date						
1	Amount Recoverable					
	MP Highways Private Limited	282.21 (3,281.28)	-	-	-	-
	Ghaziabad Aligarh Expressway Private Limited	-	-	13,759.51 (18,661.62)	-	-
	Jaora Nayagaon Private Limited	-	-	-	-	2,079.40 (1,942.56)
	PNC Delhi Industrialinfra Private Limited	1,757.46 (100.00)	-	-	-	-
	PNC Bareilly Nainital Highways Private Limited	117.51 (4,037.56)	-	-	-	-
	PNC Raebareli Highways Private Limited	12,417.88 (326.80)	-	-	-	-
	PNC Hospet Bellary Highways Private Limited	449.51 (241.66)	-	-	-	-
	PNC Infraholdings Limited	100.27 (114.00)	-	-	-	-
	PNC Kanpur Ayodhya Tollways Private Limited	700.00 (15.49)	-	-	-	-
	M.A. Buildtech Private Limited	-	-	-	-	- (0.20)
	Ferrovial Transrail Solutions Private Limited	-	-	-	-	9.99
	PNC Kanpur Highways Limited	5,356.24 (3,116.13)	-	-	-	-
	Total	21,181.08 (11,232.92)	2,547.54 (724.37)	13,759.51 (18,661.62)	-	2,089.39 (1,942.76)
2	Amount Payable					
	PNC Kanpur Highways Limited	4,717.76	-	-	-	-
	Siddhi Readymix Concrete Private Limited	9.08 (17.92)	-	-	-	-
	Ideal Buildtech Private Limited	-	-	-	-	324.66 (661.13)
	MP Highways Private Limited	0.19	-	-	-	-
	PNC Kanpur Ayodhya Tollways Private Limited	192.31	-	-	-	-
	PNC Bareilly Nainital Highways Private Limited	9,301.81	-	-	-	-
	PNC Delhi Industrial Infra Private Limited	-	-	-	-	-
	Total	4,919.34 (17.92)	-	-	-	324.66 (661.13)

Figures in brackets represents previous year figures.

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 39

As per Accounting Standard (AS-15) 'Employee Benefits', the disclosure of employee benefits as defined in the Accounting Standard is given below:

- i) The contribution to provident fund is charged to accounts on accrual basis. The contribution made by the company during the year is ₹41.10 Lacs(previous year ₹48.41 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.
- iii) Liability for retiring gratuity as on March 31, 2014 is ₹376.27 Lacs (Previous year ₹316.16 Lacs). The Liability for Gratuity is actuarially determined and provided for in the books.
- iv) 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 Lacs)

	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	2013-2014	2012-2013	2013-2014	2012-2013
I Net Assets/(Liability) recognised in the balance Sheet				
Present value of Obligation	376.27	316.15	96.03	117.44
Fair value of Plan Assets	-	-	-	-
Liability / (Assets)	376.27	316.15	96.03	117.44
Un-recognised Past Service Cost	-	-	-	-
Liability / (Assets) recognized in the Balance Sheet	376.27	316.15	96.03	117.44
Component of Employer's Expense			-	-
Current Service Cost	51.02	43.30	7.71	9.80
Interest Cost	25.29	20.54	9.40	6.51
Expected Return on Plan Assets	-	-	-	-
Past Service Cost	-	-	-	-
Net Actuarial Gain / (Loss) recognized in the year	(16.19)	(4.47)	(38.52)	19.73
Expenses Recognised in the Profit And Loss Account	60.12	59.37	(21.41)	36.04
Movement in the Net Liability recognized in the Balance sheet	-	-	-	-
Opening Net Liability	316.16	256.79	117.44	81.40
Expenses Recognised in the Profit and Loss Account	60.11	59.37	(21.41)	36.04
Payment made to employee on Retirement	-	-	-	-
Closing Net Liability	376.27	316.16	96.03	117.44
Long term Liability	301.66	251.27	69.80	91.28
Short Term Liability	74.61	64.89	26.23	26.16
II Change in Defined Benefit Obligation				
Opening Defined Benefit Obligation	316.16	256.79	117.44	81.40
Current Service Cost	51.02	43.30	7.71	9.80
Interest Cost	25.29	20.54	9.40	6.51
Past Service Cost	-	-	-	-
Actuarial Losses / (Gain)	(16.19)	(4.47)	(38.52)	19.73
Benefits Paid	-	-	-	-
Closing Defined Benefit Obligation	376.27	316.16	96.03	117.44
III. Financial Assumptions at the valuation date:				
Discount Rate (p.a)	8.00%	8.00%	8.00%	8.00%
Expected Rate of Return on assets (p.a)	NA	NA	NA	NA
Salary Escalation Rate (p.a)	9.00%	9.00%	9.00%	9.00%
Attrition Rate	20.00%	20.00%	20.00%	20.00%



NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 39 (contd.)

a) Discount Rate:

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

b) Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

c) Attrition Rate:

The rate in current year is re-aligned with the actual.

Followings are the details regarding Gratuity & Leave encashment as required under para 120N of the Accounting Standard-15, 'Employee benefits'

		Amount (₹ Lacs)									
S. No.	Particulars	2013-14		2012-13		2011-12		2010-11		2009-10	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1	The present value of the defined benefit obligation	376.27	96.03	316.15	117.44	256.79	81.40	109.54	26.73	81.55	34.61
2	The fair value of the plan assets and the surplus or deficit in the plan	-	-	-	-	-	-	-	-	-	-

The experience adjustments arising on:

A	The plan liabilities expressed either as										
	(1) an amount or	376.27	96.03	316.15	117.44	256.79	81.40	109.54	26.73	81.55	34.61
	(2) a percentage of the plan liabilities at the balance sheet date										
B	The plan assets expressed either as										
	(1) an amount or	-	-	-	-	-	-	-	-	-	-
	(2) a percentage of the plan assets at the balance sheet date.										

NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 40 LEASES

Disclosure as required under AS - 19 "Accounting for 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 Lacs)

Particulars	Future Minimum Lease Rentals			Period of Lease
	Less Than 1 Year	Between 1 to 5 Years	More than 5 Years	
Office Premises	65.66	384.71	127.93	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 ₹219.37 Lacs

The lease rentals have been included under the head "Rent" under Note No.30

NOTE 41

During the year the company has infused unsecured business loans in Hospet Bellary Highways Private Limited (Special Purpose Vehicle) as a sponser. But due to non-availability of project stretch and other difficulties the project could not be commenced and is closed with mutual discussion with NHAI. Due to early closure, the Hospet Bellary Highways Private Limited to compensate NHAI, have utilised the amount infused by sponser. As the amount infused becoming non-recoverable, has been impaired.

NOTE 42

The company was subject to search U/s 132 of the Income Tax Act' 1961 in the month of August 2011. In compliance of the search proceedings, assessment has been completed by the Income Tax Department, wherein certain additions were made and partial disallowance of claim U/s 80IA which were claimed in the returns file in response of search proceedings was made. The company has filed appeal against the said orders. Based on the legal opinion, the management is of the view, since the matter is subjudice and at initial level, the partially allowed claims of 80IA in said orders and subsequent years have not been accounted for in the books and will be accounted for when it attains finality.

NOTE 43 SEGMENT REPORTING

The Company's operations predominantly consist of Infrastructure development and construction/project activities also the Company's operations are only in India Hence there are no reportable segments under Accounting Standard-17 notified under the Companies Act, 1956 during the year.

NOTE 44 MANAGERIAL REMUNERATION

Profit & Loss Account includes remuneration of Chairman & Managing Director, Managing Director(s) and whole time director(s) as under:

Particulars	(₹ in Lacs)	
	2013-2014	2012-2013
Salary	428.72	417.20

Note:

- (i) The above figure does not include Provision towards Gratuity Fund as separate figures are clubbed in overall expense and not segregable.
- (ii) Computation of net profit accordance with section 349 of the Companies Act, 1956 has not been enumerated, as no commission is payable and remuneration has been paid as per provisions of schedule XIII of the Companies Act, 1956.



NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 45

In the opinion of the Management, all assets other than fixed assets and non current investments, have a realisable value in the ordinary course of business which is not different from the amount at which it is stated and also provision for all known liabilities have been adequately made in the accounts.

NOTE 46

As per general Circular 08/2014 date 04.04.2014 of Ministry of Corporate Affairs, the financial statements for the financial years commencing before 1st april,2014; shall be governed by relevant provisions/schedules, rules of the companies Act, 1956 and the applicability of various sections of Companies Act 2013 issued can be deferred, Further clarification issued wide General Circular No. 15/2013 dated 13.09.2013 clarifies, applicability of Section 133 of Companies Act, 2013 in regard to applicability of existing Accounting Standards notified under Companies Act-1956 till the time Accounting Standards are prescribed by the Central Government in Consultation & Recommendation of National Financial Reporting Authority.

NOTE 47

Previous year figures have been re-classified or re-grouped wherever found necessary.

As per our report of even date attached.

For **Purushottam Agrawal & Co.**
Chartered Accountants
Firm Registration No. 000731C

For **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No. 000756N

On behalf of the Board of Directors

Sanjay Agarwal
Partner
Membership No. 72696

Neeraj Bansal
Partner
Membership No. 95960

Pradeep Kumar Jain
Chairman and Managing Director

Chakresh Kumar Jain
Managing Director

Place: Agra
Date: 30.06.2014

Binaya Kumar Dash
Company Secretary

DIRECTORS' REPORT



Your Directors take pleasure in presenting the 5th Annual Report and Audited Accounts for the financial year, ended March 31, 2014.

OVERVIEW

Your Directors are putting their best efforts and trying to explore new business opportunities. Your Directors are optimistic of greater revenue in the financial year 2014-15.

DIVIDEND

As there is no available surplus, hence your Directors do not recommend any dividend for the year ended March 31, 2014.

BOARD OF DIRECTORS

At the ensuing Annual General Meeting, Shri. Chakresh Kumar Jain (holding Din No. 00086768) will retire by rotation and being eligible, offers himself for reappointment in terms of the Company's provisions of Articles of Association. Your Directors recommend his re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 217 (2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts for the year ended March 31, 2014; the applicable accounting standards were followed.
- (ii) That appropriate accounting policies were selected and applied consistently and judgments and estimates that were reasonable and prudent were made so as to give a true and fair view of the state of affairs as on March 31, 2014 and of the profit of the Company for the financial year ended March 31, 2014.
- (iii) That proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts for the year ended March 31, 2014 was prepared on a going concern basis.

FIXED DEPOSITS

During 2013-14, the Company did not accept any public deposits under Section 58A or 58AA of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules 1975.

AUDITORS

M/s Purushottam Agrawal & Co., Chartered Accountants (Firm Reg. no. 000731C), Statutory Auditor of the Company, hold 80 I PNC Infratech Limited

office until the conclusion of the ensuing Annual General Meeting and being eligible have sought reappointment.

The Company has received letter from him to the effect that his reappointment, if made, would be in accordance with Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and he is not disqualified for such reappointment within the meaning of Companies Act, 2013.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanations.

HOLDING COMPANY

Your Company is a subsidiary of PNC Infratech Limited having its registered office at NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Sector-V, Saket, New Delhi-110017.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, there are no employees, the details of which are required to be given under the said rules.

INDUSTRIAL RELATIONS

The company enjoyed cordial relations during the year under review and the Management place on record their appreciation for the significant contribution made by all employees, who through their competence, hard work, cooperation and support have enabled the Company to prosper.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the company has not imported any technology, there is no foreign exchange earnings or outgo, and no energy saving devices are required, hence information required under section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are not required

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to the Central Government, State Government, Banks, Authorities and its Shareholders for their continued support extended to the company at all times.

For and on behalf of the Board of Directors

Chakresh Kumar Jain
(Director)

Yogesh Kumar Jain
(Director)

Place: Agra

Dated: 16-06-2014



INDEPENDENT AUDITOR'S REPORT

To
The Members of
PNC Power Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PNC Power Private Limited, which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and Notes to Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash inflows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

Purushottam Agrawal & Co
Chartered Accountants
Firm Reg. no. 000731C

Sanjay Agarwal
Partner

Place : Agra
Dated : 16.06.2014

Membership No. : 72696

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date on the accounts for the year ended on 31st march, 2014 of PNC Power Private Limited)

- | | |
|---|--|
| <p>(i) There is no fixed assets in the company, therefore clause (i) of the CARO' 2003 is not applicable to the company.</p> <p>(ii) There is no inventory in the company, therefore clause (ii) of the CARO' 2003 is not applicable to the company.</p> <p>(iii) (a) The Company has not granted loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a), (b), (c) and (d) of clause 4 (iii) are not applicable to the Company.</p> <p>(b) The Company had not taken loans, secured or unsecured or deposits from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 4 (iii) of the Order are not applicable to the Company.</p> <p>(iv) The company has not made any purchases during the year; therefore clause (iv) of the CARO' 2003 is not applicable to the company.</p> <p>(v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and</p> <p>(b) According to information and explanation given to us, transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.</p> <p>(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4 (vi) of the Order are not applicable to the Company.</p> <p>(vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.</p> <p>(viii) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any of the products or activity of the company.</p> <p>(ix) According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Provident Fund etc.</p> <p>(x) The Company do not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.</p> | <p>(xi) In our opinion and according to the information and explanations given to us, the Company has not taken loan from a financial institution or bank.</p> <p>(xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p> <p>(xiii) In our opinion, the Company is not a chit fund/ mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the order are not applicable to the Company.</p> <p>(xiv) In our opinion and explanations given to us, the Company is not dealing in shares, securities, and debentures. Accordingly, the provision of clause 4 (xiv) of the companies (Auditor's Report)(Amendment) order, 2004 are not applicable to the company.</p> <p>(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other(s), from banks/ financial institutions. Accordingly clause 4 (xv) of the order is not applicable.</p> <p>(xvi) To the best of our knowledge and belief and according to information and explanation given to us, the company has not availed any loan. Accordingly clause 4 (xvi) of the order is not applicable.</p> <p>(xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no short term funds have been raised by the company.</p> <p>(xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has made a preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.</p> <p>(xix) The company has not issued any debenture. Accordingly clause (xix) of the order is not applicable.</p> <p>(xx) During the year covered by our audit report, the Company has not raised any money by way of the public issue.</p> <p>(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.</p> |
|---|--|

Purushottam Agrawal & Co
Chartered Accountants
Firm Reg. no. 000731C

Sanjay Agarwal
Partner

Place : Agra
Dated : 16.06.2014

Membership No. : 72696



BALANCE SHEET as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	3.65	3.65
(b) Reserves and surplus	B	12.77	12.63
(c) Money Received against share warrants		-	-
		16.42	16.28
2 Share Application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	C	0.20	0.50
(d) Short-term provisions	D	0.06	0.06
		0.26	0.56
TOTAL		16.68	16.84
ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	E	14.27	14.27
		14.27	14.27
2 Current assets			
(a) Current Investment		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash & Cash equivalents	F	2.42	2.58
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
		2.42	2.58
TOTAL		16.68	16.84
Significant Accounting Policies and Notes to Financial Statements	G		

In terms of our report of even date .

For Purushottam Agrawal & Co.

Chartered Accountants

On behalf of the Board

Sanjay Agarwal

Partner

Membership No. 72696

Chakresh Kumar Jain

Director

Yogesh Kumar Jain

Director

Place: Agra

Date: 16.06.2014

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
INCOME			
I. Revenue from Operations	H	0.43	0.41
II. Other Income		-	-
III. Total Revenue		0.43	0.41
IV. Expenses			
Cost of material consumed		-	-
Purchase of Stock- in- Trade		-	-
Change in inventories of finished goods, W.I.P. And Stock in Trade		-	-
Employee benefit expense		-	-
Financial Costs		-	-
Depreciation and amortization expenses		-	-
Other expenses	I	0.23	0.22
Total Expenses		0.23	0.22
V. Profit Before Exceptional And Extraordinary Items And Tax		0.20	0.18
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary And Tax (V-VI)		0.20	0.18
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		0.20	0.18
X. Tax Expenses		-	-
(1) Current Tax		0.06	0.06
(2) Income Tax of Earlier Year		(0.00)	0.00
XI. Profit (Loss) for the period from continuing operations (VII-VIII) "		0.14	0.13
XII. Profit (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII) "		-	-
XV. Profit (Loss) for the period (XI+XIV)		0.14	0.13
XVI. Earning per equity shares:	J		
(1) Basic (In ₹)		0.37	0.35
(2) Diluted (In ₹)		0.37	0.35
Significant accounting policies and Additional notes to the financial statements	G		

In terms of our report of even date.

For Purushottam Agrawal & Co.

Chartered Accountants

On behalf of the Board

Sanjay Agarwal

Partner

Membership No. 72696

Chakresh Kumar Jain

Director

Yogesh Kumar Jain

Director

Place: Agra

Date: 16.06.2014



CASH FLOW STATEMENT for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	0.20	0.19
Adjustments for:		
Other Current Liabilities	(0.30)	0.20
Cash generated from operations	(0.10)	0.39
Direct Taxes paid	(0.06)	(0.05)
Cash flow before extra Ordinary items	(0.16)	0.34
Net cash flow from operating activities	(0.16)	0.34
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Net Cash Used in Investing Activities	(0.16)	0.34
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash Used in Financing Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(0.16)	0.34
Opening Cash and Cash Equivalents	2.58	2.24
Closing Cash and cash equivalents	2.42	2.58

In terms of our report of even date.
For Purushottam Agrawal & Co.
Chartered Accountants

On behalf of the Board

Sanjay Agarwal
Partner
Membership No. 72696

Chakresh Kumar Jain
Director

Yogesh Kumar Jain
Director

Place: Agra
Date: 16.06.2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE A SHARE CAPITAL

i) Authorized Share Capital (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	100,000	10.00	100,000	10.00
Total			10.00		10.00

ii) Issued, Subscribed and Paid-up Capital (Fully Paid-up): (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	36,500	3.65	36,500	3.65
Total			3.65		3.65

Subscribed Equity shares capital which are not fully paid – Nil (Previous Year NIL)

iii) Reconciliation of Number of Shares Outstanding:

Class of Shares	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. Of Equity Shares	
Shares Outstanding at the beginning of the year	36,500		36,500	
Share Issued during the period	-		-	
Shares Outstanding at the end of the year	36,500		36,500	

iv) There are no Rights, Preferences and restrictions attaching to Equity Shares Including Restrictions on Dividend distribution and repayment of Capital. (Previous Year Nil).

v) 26500 equity shares (Previous year 26500 equity shares) of ₹10/- each held by the Holding Company (PNC Infratech Limited).

vi) Details of shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares	%	No. of Equity Shares	%
PNC Infratech limited	26,500	72.60	26500	72.60
Chakresh Kumar Jain	5,000	13.70	5000	13.70
Yogesh Kumar Jain	4,990	13.67	4990	13.67

vii) Shares is reserved under options and contract/ commitments for the sale of shares/ disinvestment. Nil (Previous year NIL)

viii) Company has not allotted any equity shares for pursuant to contract(s) without payment being received in cash in last five financial year.

ix) Company has not allotted any equity bonus shares in last five financial year.

x) Company has not bought back any equity shares in last five financial year.

xi) Securities available for converting into equity/ preference shares – Nil (Previous Year NIL)

xii) Calls unpaid is Nil (Previous year NIL)

xiii) Forfeited shares is Nil (Previous year NIL)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE B RESERVE & SURPLUS (Classification of Reserve & Surplus)		
Security Premium Reserve:		
Balance as per last Balance Sheet	12.35	12.35
Add: Addition during the year	-	-
Balance at the end of the year (A)	12.35	12.35
Profit & Loss Account:		
Balance as per last Balance Sheet	0.28	0.15
Add: Addition during the year	0.14	0.13
Balance at the end of the year (B)	0.42	0.28
Total (A+B)	12.77	12.63

NOTE C OTHER CURRENT LIABILITIES

Expenses payable	0.20	0.50
Total	0.20	0.50

NOTE D SHORT-TERM PROVISIONS

Provision for income tax	0.06	0.06
Total	0.06	0.06

NOTE E OTHER NON-CURRENT ASSETS

Other Bank balances-(having maturity of more than 12 months)		
Earnest Money	13.79	13.79
Preliminary Expenses :		
Opening Balance	0.48	0.48
Add: Addition During the Year	-	-
Less: Amortized During the Year	-	-
Closing Balance	0.48	0.48
Total	14.27	14.27

NOTE F CASH & CASH EQUIVALENTS

Cash & Cash Equivalents		
Cash in hand	1.87	1.57
Bank Balances In:		
In Current Account	0.55	1.01
Total	2.42	2.58

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE G SIGNIFICANT ACCOUNTING POLICIES

A) ACCOUNTING POLICIES

1 **Basis of Preparation & Method of Accounting**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956. 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.

2 **Revenue Recognition**

The Company follows the mercantile system of accounting and recognizes revenue/ income, cost/ expenditure on accrual basis except in the case of significant uncertainties. Income from investments/deposits is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under Tax deducted at source.

3 **Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted of the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents in the Balance Sheet comprise cash and cash at bank

4 **Events Occurring After Balance Sheet Date**

Events occurring after the balance sheet date have been considered in the preparation of financial statements.

5 **Fixed Assets & Depreciation**

No Depreciation on fixed assets has been provided as there is no Fixed Asset.

6 **Inventories**

No inventory is available.

B) OTHER NOTES

1 **Payment to Employees**

There is no employee who has drawn more than ₹6000000 per annum or ₹500000 per month during the period.

2 **Provision for Taxation**

Provision for current tax is to be made in accordance with the provisions of the Income Tax Act, 1961.

3 **Foreign Exchange Transactions**

The company has neither received / earned nor paid any amount in foreign exchange.

4 **Deferred Tax Assets**

Neither Deferred tax assets nor deferred tax liability has been created during the period.

5 **Contingent Liability**

No contingent liability occurred during the period so there is no need of making the provision of said in books of account by the company.

6 **Classification**

As per the requirement of Revised Schedule VI, the company has re-classified its assets and liabilities into current and non-current, based on the normal operating cycle, as determined by the management. Previous years figures have been accordingly re-grouped and re-classified.

7 **Miscellaneous Expenditure**

Preliminary and Pre – Operative Expenses and has not been amortized in current year because Effective business yet to be started.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE H INCOME FROM OPERATIONS		
Operational Receipts	0.43	0.41
Total	0.43	0.41

NOTE I OTHER EXPENSES		
Auditor Remuneration	0.20	0.20
Legal & Professional Expenses	0.02	0.02
Stationery & Printing	0.01	0.00
General Expenses	0.00	0.00
Total	0.23	0.22

Bifurcation of Auditor Remuneration:

Audit Fee	0.20	0.20
Others	-	-
Total	0.20	0.20

NOTE J EARNING PER SHARE (EPS)		
Net Profit after tax available for Equity shareholders (A)	0.14	0.13
No. of Equity Shares	36,500	36,500
Face Value of Shares	10	10
Earnings per share basic and Diluted	0.37	0.35

In terms of our report of even date.
For Purushottam Agrawal & Co.
Chartered Accountants

Sanjay Agarwal
Partner
Membership No. 72696

Place: Agra
Date: 16.06.2014

On behalf of the Board

Chakresh Kumar Jain
Director

Yogesh Kumar Jain
Director

DIRECTORS' REPORT



Your Directors take pleasure in presenting the 4th Annual Report and Audited Accounts for the financial year, ended March 31, 2014.

OVERVIEW

Being a wholly owned subsidiary of PNC Infratech Limited, your company has Seven subsidiaries namely MP Highways Private Limited, PNC Kanpur Highways Limited, PNC Delhi Industrialinfra Private Limited, PNC Bareilly Nainital Highways Private Limited, PNC Raebareli Highways Private Limited, Hospet Bellary Highways Private Limited and PNC Kanpur Ayodhya Tollways Private Limited. This being the fourth year of incorporation and the Company is doing all best efforts to do well by making investments in its subsidiaries Companies, which has been incorporated as Special Purpose Vehicle (SPV) to execute BOT projects. Your Company will be holding the equity investment in these SPV's.

DIVIDEND

In the absence of any surplus no dividend is recommended.

BOARD OF DIRECTORS

At the ensuing Annual General Meeting, Shri Pradeep Kumar Jain, Managing Director will retire and being eligible, offers himself for reappointment. Your Directors recommends his reappointment at the ensuing Annual General Meeting.

SHARE CAPITAL

During the year the Authorised Share Capital of the Company has been increased from ₹50.00 Crores to ₹65.00 Crores and the Paid-up Capital of the Company has been increased from ₹43.10 Crores Lac to ₹58.45 Crores.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 217 (2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts for the year ended March 31, 2014; the applicable accounting standards were followed
- (ii) That appropriate accounting policies were selected and applied consistently and judgments and estimates that were reasonable and prudent were made so as to give a true and fair view of the state of affairs as on March 31,

2014 and of the profit of the Company for the financial year ended March 31, 2014

- (iii) That proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (iv) That the annual accounts for the year ended March 31, 2014 was prepared on a going concern basis

FIXED DEPOSITS

During the financial year 2013-14, the Company did not accept any public deposits under Section 58A or 58AA of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules 1975.

AUDITORS

M/s Purushottam Agrawal & Co., Chartered Accountants (Firm Reg. no. 000731C), Statutory Auditor of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible have sought reappointment.

The Company has received letter from him to the effect that his reappointment, if made, would be in accordance with Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and he is not disqualified for such reappointment within the meaning of Companies Act, 2013.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanations.

HOLDING COMPANY

Your Company is a wholly owned subsidiary of PNC Infratech Limited, having its registered office at NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Sector-V, Saket, New Delhi-110017.

SUBSIDIARY COMPANIES

During the year under review, PNC Bareilly Nainital Highways Private Limited and PNC Raebareli Highways Pvt. Ltd., became the subsidiary of the Company. Apart from this, five Companies namely MP Highways Private Limited, PNC Kanpur Highways Limited, PNC Delhi Industrialinfra Private Limited, PNC Kanpur Ayodhya Tollways Pvt Ltd and Hospet Bellary Highways Private Limited continue to be the subsidiaries of the Company.



AUDIT COMMITTEE

In accordance with provisions of the Companies Act, 1956, the Company has a Audit Committee comprising of Shri Pradeep Kumar Jain, as the Chairman and Shri Chakresh Kumar Jain and Shri Yogesh Kumar Jain, being the members. During the year, there were not any recommendations of the Audit Committee, that were not accepted by the Board. Hence there is no need for the disclosure of the same in this report.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, there are no employees the details of which are required to be given under the said rules.

INDUSTRIAL RELATIONS

The company enjoyed cordial relations during the year under review and the Management place on record their appreciation for the significant contribution made by all employees, who through their competence, hard work, cooperation and support have enabled the Company to prosper.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the company has not imported any technology, there is no foreign exchange earnings or outgo, and no energy saving devices are required, hence information required under section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are not required.

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to its Shareholders for their continued support extended to the company at all times.

For and on behalf of the Board of Directors

Pradeep Kumar Jain
(Managing Director)

Chakresh Kumar Jain
(Director)

Place: Agra

Dated: 16-06-2014

Statement pursuant to section 212 of the Companies Act, 1956, relating to subsidiary companies as at March 31, 2014.

Sl. No	Name of the Subsidiary/ Step Down Subsidiary Companies	PNC Kanpur Ayodhya Tollways Pvt Ltd	MP Highways Pvt. Ltd	PNC Kanpur Highways Ltd.	PNC Delhi Industrialinfra Pvt. Ltd.	Hospet Bellary Highways Pvt. Ltd.	PNC Bareilly Nainital Highways Pvt. Ltd.	PNC Raebareli Highways Pvt. Ltd.
1	The Financial Year of the Subsidiary Company ends on	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14	31-Mar-14
2	Holding Company's Interest	49,990 equity shares of ₹10/- each	7,83,00,000 equity shares of ₹10/- each	6,75,00,000 equity shares of ₹10/- each	3,50,00,000 equity shares of ₹10/- each	6,500 equity shares of ₹10/- each	6,96,00,000 equity shares of ₹10/- each	24,99,990 equity shares of ₹10/- each
3	Extent of Holding	99.99%	100%	100%	100%	65%	93.3%	99.99%
4	The net aggregate amount of the Subsidiary Company profit/ (loss) so far as it concerns the members of the Holding Company.							
	a) Not dealt with in the Holding Company's accounts							
	i) For the Financial Year ended March 31, 2014	(26.30)	(152.01)	-	51.93	-	-	-
	ii) For the previous Financial Years of the Subsidiary Company since they became the holding Company's Subsidiary	-	(185.38)	-	1.32	-	-	-
	b) Dealt with in the Holding Company's accounts							
	i) For the Financial Year ended March 31, 2014	-	-	-	-	-	-	-
	ii) For the previous Financial Years of the Subsidiary Company since they became the Holding Company's Subsidiary	-	-	-	-	-	-	-

For and on behalf of the Board of Directors
Managing Director

Company Secretary

Director

Place: Agra

Dated: June 16, 2014



INDEPENDENT AUDITOR'S REPORT

To
The Members of
PNC Infra Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PNC Infra Holdings Limited, which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and Notes to Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash inflows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

Purushottam Agrawal & Co
Chartered Accountants
Firm Reg. no. 000731C

Sanjay Agarwal
Partner

Place : Agra
Dated : 16.06.2014

Membership No. : 72696

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date on the accounts for the year ended on 31st march, 2014 of PNC Infra Holdings Limited)

- (i) There is no fixed assets in the company, therefore clause (i) of the CARO' 2003 is not applicable to the company.
- (ii) There is no inventory in the company, therefore clause (ii) of the CARO' 2003 is not applicable to the company.
- (iii) (a) The Company had not granted loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except in the case of one party where maximum balance is ₹600.00 Lacs during the year amount outstanding is ₹100.00 Lacs.
(b) According to the information and explanation given to us, interest is not charged on such loan, other term and condition on given loan are not prima facie prejudice to the interest of the company.
(c) There is no overdue amount outstanding.
(d) The Company had not taken unsecured loan, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Except in the case of one party where maximum balance is ₹600.00 Lacs during the year amount outstanding is ₹100.00 Lacs.
- (iv) The company has not made any purchases during the year; therefore clause (iv) of the CARO' 2003 is not applicable to the company.
- (v) (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and
(b) According to information and explanation given to us, transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 4 (vi) of the Order are not applicable to the Company.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any of the products or activity of the company.
- (ix) According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Provident Fund etc.
- (x) The Company have accumulated losses of ₹5.16 Lac at the end of the financial year. The Company incurred ₹2.54 Lac cash losses during the financial year covered by our audit and ₹1.91 Lac in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not taken loan from a financial institution or bank.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund/ mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the order are not applicable to the Company.
- (xiv) In our opinion and explanations given to us, the Company is not dealing in shares, securities, and debentures. Accordingly, the provision of clause 4 (xiv) of the companies (Auditor's Report)(Amendment) order, 2004 are not applicable to the company.



- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other(s), from banks/ financial institutions. Accordingly clause 4 (xv) of the order is not applicable.
- (xvi) To the best of our knowledge and belief and according to information and explanation given to us, the company has not availed any loan. Accordingly clause 4 (xvi) of the order is not applicable.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no short term funds have been raised by the company.
- (xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has made preferential allotment of 1,53,55,000 equity shares of ₹10/- each to Holding company and company is covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debenture. Accordingly clause (xix) of the order is not applicable.
- (xx) During the year covered by our audit report, the Company has not raised any money by way of the public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Purushottam Agrawal & Co
Chartered Accountants
Firm Reg. no. 000731C

Sanjay Agarwal
Partner

Place : Agra
Dated : 16.06.2014

Membership No. : 72696

BALANCE SHEET as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	5,845.58	4,310.08
(b) Reserves and surplus	B	23,357.16	17,217.69
(c) Money Received against share warrants		-	-
		29,202.74	21,527.77
2 Share Application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	C	100.81	114.90
(d) Short-term provisions		-	-
		100.81	114.90
TOTAL		29,303.55	21,642.67
ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	D	29,158.25	21,493.25
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	E	39.33	24.58
		29,197.58	21,517.83
2 Current assets			
(a) Current Investment		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash & Cash equivalents	F	0.94	5.71
(e) Short-term loans and advances	G	105.03	119.13
(f) Other current assets		-	-
		105.97	124.84
TOTAL		29,303.55	21,642.67
Significant Accounting Policies and Notes to Financial Statements	H		

In terms of our report of even date.

For Purushottam Agrawal & Co.

Chartered Accountants

On behalf of the Board

Sanjay Agarwal

Partner

Membership No. 72696

Pradeep Kumar Jain

(Managing Director)

Chakresh Kumar Jain

(Director)

Place: Agra

Date: 16.06.2014

Neha Gupta

(Company Secretary)



STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
INCOME			
I. Revenue from Operations		-	-
II. Other Income	I	-	0.29
III. Total Revenue		-	0.29
IV. Expenses			
Cost of material consumed		-	-
Purchase of Stock- in- Trade		-	-
Change in inventories of finished goods, W.I.P. And Stock in Trade		-	-
Employee benefit expense	J	0.96	0.96
Financial Costs		-	-
Depreciation and amortization expenses		-	-
Other expenses	K	1.58	1.25
Total Expenses		2.54	2.21
V. Profit Before Exceptional And Extraordinary Items And Tax		(2.54)	(1.91)
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary And Tax (V-VI)		(2.54)	(1.91)
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		(2.54)	(1.91)
X. Tax Expenses		-	-
(1) Current Tax		-	-
(2) Deferred Tax		-	-
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		(2.54)	(1.91)
XII. Profit (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI+XIV)		(2.54)	(1.91)
XVI. Earning per equity shares:	L		
(1) Basic (In ₹)		(0.00)	(0.00)
(2) Diluted (In ₹)		(0.00)	(0.00)
Significant accounting policies and Additional notes to the financial statements	H		

In terms of our report of even date.
For **Purushottam Agrawal & Co.**
Chartered Accountants

On behalf of the Board

Sanjay Agarwal
Partner
Membership No. 72696

Pradeep Kumar Jain
(Managing Director)

Chakresh Kumar Jain
(Director)

Place: Agra
Date: 16.06.2014

Neha Gupta
(Company Secretary)

CASH FLOW STATEMENT for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		(2.54)		(1.91)
Adjustment for				
1. Interest Income	-		(0.29)	
2. Misc. Income W/off	-		-	
		-		(0.29)
Operating Profit before working Capital Charges		(2.54)		(2.20)
Adjustment for				
Other Current Liability	(0.08)		0.46	
Short Term Loans & Advances	0.10	0.02	(0.13)	0.33
Cash generated from operations		(2.52)		(1.87)
Direct Taxes paid	-	-	-	-
Cash flow before extra Ordinary items		(2.52)		(1.87)
Extraordinary Items				
Preliminary Expenses	(14.75)		(5.00)	
Net cash flow from operating activities		(17.27)		(6.87)
(B) CASH FLOW FROM INVESTING ACTIVITIES				
Share Application Money Pending Allotment	-		-	
Investment in Subsidiary and Associates Company	(7,665.00)		(10,128.25)	
Loan Received from Holding Company	(14.00)		114.00	
Loan given to Subsidiary Company	14.00		(114.00)	
Share application money	-		(5.00)	
Interest Income	-		0.29	
Net cash used in investing activities		(7,665.00)		(10,132.96)
Total		(7,682.27)		(10,139.83)
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	1,535.50		2,027.52	
Proceeds from Security Premium	6,142.00		8,110.08	
Net cash used in financing activities		7,677.50		10,137.60
Net increase in cash & cash equivalents		(4.77)		(2.23)
Opening cash and cash equivalents		5.71		7.94
Closing cash & cash equivalents		0.94		5.71

In terms of our report of even date.
For Purushottam Agrawal & Co.
Chartered Accountants

On behalf of the Board

Sanjay Agarwal
Partner
Membership No. 72696

Pradeep Kumar Jain
(Managing Director)

Chakresh Kumar Jain
(Director)

Place: Agra
Date: 16.06.2014

Neha Gupta
(Company Secretary)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE A SHARE CAPITAL

i) Authorized Share Capital (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	65,000,000	6,500.00	50,000,000	5,000.00
Total			6,500.00		5,000.00

ii) Issued, Subscribed and Paid-up Capital (Fully Paid-up): (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	58,455,794	5,845.58	43,100,794	4,310.08
Total			5,845.58		4,310.08

Subscribed Equity shares capital which are not fully paid – Nil (Previous Year NIL)

iii) Reconciliation of Number of Shares Outstanding:

Class of Shares	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. Of Equity Shares	
Shares Outstanding at the beginning of the year	43,100,794		22,825,596	
Share Issued during the period	15,355,000		20,275,198	
Shares Outstanding at the end of the year	58,455,794		43,100,794	

iv) There are no Rights, Preferences and restrictions attaching to Equity Shares Including Restrictions on Dividend distribution and repayment of Capital. (Previous Year Nil).

v) 58455794 equity shares (Previous year 43100794 equity shares) of ₹10/- each held by the Holding Company (PNC Infratech Limited).

vi) Details of shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares	%	No. of Equity Shares	%
PNC Infratech limited	58,455,794	100.00%	43,100,794	100.00%

vii) Shares is reserved under options and contract/ commitments for the sale of shares/ disinvestment. Nil (Previous year NIL)

viii) Company has not allotted any equity shares for pursuant to contract(s) without payment being received in cash in last five financial year.

ix) Company has not allotted any equity bonus shares in last five financial year.

x) Company has not bought back any equity shares in last five financial year.

xi) Securities available for converting into equity/ preference shares – Nil (Previous Year NIL).

xii) Calls unpaid is Nil (Previous year NIL).

xiii) Forfeited shares is Nil (Previous year NIL)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE B RESERVE & SURPLUS (Classification of Reserve & Surplus)		
Security Premium Reserve:		
Balance as per last Balance Sheet	17,220.32	9,110.24
Add: Addition during the year	6,142.00	8,110.08
Balance at the end of the year (A)	23,362.32	17,220.32
Profit & Loss Account:		
Balance as per last Balance Sheet	(2.62)	(0.71)
Add: Addition during the year	(2.54)	(1.91)
Balance at the end of the year (B)	(5.16)	(2.62)
Total (A+B)	23,357.16	17,217.69

NOTE C OTHER CURRENT LIABILITIES

Expenses payable	0.48	0.77
TDS Payable	0.03	0.10
Unsecured Loan from Related party (PNC Infratech Limited)	100.00	114.00
Other Payable	0.30	0.03
Total	100.81	114.90

NOTE D NON - CURRENT INVESTMENT

Trade, Unquoted (At Cost)		
Equity Shares of ₹10/- each fully paid-up:		
(i) Investment in Subsidiaries		
67500000 (Previous Year 67500000) Equity Shares of PNC Kanpur Highways Limited	6,750.00	6,750.00
78300000 (Previous Year 78300000) Equity Shares of PNC M.P. Highways Limited	7,830.00	7,830.00
6500 (Previous Year 6500) Equity Shares of PNC Hospet Bellary Highways Pvt. Limited	0.65	0.65
49990 (Previous Year 49990) Equity Shares of PNC Kanpur Ayodhya Tollways Private Limited	5.00	5.00
69600000 (Previous Year Nil) Equity Shares of PNC Bareilly Nainital Highways Private Limited	6,960.00	-
2549990 (Previous Year Nil) Equity Shares of PNC Raebareli Highways Private Limited	255.00	-
35000000 (Previous Year 30500000) Equity Shares of PNC Delhi Industrialinfra Private Limited	3,500.00	3,050.00
(ii) Investment in Associates		
38576000 (Previous Year 38576000) Equity Shares of Ghaziabad Aligarh Expressway Private Limited	3,857.60	3,857.60
Total	29,158.25	21,493.25

1) 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.

a) Equity shares of ₹10/- each of:

Name of the Company	As at March 31, 2014	As at March 31, 2013
i) PNC Kanpur Highways Limited	34,425,000	50,000
ii) MP Highways Private Limited	39,933,000	39,933,000
iii) PNC Delhi Industrialinfra Private Limited	17,850,000	7,650,000
iv) Ghaziabad Aligarh Expressway Private Limited	19,673,760	19,673,760
v) PNC Raebareli Highways Private Limited	49,990	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE E OTHER NON-CURRENT ASSETS		
Preliminary Expenses :		
Opening Balance	24.40	19.40
Add: Addition During the Year	14.75	5.00
Less: Amortized During the Year	-	-
Closing Balance	39.15	24.40
Pre-operative Expenses :		
Opening Balance	0.18	0.18
Add: Addition During the Year	-	-
Less: Amortized During the Year	-	-
Closing Balance	0.18	0.18
Total	39.33	24.58

NOTE F CASH & CASH EQUIVALENTS

Cash & Cash Equivalents		
Cash in hand	0.04	0.09
Bank Balances In:		
In Current Account	0.90	0.30
In Shape of FDR	-	5.32
Total	0.94	5.71

NOTE G SHORT TERM LOANS & ADVANCES

Share Application Money to Related Party (Hospet Bellary Highways Private Limited)	5.00	5.00
Unsecured Loan Given to Related Party (M.P. Highways Private Limited)	100.00	114.00
Tax Deducted at Source	0.03	0.03
Advance to Party	-	0.10
Total	105.03	119.13

NOTE H SIGNIFICANT ACCOUNTING POLICIES

A) ACCOUNTING POLICIES

1 Basis of Preparation & Method of Accounting

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956. 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.

2 Revenue Recognition

The Company follows the mercantile system of accounting and recognizes revenue/ income, cost/ expenditure on accrual basis except in the case of significant uncertainties. Income from investments/deposits is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under Tax deducted at source.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE H SIGNIFICANT ACCOUNTING POLICIES

3 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted of the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents in the Balance Sheet comprise cash and cash at bank

4 Events Occurring After Balance Sheet Date

Events occurring after the balance sheet date have been considered in the preparation of financial statements.

5 Fixed Assets & Depreciation

No Depreciation on fixed assets has been provided as there is no Fixed Asset.

6 Inventories

No inventory is available.

7 Investments

Long term investments are stated at cost and diminution in carrying amount, other than temporary, is written down / provided for.

Current investments which are accepted to be disposed/liquidated within one year are valued at lower of cost and fair/market value.

B) OTHER NOTES

1 Payment to Employees

There is no employee who has drawn more than ₹60,00,000 per annum or ₹5,00,000 per month during the period.

2 Provision for Taxation

Provision for current tax is to be made in accordance with the provisions of the Income Tax Act, 1961, No provision is been made during the current period as there is no income.

3 Foreign Exchange Transactions

The company has neither received / earned nor paid any amount in foreign exchange.

4 Deferred Tax Assets

Neither Deferred tax assets nor deferred tax liability has been created during the period.

5 Contingent Liability

No contingent liability occurred during the period so there is no need of making the provision of said in books of account by the company.

6 Related Party Disclosures

List of related parties and relationship with whom, the company has entered into transaction during the year/where control exists.

A Subsidiaries (The Ownership Directly or Indirectly through subsidiaries)

- 1 PNC Bareilly Nainital highways private Limited
- 2 PNC Raebareli highways private Limited
- 3 PNC Delhi Industrialinfra Private Limited
- 4 MP Highways Private Ltd.
- 5 PNC Kanpur Highways Ltd.
- 6 PNC Kanpur Ayodhya Tollways Private Ltd.
- 7 Hospet Bellary Highways Pvt. Ltd.

B Holding Company

- 1 PNC Infratech Limited



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE H SIGNIFICANT ACCOUNTING POLICIES

(₹ in Lacs)

S. No.	Particulars	Subsidiary Co.	Holding Co.	Total
Transactions during the year				
1	Investment in Equity share capital in Subsidiary Co.			
	PNC Bareilly Nainital Highways Private Ltd.	6960.00 (-)	-	6960.00 (-)
	PNC Raebareli Highways Private Ltd.	255.00 (-)	-	255.00 -
	MP Highways Private Ltd.	- (3915.00)	-	- (3915.00)
	PNC Delhi Industrialinfra Private Ltd.	450.00 (2350.00)	-	450.00 (2350.00)
	Hospet Bellary Highways Pvt. Ltd.	- (0.65)	-	- (0.65)
	PNC Kanpur Ayodhya Tollways Private Ltd.	- (5.00)	-	- (5.00)
	Total	7665.00 (6270.65)	-	7665.00 (6270.65)
2	Loan to Subsidiary Co./ Holding Co.			
	MP Highways Private Ltd.	100.00 (1400.00)	-	100.00 (1400.00)
	PNC Kanpur Highways Ltd.	500.00 (-)	-	500.00 (-)
	PNC Infratech Ltd.	-	600.00 (1400.00)	600.00 (1400.00)
	Total	600.00 (1400.00)	600.00 (1400.00)	1200.00 (2800.00)
3	Other Advances			
	PNC Kanpur Ayodhya Tollways Private Ltd.	295.00 (-)	-	295.00 (-)
	PNC Infratech Ltd.	0.27 (-)	-	0.27 (-)
	Total	295.27 (-)	-	295.27 (-)
4	Share Capital & Security Premium from Holding Co.			
	PNC Infratech Ltd.	-	7677.50 (10137.60)	7677.50 (10137.60)
	Total	-	7677.50 (10137.60)	7677.50 (10137.60)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE H SIGNIFICANT ACCOUNTING POLICIES

				(₹ in Lacs)
S. No.	Particulars	Subsidiary Co.	Holding Co.	Total
Amount outstanding at reporting date				
Amount recoverable				
1	Hospet Bellary Highways Pvt. Ltd.	5.00 (5.00)	- (-)	5.00 (5.00)
2	MP Highways Private Ltd.	100.00 (114.00)	- (-)	100.00 (114.00)
Amount payable				
1	PNC Infratech Ltd.	- (-)	100.00 (114.00)	100.00 (114.00)

* Previous year figures are in brackets

Note

- 1 Related party relationship is as identified by the company on the basis of information available with them and accepted by us as correct.
- 2 No amount has been written off or written back during the year in respect of debt due from or to related parties.
- 3 Company has entered into transactions with certain parties as listed above during the year under consideration. Full disclosures have been made and the Board considers such transactions to be in normal course of business at rates agreed between the parties.

			(₹ in Lacs)	
Particulars	Year ended March 31, 2014	Year ended March 31, 2013		
NOTE I OTHER INCOME				
Interest Received: from Banks	-	0.29		
Total	-	0.29		

NOTE J EMPLOYEE BENEFITS EXPENSES

			(₹ in Lacs)	
Particulars	Year ended March 31, 2014	Year ended March 31, 2013		
Salaries and Wages	0.96	0.96		
Total	0.96	0.96		



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE K OTHER EXPENSES		
Auditor Remuneration	0.30	0.27
Legal & Professional Expenses	1.27	0.96
Bank Charges	0.01	0.01
Total	1.58	1.25

Bifurcation of Auditor Remuneration:

Audit Fee	0.30	0.27
Others	-	-
Total	0.30	0.27

NOTE L EARNING PER SHARE (EPS):

Net Profit after tax available for Equity shareholders (A)	(2.54)	(1.91)
No. of Equity Shares	584.56	431.01
Face Value of Shares	10.00	10.00
Earnings per share basic and Diluted	(0.00)	(0.00)

In terms of our report of even date.
For **Purushottam Agrawal & Co.**
Chartered Accountants

Sanjay Agarwal
Partner
Membership No. 72696

Place: Agra
Date: 16.06.2014

On behalf of the Board

Pradeep Kumar Jain
(Managing Director)

Chakresh Kumar Jain
(Director)

Neha Gupta
(Company Secretary)

DIRECTORS' REPORT

Dear members

Your Directors have pleasure in presenting the Second Annual Report on the business and operations of the Company and Audited Statement of Accounts for the Financial Year ended on March 31, 2014.

FINANCIAL HIGHLIGHT

During the financial year company has incurred a net Profit of ₹24,124.85. The financial results are summarized here under:

Particulars	(Amount in ₹)	
	As at March 31, 2014	As at March 31, 2013
Revenue from operations	579,790,462.32	-
Revenue from other Sources	3,511,795.00	-
Total Revenue	583,302,257.32	-
Project Expenses	474,739,100.75	-
Generation, administration & other expenses	70,441,625.59	37,534.00
Finance Cost	32,594,748.36	-
Depreciation and amortization expense	5,493,586.47	17,327.90
Total expenses	583,269,061.17	54,861.90
Profit before tax	33,196.15	(54,861.90)
Deferred tax	(15,405.56)	452.00
Profit/(Loss) for the period	24,124.85	(55,313.90)
Basic/ Diluted Earnings / (Loss) per Share	2.41	(5.53)

Dividend

Since the Company does not have sufficient distributable profits, no dividend is recommended for the year ended March 31, 2014.

SHARE CAPITAL

Authorised share capital

The Authorised Capital of the Company as on date is ₹1,00,000/- (Rupees One Lac) divided into 10,000- (Ten Thousand) Equity Shares of Rupees 10/- (Rupees Ten) each.

Paid-up Share Capital

The paid up share capital of the Company is ₹1,00,000/- (Rupees One Lac) divided into 10,000- (Ten Thousand) Equity Shares of Rupees 10/- (Rupees Ten) each.

BACKGROUND AND REVIEW OF ACTIVITIES

• Background:

Ferrovial Transrail Solutions Private Limited (FTS) is Joint Venture Company of PNC Infratech Limited and BF Infrastructure

Limited holding 51% and 49% stake respectively, formed for the purpose of carrying out the Project of Design, procurement, Construction of Track and track related works and its testing & commissioning for double track electrified railway line on a Design Build Lump Sum Basis from New Karwandiya (Rly. Km. 564) to Durgawati (Rly. Km. 630) approx. 66 KMs on Mughalsarai-Sonnagar Section of Eastern Dedicated Freight Corridor (Project) as floated by the Dedicated Freight Corridor Corporation of India Limited (DFCCIL).

• Project Status:

DFCCIL through a competitive bidding process has awarded a track laying project to your company. The final Contract with DFCCIL has been signed on April 12, 2013. The Company has set-up a Site office at Sasaram and Depot at Pusauli. The Company has issued the all major work orders.

Currently, FTSP has completed 52.176 Track Kilo Meters (TKMs) out of total project of 142 TKMs. During the financial year, the Company has achieved the First Mile Stone of 20 TKMs..



DIRECTORS

Mr. Shiv Kumar resigned as the Director of the Company w.e.f. April 11, 2014 and in his place Mr. Madan Lal was appointed as Director of the Company w.e.f. April 21, 2014 in place of Mr. Shiv Kumar.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to Director's responsibility statement, your Directors confirm that:

- in the preparation of the annual accounts for the Financial year ended March 31, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 as at March 31, 2014;
- the Directors had taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors had prepared the annual accounts for financial year ended March 31, 2014 on a "going concern basis".

AUDITORS

M/s RMA & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letter from M/s RMA & Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 139 and Section 141 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013.

The observations and comments given by Auditors in this Report read together with notes to Accounts are self explanatory and hence do not call for any further comments.

SUBSIDIARY COMPANY

The Company did not have any subsidiary Company during the period under review.

HOLDING COMPANY

During the year, PNC Infratech Ltd. continues to be the Holding Company of the Company.

FIXED DEPOSIT

The company has neither accepted nor renewed any fixed deposits during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required to be disclosed pursuant to the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, forming part of the Report is also annexed hereto.

PARTICULARS OF EMPLOYEES

During the year under review there was no employee drawing salary in excess of the limit prescribed under Section 217 (2A) of the Companies Act, 1956, read with, the Companies (Particulars of Employees) Rules, 1975, as amended from time to time. Accordingly, the required statement 217(2A) is not appended.

APPRECIATION

The Board of Directors takes this opportunity to thank all its valued customers, financial institutions, banks, Government and other authorities for their continued support to the Company. The Board also takes this opportunity to express its sincere appreciation for the excellent support and dedicated efforts put in by the employees for continued good performance. Further, your Directors wish to thank the promoters (PNC Group and BFIL Group) for their ongoing valuable support for building and developing the business of the company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Noida
Date: May 23, 2014

Sunil Kumar Nayyar
Director

D.K.Maheshwari
Director

ANNEXURE-I

Information as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as amended and forming part of the Directors' Report for the year ended March 31, 2014:

(A) Conservation of Energy

a. Energy Conservation measures taken during 2013-2014

The project is under implementation; however, the employees were adequately trained to conserve energy.

b. Impact of above measures for reduction of energy consumption and consequent impact on cost of production of goods.

N.A.

(B) Technology Absorption, Adaptation and Innovation

(1) Efforts made towards technology absorption, adaptation and innovation

The project was under implementation; the benefits shall be ascertained only after the commercial operation of the project.

(2) Benefits derived as a result of above efforts

The project was under implementation; the benefits shall be ascertained only after the commercial operation of the project.

(C) Foreign Exchange Earnings and Outgo

Total foreign exchange used and earned:

Particulars	(₹ in Lacs)
Foreign Exchange earned	NIL
Foreign Exchange used	NIL
Net Foreign Exchange earned	NIL

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Noida

Date: May 23, 2014

Sunil Kumar Nayyar

Director

D.K.Maheshwari

Director



INDEPENDENT AUDITOR'S REPORT

To
The Members of
Ferrovia Transrail Solutions Pvt. Ltd. (The Company)

Report on the Financial Statements

We have audited the accompanying financial statements of Ferrovia Transrail Solutions Pvt. Ltd. (The Company), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Companies internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditors' Report) Order, 2003, read with the Companies (Auditor's Report) (Amendment) Order, 2004, both issued by the Central Government in terms of subsection (4A) of section 227 of the Act, We give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
- 2) As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Pankaj Chander
Partner

Place : New Delhi
Dated : 23.05.2014

Membership No. : 089065

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the Statements of Account of Ferrovial Transrail Solutions Private Limited as at and for the year ended 31st March 2014:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has conducted physical verification at a reasonable interval of its fixed assets during the period covered under our audit. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets.
- (ii) (a) As explained to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable in relation to the size of the company.
- (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate according to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of the Company, we are of the opinion that the Company has maintained proper records of inventory. Discrepancies noticed on physical verification between physical stock records were not material and have been adequately dealt within the books of accounts.
- (iii) (a) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4 (iii) (b) to (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- (b) The company has not taken loans from the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and for sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements referred to in Section 301 of the Companies Act, 1956
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of sections 58A and 58AA of the Companies Act, 1956 and rules framed there under apply.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us maintenance of cost records under section 209(1)(d) of the Act, has not been prescribed by the central government for the company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues have generally been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding at 31.3.2014 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company has accumulated losses of ₹37,354/- at the end of the financial year and it has not incurred any cash losses during the financial year under audit and immediately preceding financial year.



- (xi) Based on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to their bankers. There were no debenture holders at any time during the year and at the year end.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund, nidhi / mutual benefit fund / society.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) As per the information and explanations given to us, the company has not given any corporate guarantee for loans taken by its other Company from the banks, which is not prejudice to the interest of the Company.
- (xvi) According to the information and explanations and certificate in this regard given to us, term loans were applied by the Company for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on the basis of overall examination of the balance sheet of the company as at March 31, 2014, we report that no funds raised on short term basis were utilized for long term investment.
- (xviii) According to the certificate given to us by the company, we report that the company has not made any preferential allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued debentures during the year,
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the company has not raised any money by way of public issue .
- (xxi) 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 and according to the information and explanations given to us, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Pankaj Chander
Partner

Place : New Delhi
Dated : 23.05.2014

Membership No. : 089065

BALANCE SHEET as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	1.00	1.00
(b) Reserves and surplus	3	(0.31)	(0.55)
2 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)	4	-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions	5	1.28	0.14
3 Current liabilities			
(a) Short-term borrowings	6	2347.71	414.47
(b) Trade payables	7	466.74	17.45
(c) Other current liabilities	8	1436.64	6.65
(d) Short-term provisions	9	147.51	29.94
TOTAL		4400.57	469.10
ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	184.93	1.07
(ii) Intangible assets	10	0.47	0.76
(iii) Intangible Assets Under Development		-	-
(b) Non-current investments		-	-
(c) Long-term loans and advances		-	-
(d) Deferred Tax Assets	4	0.15	-
2 Current assets			
(a) Current investments		-	-
(b) Project Work In Progress	11	-	307.78
(c) Trade receivables		48.20	-
(d) Cash and cash equivalents	12	7.71	3.10
(e) Short-term loans and advances	13	368.39	0.18
(f) Other current assets	14	3790.72	156.21
TOTAL		4400.57	469.10

The accompanying notes 1-16 form an integral part of the financial statements.

In terms of our report of even date.

For RMA & Associates

Chartered Accountants

Firm Registration No. : 000978N

On behalf of the Board

Pankaj Chander

Partner

Membership No. 089065

Sunil Kumar Nayyar

Director

Devendra Kumar Maheshwari

Director

Place: New Delhi

Date: 23.05.14



STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from operations		5797.90	-
Other income		35.12	-
Total Revenue		5833.02	-
Expenses:			
Project Expenses	15	4747.39	-
Generation , Administration & Other expenses	16	704.42	0.38
Finance costs		325.95	-
Depreciation and amortization expense	10	54.94	0.17
Total expenses		5832.69	0.55
Profit before exceptional and extraordinary items & tax		0.33	(0.55)
Exceptional items		-	-
Profit before extraordinary items and tax		0.33	(0.55)
Extraordinary Items		-	-
Profit before tax		0.33	(0.55)
Tax expense:		-	-
Current tax		0.24	-
Deferred tax		(0.15)	-
Profit for the period from continuing operation		0.24	(0.55)
Profit/ (Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from discontinuing operations (after tax)		-	-
Profit/(Loss) for the period		0.24	(0.55)
Basic Earnings per Equity Share		2.41	(5.53)

The accompanying notes 1-16 form an integral part of the financial statements.

In terms of our report of even date.

For RMA & Associates

Chartered Accountants

Firm Registration No. : 000978N

On behalf of the Board

Pankaj Chander

Partner

Membership No. 089065

Sunil Kumar Nayyar

Director

Devendra Kumar Maheshwari

Director

Place: New Delhi

Date: 23.05.14

CASH FLOW STATEMENT for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014		Year ended March 31, 2013	
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxation		0.33		(0.55)
Adjustments for :				
Depreciation	54.94		0.17	
Diminution in value of Fixed Assets/Investments	-		-	
Deferred Government Grant	-		-	
Finance Charges	325.95		-	
Provision for Inventory Write-down	-		-	
Provision for Doubtful Debts & Advances	-		-	
Interest Income	-		-	
Bad Debts / Advances Written Off	-		-	
(Profit)/ Loss on sale of Fixed Assets	-	380.88		0.17
Operating Profit before working Capital Charges		381.22		(0.38)
(Increase) / Decrease in Current Assets				
Projects WIP	307.78		(307.78)	
Trade Receivables	(48.20)		-	
Other Current Assets	(3,634.51)		(156.21)	
Other Non-current Assets	-		-	
Long-term Loans and Advances	-		-	
Short-term Loans and Advances	(368.20)	(3,743.14)	(0.64)	(464.63)
Increase / (Decrease) in Current Liabilities				
Trade Payables	449.29		19.02	
Other Current Liabilities	1,429.98		7.14	
Other Long-term Liabilities	-		-	
Long Term Provision	1.14		0.14	
Short Term Provision	117.57	1,997.98	28.34	54.64
Cash Inflow / (Outflow) from Operations		(1,363.94)		(410.36)
Direct Taxes paid				
Income Tax Paid	0.24	-	-	-
Income Tax for Earlier years Written Back	-	0.24	-	-
Net Cash Inflow / (Outflow) from Operations (A)		(1,364.19)		(410.36)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(238.50)		(2.00)
Sale of Fixed Asset and Adjustments		-		-
Income from Interest/ Dividends		-		-
Reduction/ (Addition) of Work in Progress		-		-
(Increase)/ Decrease in Investments		-		-
Net Cash Inflow / (Outflow) from Investing Activities (B)		(238.50)		(2.00)



CASH FLOW STATEMENT *(contd.)* for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	-	1.00
Increase / (Decrease) in Borrowings	1,933.24	414.46
Decrease in Long Term Borrowings	-	-
Finance Charges	(325.95)	-
Wealth Tax Paid	-	-
Dividend Paid	-	-
Dividend Tax Paid	-	-
Deferred Government Grant	-	-
Net Cash Inflow / (Outflow) from Financing Activities (C)	1,607.29	415.46
Net Change in Cash or Cash Equivalents during the Year	4.61	3.11
Cash or Cash Equivalents at the beginning of the Year	3.11	-
Cash or Cash Equivalents at the end of the Year	7.71	3.11

In terms of our report of even date.

For RMA & Associates

Chartered Accountants

Firm Registration No. : 000978N

On behalf of the Board

Pankaj Chander

Partner

Membership No. 089065

Sunil Kumar Nayyar

Director

Devendra Kumar Maheshwari

Director

Place: New Delhi

Date: 23.05.14

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 1

CORPORATE INFORMATION:

Ferrovial Transrail Solutions Private Limited (FTS) is promoted by PNC Infratech Limited and BF Infrastructure Limited holding 51% and 49% stake respectively. FTS has emerged out of the cordial relations joint efforts of the abovementioned two companies. FTS has been formed for the purpose of carrying out the Project of Design, Procurement, Construction of track and track related works and its testing & commissioning for double track electrified railway line on a Design Build Lump Sum Basis from New Karwandiya (Rly. Km. 564) to Durgawati (Rly. Km. 630) approx. 66 KMs on Mughalsarai-Sonnagar Section of Eastern Dedicated Freight Corridor (Project) as floated by the Dedicated Freight Corridor Corporation of India Limited (DFCCIL).

SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation:

- i. The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis.
- ii. Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.
- iii. The preparation of financial statements are in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.

b) Fixed Assets and depreciation

- i. Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets.
- ii. Depreciation is being provided on "Written down value" basis in accordance with the provisions of Section 205(2)(a) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV to the said Act.
- iii. Depreciation on additions to assets during the year is being provided on pro-rata basis from the date of acquisition/installation.
- iv. Fixed Assets are shown net of accumulated depreciation.

c) Taxation:

Provision for Taxation has not been made as there are no profits for the year. Deferred Tax resulting from timing difference between Book Profits and Tax Profits is accounted for at the applicable rate of Tax to the extent the timing differences are expected to crystallize. In case of Deferred Tax Assets and Liabilities with reasonable certainty and in case of Deferred Tax Assets represented by unabsorbed depreciation and carried forward business losses, with virtual certainty that there would be adequate future taxable income against which Deferred Tax Assets can be realized.

d) Provisions:

Necessary Provisions are made for present obligations that arise out of past events prior to the Balance Sheet date entailing future outflow of economic resources. Such provisions reflect best estimates based on available information.

e) Revenue Recognition

Construction revenue and costs are recognized by reference to the stage of completion of the construction activity at the Balance Sheet date, as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 1

f) Related Party Disclosure:

i) Detail of related parties (as certified by management):

Key Managerial Personnel	Directors:
	Sunil Kumar Nayyar
	Shiv Kumar
	Devendra Kumar Maheshwari
	Anil Kumar Rao
	Swati Goyal
Holding Company	PNC Infratech limited
Venturer Company	BF Infrastructure Limited
Fellow Subsidiary of Venturer Company	BF-NTPC Energy Systems Limited

Balances of related parties as on 31.03.14

Particulars	₹ in Lacs	
BF Infrastructure Limited	2,347.71	Associates

g) Employee Benefits:

- Benefits in the form of Provident Fund is accounted on accrual basis and charged to Profit & Loss account of the year.
- Gratuity provision is being made in the books of accounts as per actuarial valuation based on Project Unit Credit Method as per Accounting Standard 15.
- Leave encashment provision is being made in the books of accounts as per actuarial valuation based on Project Unit Credit Method as per Accounting Standard 15.

h) Disclosure pursuant to Accounting Standard-7 'Construction Contracts'

(₹ in Lacs)

Particulars	Year ended March 31, 2014
Contract Revenue Recognized during the period	5797.90
Aggregate amount of contract cost incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	5551.56
Amount of customer advances outstanding for contracts in progress up to the reporting date	1140.49
Retention amount due from customers for contract in progress up to the reporting date	286.79
Due from customers	48.20
Due to customers	466.74

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
NOTE 2 SHARE CAPITAL		
SHARE CAPITAL		
Equity Share Capital		
AUTHORISED	1.00	1.00
10,000 shares of par value of ₹10/- each		
ISSUED, SUBSCRIBED AND PAID-UP	1.00	1.00

Detail Of Shareholder Detail

Reconciliation of the shares outstanding at the beginning and the at the end of the reporting year

Equity Shares

At the beginning of the year	10,000	-
Issued During the year	-	10,000
Outstanding at the year end	10,000	10,000

The Company has only one class of equity shares having a par value of Re. 10 per share. Each holder of equity is entitled to one vote per share.

In event of liquidation of the Company, the total proceeds from such liquidation event remaining to be distributed among the holders of the shares of the Company after discharging the liabilities of the Company.

Share in the Company held by each shareholder holding more than 5% shares :

Particulars	March 31, 2014	March 31, 2013
	No.	No.
PNC Infratech Limited	5,100	5,100
BF Infrastructure Ltd.	4,900	4,900
Total	10,000	10,000

NOTE 3 RESERVES AND SURPLUS

General Reserve		
Surplus /(Loss)		
As per last balance sheet	(0.55)	-
Add(Less):-Profit (Loss) after tax for the year from Profit & Loss Statement	0.24	(0.55)
Sub-Total	(0.31)	(0.55)

NOTE 4 DEFERRED TAX LIABILITIES (NET)

Depriciation As Per IT Act.	54.45	0.19
Depriciation As Per Companies Act	54.94	0.17
	(0.49)	0.01
Deferred Tax Liability @ 30.9%	0.00	-
Deffered Tax Assets @ 30.9%	0.15	-
DEFERRED TAX LIABILITY/ASSETS	0.15	-
Add: Reversal of DIL		
Amount to be Transferred to profit & Loss account	0.00	0.00
	0.15	0.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 5 LONG TERM PROVISION		
Gratuity Payable	0.63	0.14
Leave Encashment Payable	0.65	-
Sub-Total	1.28	0.14

NOTE 6 SHORT TERM BORROWINGS		
BF Infrastructure Limited	2,347.71	414.46
Closing Balance	2,347.71	414.46

NOTE 7 TRADE PAYABLE		
Trade Payable	466.74	17.45
TOTAL	466.74	17.45

NOTE 8 OTHER CURRENT LIABILITIES		
Securities Held	296.14	6.65
Advance from Dedicated Freight Corridor Corporation of India	1,140.49	-
TOTAL	1,436.64	6.65

NOTE 9 SHORT TERM PROVISION		
Expenses Payable	118.35	21.48
Duties & Taxes	29.14	8.46
Gratuity	0.01	-
Leave Encashment	0.01	-
	147.51	29.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE 10 FIXED ASSETS

	Tangible						Intangible			Total Assets As at 31.03.14
	Furniture and fixtures	Office equipments	Temporary Structure	Porta Cabin	Plant & Machinery	Sub Total	Software	Website	SubTotal	
Cost										
At April 1, 2012	-									
Additions	0.24	0.88	-	-	-	1.12	0.43	0.45	0.88	2.00
Disposals	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
- Borrowing cost	-	-	-	-	-	-	-	-	-	-
- Exchange differences	-	-	-	-	-	-	-	-	-	-
At March 31, 2013	0.24	0.88	-	-	-	1.12	0.43	0.45	0.88	2.00
Additions	0.23	1.49	21.84	7.89	207.05	238.50	-	-	-	238.50
Disposals	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
- Borrowing cost	-	-	-	-	-	-	-	-	-	-
- Exchange differences	-	-	-	-	-	-	-	-	-	-
As at March 31, 2014	0.47	2.37	21.84	7.89	207.05	239.62	0.43	0.45	0.88	240.50
Depreciation										
At April 1, 2012	-	-	-	-	-	-	-	-	-	-
Charge for the year	0.01	0.04	-	-	-	0.05	0.04	0.08	0.12	0.17
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2013	0.01	0.04	-	-	-	0.05	0.04	0.08	0.12	0.17
Charge for the year	0.27	0.37	5.97	2.30	45.73	54.64	0.14	0.14	0.29	54.94
Disposals	-	-	-	-	-	-	-	-	-	-
At March 31, 2014	0.28	0.41	5.97	2.30	45.73	54.69	0.18	0.23	0.41	55.11
Net Block										
As at March 31, 2013	0.22	0.84	-	-	-	1.07	0.39	0.37	0.76	1.82
As at March 31, 2014	0.18	1.96	15.86	5.60	161.33	184.92	0.26	0.22	0.47	185.39



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 11 PROJECT WORK IN PROGRESS		
Civil Work	-	134.77
Personnel Expenses	-	11.06
Office Rent & Maintenance Expenses	-	0.40
Office expenses	-	1.90
Insurance Charges	-	3.80
Professional Charges	-	0.51
Other Site Expenses	-	1.06
Travelling Expenses	-	12.23
Business Promotion	-	75.21
Interest Expenses	-	34.41
BG Commission	-	3.43
Management Consultancy Service	-	29.00
TOTAL	-	307.78

NOTE 12 CASH AND BANK BALANCES

Cash-in- Hand	0.29	0.27
Cash Imprest - Sasaram	0.84	0.00
Total A	1.13	0.27
Cash-at-Bank		
Axia Bank - Sasaram	1.75	0.64
Axis Bank- Noida	4.83	2.20
Total B	6.58	2.84
Total (A+B)	7.71	3.11

NOTE 13 SHORT TERM LOANS AND ADVANCES

BF-NTPC Energy Systems Ltd.	0.18	0.18
Mobilization Advance	368.20	-
Total	368.39	0.18

NOTE 14 OTHER CURRENT ASSETS

Prepaid Expenses	4.12	9.74
BID Security Deposit with Dedicated Freight Corridor Corporation of India	140.00	140.00
Income accrued but not Billed	2929.98	-
Cenvet Credit(ST)	-	6.21
Education Cess on Service Tax (2%)	-	0.12
High Education Cess on Service Tax (1%)	-	0.06
Security Deposit Dedicated Freight Corridor Corporation of India	286.79	-
Security Deposit	3.95	0.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
NOTE 14 OTHER CURRENT ASSETS		
Advance for Sleeper	49.16	
TDS	88.48	-
WCT Receivable	143.40	-
Withheld - DFCC	138.89	-
Entry Tax	2.22	-
Excel Building Material P. Ltd.	3.58	-
Advance to Employees	0.10	-
Mosaic Infrastructures Pvt Ltd	0.05	-
TOTAL	3790.72	156.21

NOTE 15 PROJECT EXPENSES		
Opening Project WIP	307.78	-
Drain Work	13.43	-
Excise Duty	208.58	-
Electrification Work	25.74	-
Land Upgradation	61.56	-
Infrastructure Development	103.00	-
Labour Cess	28.68	-
Concrete Bed	2.94	-
Rail Stacking Bed	89.81	-
Shifting Charges	1.87	-
Transportation Charges	0.03	-
Sleepers	3,220.38	-
CST 2%	41.52	-
Design Consultancy Fee	52.67	-
Drawings Expsnses	0.27	-
Flash Butt Welding	246.63	-
Freight and Cartage Charge	194.39	-
Hexagonal Paver Block	16.97	-
Insurance Expenses	33.39	-
Loading & Unloading Exp.	96.42	-
Setting out Alignment	1.09	-
Spreading and Compacting	0.23	-
Total	4,747.39	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE 16 GENERATION, ADMINISTRATION & OTHER EXPENSES		
Business Promotion	129.36	-
Office Expenses	11.84	-
Personnel Expenses	309.02	-
Service Tax	6.40	-
Site Expenses	41.25	-
Travelling and Conveyance	29.15	-
Advertisement Expenses	0.23	-
Preliminary Exps.Written Off	-	0.10
Bank Charges	-	0.02
Exps Written Off	-	0.00
Audit Fee	0.28	0.25
Consultancy Fee	92.57	-
Demurrage Charges	5.15	-
Festival Expenses	2.10	-
Legal and Professional Charges	2.16	-
Lodging and Boarding	6.81	-
Rent Expenses	47.58	-
Security Charges	10.11	-
Repair and Maintenance	10.42	-
Total	704.42	0.38

In terms of our report of even date.

For RMA & Associates

Chartered Accountants

Firm Registration No. : 000978N

On behalf of the Board

Pankaj Chander

Partner

Membership No. 089065

Sunil Kumar Nayyar

Director

Devendra Kumar Maheshwari

Director

Place: New Delhi

Date: 23.05.14

DIRECTORS' REPORT

Dear members

Your Directors take pleasure in presenting the 4th Annual Report and Audited Accounts for the financial year, ended March 31, 2014.

FINANCIAL PERFORMANCE

During the year, the Company managed to achieve a total receipt of ₹3127.40 lacs, against which it incurred expenses of ₹4647.55 lacs, thereby making a loss of ₹1520.15 lacs. However, your Directors are optimistic of earning a sizeable revenue and profit in the financial year 2014-15.

PROGRESS OF THE PROJECT

The Company is smoothly collecting toll in the Gwalior-Bhind Road Project and hopeful of increase in toll collection.

DIVIDEND

Since the company does not have any profit during the period under review, your Directors do not recommend any dividend.

BOARD OF DIRECTORS

At the ensuing Annual General Meeting, Shri Anil Kumar Rao, Managing Director retire, by rotation and being eligible, offer himself for re-appointment in terms of the provisions of Articles of Association. Your Directors recommends his re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 217 (2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts for the year ended March 31, 2014; the applicable accounting standards were followed
- (ii) That appropriate accounting policies were selected and applied consistently and judgments and estimates that were reasonable and prudent were made so as to give a true and fair view of the state of affairs as on March 31, 2014 and of the profit of the Company for the financial year ended March 31, 2014
- (iii) That proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (iv) That the annual accounts for the year ended March 31, 2014 were prepared on a going concern basis

FIXED DEPOSITS

During 2013-14, the Company did not accept any public deposits under Section 58A or 58AA of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules 1975.

AUDITORS

M/s RMA & Associates., Chartered Accountants, (Firm Registration 124 | PNC Infratech Limited

No.000978N), Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company received a certificate from the Auditor to the effect that their reappointment, if made, would be in accordance with Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanations.

HOLDING COMPANY

Your Company is a subsidiary of PNC Infra Holdings Limited having its registered office at Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V (Saket), New Delhi. PNC Infra Holdings Ltd, being subsidiary of PNC Infratech Limited, thereby making your Company a step down subsidiary of PNC Infratech Limited.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, there are no employees who are drawing remuneration more than the limits prescribed u/s 217 (2A) of the Companies Act, 1956.

INDUSTRIAL RELATIONS

The company enjoyed cordial relations during the year under review and the Management place on record their appreciation for the significant contribution made by all employees, who through their competence, hard work, cooperation and support have enabled the Company to prosper.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the company has not imported any technology, there is no foreign exchange earnings or outgo, and no energy saving devices have been installed, hence information required under section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are not required.

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to the Madhya Pradesh Road Development Corporation Limited and Bankers of the Company for their continued support extended to the Company.

For and on behalf of the Board of Directors

Anil Kumar Rao
(Managing Director)

Yogesh Kumar Jain
(Director)

Place: New Delhi

Dated: June 12, 2014



INDEPENDENT AUDITOR'S REPORT

To
The Members of
MP HIGHWAYS PVT. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of MP Highways Pvt. Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act. We give in the annexure a statement on the matter specified in paragraphs 4 and 5 of the order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the Statement of Account of MP Highways Private Limited as at the end for the year ended 31st March 2014:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has conducted physical verification at a reasonable interval of its fixed assets during the period covered under our audit. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets.
- (ii) There is no inventory; hence this clause is not applicable to the company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, Therefore, the provisions of sub clause (a), (b), (c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (b) The Company has not taken loans secured or unsecured or deposits from the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year, Therefore, the provisions of sub clause (a),(b),(c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of fixed assets. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, There is no transaction made in pursuance of contracts or arrangements referred to in Section 301 of the Companies Act 1956, Hence this clause is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, there is not transaction during the year. Hence this clause is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of the section 58A and 58AA of the Companies Act, 1956 and rules framed there under apply.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues have generally been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding at 31.03.2014 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company has ₹17.05 Crore accumulated losses at the end of the financial year and it has incurred cash losses of ₹5.87 Crore during the financial year under audit and ₹1.36 Crore immediately preceding financial year.
- (xi) Based on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to their bankers. There were no debenture holders at any time during the year and at the year end.



- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, The Company is not a chit fund, nidhi / mutual benefit fund / society, Hence this clause is not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments, hence this clause is not applicable to the Company.
- (xv) As per the information and explanations given to us, the company has not given any guarantee for loans taken by other(s), from Banks/ Financial Institution, Hence this clause is not applicable to the Company.
- (xvi) According to the information and explanations given to us, terms loans taken by the company were applied by the company for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us on the basis of overall examination of the balance sheet of the company as at March 31, 2014, we report that no funds raised on short term basis were utilized for long term investment.
- (xviii) According to the certificates given to us by the company, we report that the company has not made any preferential allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued debentures during the year; Hence this clause is not applicable to the Company.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the company has not made an Initial Public Offer (IPO).
- (xxi) 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 and according to the information and explanations given to us, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194

BALANCE SHEET as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	7,830.00	7,830.00
(b) Reserves and surplus	B	953.47	2,145.06
(c) Money Received against share warrants		-	-
		8,783.47	9,975.06
2 Share Application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	C	22,797.55	20,841.19
(b) Deferred tax liabilities (Net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
		22,797.55	20,841.19
4 Current liabilities			
(a) Short-term borrowings	D	510.67	114.00
(b) Trade payables	E	120.07	3,105.43
(c) Other current liabilities	F	284.77	378.57
(d) Short-term provisions		-	-
		915.51	3,598.00
TOTAL		32,496.53	34,414.25
ASSETS			
1 Non-current assets			
(a) Fixed assets	G		
(i) Tangible assets		164.13	180.58
(ii) Intangible assets under development		31,932.10	32,837.43
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets		-	-
		32,096.23	33,018.01
2 Current assets			
(a) Current Investment	H	127.90	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash & Cash equivalents	I	69.05	1,316.77
(e) Short-term loans and advances	J	203.35	79.47
(f) Other current assets		-	-
		400.30	1,396.24
TOTAL		32,496.53	34,414.24

In terms of our report of even date.
For RMA & Associates
Chartered Accountants

On behalf of the Board

(Vishal Gupta)
Partner
Membership No. 524194

Anil Kumar Rao
(Managing Director)

Yogesh Kumar Jain
(Director)

Place: New Delhi
Date: 12.06.2014
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Tapan Jain
(Company Secretary)



STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
INCOME			
I. Revenue from Operations	K	3,096.45	139.43
II. Other Income	L	30.95	2.23
III. Total Revenue		3,127.40	141.66
IV. Expenses			
Cost of material consumed & Contract paid		594.18	-
Purchase of Stock- in- Trade		-	-
Change in inventories of finished goods, W.I.P. And Stock in Trade		-	-
Employee benefit expense	M	149.91	20.04
Financial Costs	N	2,842.72	182.03
Depreciation and amortization expenses	G	933.04	49.53
Other expenses	O	127.71	75.44
Total Expenses		4,647.56	327.04
V. Profit Before Exceptional And Extraordinary Items And Tax		(1,520.16)	(185.38)
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary And Tax (V-VI)		(1,520.16)	(185.38)
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		(1,520.16)	(185.38)
X. Tax Expenses			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		(1,520.16)	(185.38)
XII. Profit (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI+XIV)		(1,520.16)	(185.38)
XVI. Earning per equity shares:			
(1) Basic (In ₹)		(1.94)	(0.27)
(2) Diluted (In ₹)		(1.94)	(0.27)
Additional notes	P		

In terms of our report of even date.
For RMA & Associates
Chartered Accountants

On behalf of the Board

(Vishal Gupta)
Partner
Membership No. 524194

Anil Kumar Rao
(Managing Director)

Yogesh Kumar Jain
(Director)

Place: New Delhi
Date: 12.06.2014

Tapan Jain
(Company Secretary)

CASH FLOW STATEMENT for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax		
Net Profit /(Loss) before Tax & extraordinary items	(1,520.16)	(185.38)
Adjustment for		
Short Term/ Long Term Capital Gain/(Loss) on sale of Fixed Asset/Investment	-	-
Dividend Income	-	-
Depreciation	933.04	-
	-	-
Operating Profit / (Loss) before working capital changes	(587.12)	(185.38)
Adjustment for Changes in Working Capital		
Increase in current Liabilities	(2,682.49)	(1,834.01)
Increase in Mob Advance	-	2,935.19
Increase in Short term loans & Advances	(123.88)	(79.29)
Cash Generated from/(used) from operating activities	(3,393.49)	836.51
Direct Taxes Paid	-	-
Cash (used in)/ from operating activities before extraordinary Items	(3,393.49)	836.51
Preliminary Exp.	-	27.32
Cash Generated from/(used) from operating activities (A)	(3,393.49)	863.83
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital WIP	(11.25)	(18,432.51)
Mutual Fund	(127.90)	-
Net Cash (used in) / from Investing Activities (B)	(139.15)	(18,432.51)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Capital Grant	328.56	2,330.44
Unsecured Loan	-	-
Subscription of Equity Shares	-	3,915.00
Term Loans	1,956.36	12,341.21
Net Cash (used in) / from Financing Activities (C)	2,284.92	18,586.65
Net Cash Increase in cash & Cash equivalents (A+B+C)	(1,247.72)	1,017.97
Cash & Cash equivalents in beginning	1,316.77	298.80
Cash & Cash equivalents as at the end	69.05	1,316.77

In terms of our report of even date
For RMA & Associates
Chartered Accountants

On behalf of the Board

(Vishal Gupta)
Partner
Membership No. 524194

Anil Kumar Rao
(Managing Director)

Yogesh Kumar Jain
(Director)

Place: New Delhi
Date: 12.06.2014

Tapan Jain
(Company Secretary)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE A SHARE CAPITAL

i) Authorized Share Capital (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	78300000	7830.00	78300000	7830.00
Total			7830.00		7830.00

ii) Issued, Subscribed and Paid-up Capital (Fully Paid-up): (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	78300000	7830.00	78300000	7830.00
Total			7830.00		7830.00

iii) Reconciliation of Number of Shares Outstanding:

Class of Shares	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. Of Equity Shares	
Opening outstanding	78300000		39150000	
Addition during the period	-		39150000	
Closing outstanding	78300000		78300000	

iv) Details of shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. of Equity Shares	
PNC Infra Holdings Ltd*	78300000		78300000	

*Six equity shares are issued to the nominees of PNC Infra Holdings Limited

(₹ in Lacs)

Particulars	Securities Premium Reserve		Capital Reserve		Profit & Loss A/c		Total	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
NOTE B RESERVE & SURPLUS								
Balance as per last Balance Sheet	-	-	2330.44	-	(185.38)	-	2145.06	-
Addition during the year	-	-	328.56	2330.44	(1520.16)	(185.38)	(1191.60)	2145.06
Balance at the end of the year	-	-	2659.00	2330.44	(1705.53)	(185.38)	953.47	2145.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE C LONG-TERM BORROWINGS		
Secured:		
Term Loans:		
from Bank	22,797.55	20,841.19
from Others		
Sub Total	22,797.55	20,841.19
Secured:	22,797.55	20,841.19
Loan from related parties		
Gross Total	22,797.55	20,841.19

Terms and Condition of Repayment of Loan

Sr.	Particulars of Lender	Nature of Loan	Sanctioned Amount	Interest Type	Mode of Repayment	Nature of Security
1	Axis Bank Limited	Secured Term Loan	₹55.00 Crore	Floating	115 unequal monthly instalments commencing from September 2014.	All movable & immovable assets of the company
2	Union Bank		₹85.00 Crore			
3	State Bank of Patiala		₹50.00 Crore			
4	Vijaya Bank		₹45.00 Crore			

NOTE D SHORT TERM BORROWINGS

Secured:		
Term Loans:		
from Bank	410.67	-
from Others		-
Sub Total	410.67	-
Unsecured:		
Loan from related parties	100.00	114.00
Gross Total	510.67	114.00

NOTE E TRADE PAYABLE

Micro, Small & Medium Enterprises	0	0
Others	120.07	3105.43
Total	120.07	3105.43

(a) Suppliers/Service providers covered under Micro, Small Medium Enterprises Development Act, 2006 have not furnished the information. In view of this, information required to be disclosed u/s 22 of the said Act is not given.

(i) Due to companies under the same management / subsidiaries:

PNC Infratech Ltd.	46.93	3105.43
Total	46.93	3105.43



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE F OTHER CURRENT LIABILITIES		
Duties & Taxes	1.09	61.25
Security Deducted from Contractors/ Suppliers	238.50	175.86
Other Payables	45.18	141.46
Total	284.77	378.57

NOTE G FIXED ASSETS

(₹ in Lacs)

Particulars	Gross Block			Depreciation / Amortisation			Net Block		
	As at 1st April 2013	Addition	As at 31st Mar 2014	Opening Bal as on 1st April 2013	Dep for the Year 13-14	Other adjustments	As at 31st Mar 2014	As at 31st Mar 2014	As at 31st Mar 2013
Tangible Assets									
Land	-	-	-	-	-	-	-	-	-
Computer	1.36	-	1.36	0.02	0.22	-	0.24	1.12	1.34
Air Condition	1.97	-	1.97	0.00	0.09	-	0.09	1.88	1.97
Camera	0.36	-	0.36	0.00	0.02	-	0.02	0.34	0.36
Coolers	0.35	-	0.35	0.00	0.02	-	0.02	0.33	0.35
Electric Equipments	1.04	-	1.04	0.02	0.14	-	0.16	0.88	1.02
Fans	0.57	-	0.57	0.00	0.08	-	0.08	0.49	0.57
Furniture & Fixtures	2.59	-	2.59	0.02	0.16	-	0.18	2.41	2.57
Fire Extinguisher	1.48	-	1.48	0.00	0.09	-	0.09	1.39	1.48
Mobile Phone Instruments	0.59	-	0.59	0.01	0.04	-	0.04	0.55	0.59
Television	0.36	-	0.36	0.00	0.02	-	0.02	0.34	0.36
Tools & Safety Equipments	0.81	-	0.81	0.01	0.04	-	0.05	0.77	0.81
Toll Plaza Equipments	169.25	-	169.25	0.07	25.93	-	26.00	143.25	169.18
R.O System	-	0.96	0.96	-	0.04	-	0.04	0.92	-
Refregerator	-	0.72	0.72	-	0.03	-	0.03	0.69	-
Traveller Ambulance	-	9.58	9.58	-	0.79	-	0.79	8.79	-
Total (A)	180.73	11.26	191.99	0.15	27.70	-	27.85	164.14	180.58
Intangible Assets									
Concessionaire Rights	32,886.80	-	32,886.80	49.37	905.33	-	954.70	31,932.10	32,837.43
Total (B)	32,886.80	-	32,886.80	49.37	905.33	-	954.70	31,932.10	32,837.43
Total (A) + (B)	33,067.53	11.26	33,078.79	49.52	933.03	-	982.55	32,096.24	33,018.01
Previous Year Figures	14,585.50	18,482.03	33,067.53	-	49.52	-	49.52	33,018.01	14,585.50

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE H CURRENT INVESTMENT		
Axis Mutual Fund	127.90	-
Total	127.90	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
NOTE I CASH & CASH EQUIVALENTS		
Cash & Cash Equivalents		
Cash on hand	16.67	18.65
Cheques/ Drafts in Hand		
Balances with Banks		
On Current account	52.37	1232.63
Other Bank Balances		
Deposits with maturity less than 3 months		65.49
Deposits with maturity for more than 3 months but less than 12 months		
Deposits with maturity for more than 12 months		
Total	69.05	1316.77
NOTE J SHORT-TERM LOANS & ADVANCES		
Advance to Suppliers / Staff	10.94	2.05
Security Given	83.21	76.26
Advance Tax & TDS	109.21	1.16
Total	203.36	79.47
Unsecured, considered Good	203.36	79.47
Total	203.36	79.47
NOTE K REVENUE FROM OPERATION		
Toll Collection A/C - Bhind	1196.73	69.25
Toll Collection A/C - Gwalior	1305.54	70.18
Contract Receipt	594.18	0.00
Total	3096.45	139.43
NOTE L OTHER INCOME		
Interest Income	7.44	2.23
Insurance Claim received	5.97	0.00
Profit / Loss on Sale of Mutual Fund	17.53	0.00
Total	30.95	2.23
NOTE M EMPLOYEE BENEFIT EXPENSES		
Salary	147.01	17.44
Staff Accommodation Exp.	1.59	2.59
Contribution to Provident Fund	1.31	0.02
Total	149.91	20.04



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE N FINANCIAL COST		
Interest Exp.	2842.72	182.03
Total	2842.72	182.03

NOTE O OTHER EXPENSES		
Advertisement exp.	1.04	1.29
Consumable stores	1.35	0.10
Electric exp.	9.70	1.38
Oil grease & lubricants exp (diesel/lub)	32.65	4.68
Repair & maintenance exp.	0.88	0.08
Toll plaza exp.	0.69	0.18
Audit fees	0.84	0.56
Bank charge	6.73	1.11
Car exp.	0.00	0.14
Computer exp.	0.33	0.07
Conveyance exp.	0.46	0.33
Freight exp.	0.31	0.04
Guest house exp.	0.00	0.12
Hire charges	6.96	1.35
Insurance premium	0.09	0.03
Legal & professional exp.	15.81	2.15
Medical expenses	0.13	0.03
Mess exp.	0.03	0.13
Mess utensils	0.06	0.12
Motor cycle exp.	0.00	0.00
Office exp.	2.64	0.32
Rent paid	4.35	0.30
Security exp.	32.81	13.21
Stationery & printing exp	0.94	0.09
Service tax	0.02	0.26
Mobile phone exp.	1.93	0.24
Site exp.	4.51	0.66
Concession fee	0.00	0.00
Preliminary exp.	0.00	46.47
Labour exp.	1.24	0.00
Water supply exp.	1.21	0.00
Total	127.71	75.44

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
NOTE P ADDITIONAL NOTES		
(l) Amount paid or payable to Auditor as Fees		
Audit Fees	0.84	0.56
Total	0.84	0.56

NOTE RELATED PARTY DISCLOSURES

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	
1. (i) Payment on account of EPC Contract Sub Contract to PNC Infratech Ltd		594.18
(ii) Unsecured Loan from Related Party PNC Infra Holdings Ltd		100.00
2. Amount Outstanding at Reporting date		
(i) Amount Payable PNC Infratech Ltd		46.74

NOTE SIGNIFICANT ACCOUNTING POLICIES**Nature of Operation**

The Company has been awarded the work of " Development, Maintenance and Management of Two Laning of existing road from Km. 0.000 to Km. 108.00 (approximately 107.50 Km) on the Gwalior- Bhind upto UP Border Section National Highways No.92 in the State Of Madhya Pradesh on Design, Build, Finance, Operate and Transfer (DBFOT) basis" and the collected toll fees to be retain and appropriate receivables as per the concession agreement dated 13.12.2010 with MPRDC.

1. Basis of preparation of financial statements:

These financial statements are prepared in accordance with generally accepted accounting principles in India under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 1956 and comply in material aspect with the accounting standard notified under section 211(3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006. Accounting Policies have been consistently applied

except where a newly issued accounting standard requires a change in the accounting policy hitherto in use.

2. Use of estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingents liabilities at the date of financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



NOTE **SIGNIFICANT ACCOUNTING POLICIES**

3. Fixed assets

Intangible assets are recognized in accordance with the criteria specifies in Accounting Standard (AS) 26 "Intangible Assets" issued by Institute of Chartered Accountants of India.

Highways Projects representing toll collection rights are obtained in consideration for construction, operation and maintenance of the project on design, build, Finance, operate and Transfer basis. The cost of such Highways project companies' construction cost including finance cost incurred during the implementation phase. Such Highways project on completion are capitalized on intangible Assets and are amortized over the period of rights given under the concession agreement as they represent right to collect toll revenue during concession period.

Pre-operative expenses incurred upto the date of commencement of commercial operations are shown separately pending allocation.

4. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted of the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents in the Balance Sheet comprise cash and cash at bank.

5. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and revenue can be reliable measured.

6. Foreign Exchange Transaction

The Company has neither received/ earned nor paid any amount in foreign exchange.

7. Borrowing costs:

Borrowing costs that are attributed to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

8. Segment Reporting:

The Company's operations pre-dominantly consist of infrastructure development and construction, hence it operates in one business segment, Thus, the reporting requirement of Accounting Standard (AS-17) "Segment Reporting" are not applicable.

9. Events occurring After Balance Sheet Date

Events occurring after the balance sheet date have been considered in the preparation of financial statements.

10. Provisions, Contingent liabilities and contingent assets:

Provisions are recognized when the company has a present legal and constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liability are not recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

DIRECTORS' REPORT

Dear members

Your Directors take pleasure in presenting the 4th Annual Report and Audited Accounts for the financial year, ended March 31, 2014.

PROGRESS OF THE PROJECT

The construction work for the project, which was started during last quarter of the previous financial year, is going on full swing.

DIVIDEND

Since the company does not have any profit during the period under review, your Directors do not recommend any dividend.

BOARD OF DIRECTORS

At the ensuing Annual General Meeting, Shri Chakresh Kumar Jain, Managing Director, retire, by rotation and being eligible, offers himself for re-appointment in terms of the provisions of Articles of Association. Your Directors recommends his re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 217 (2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts for the year ended March 31, 2014; the applicable accounting standards were followed
- (ii) That appropriate accounting policies were selected and applied consistently and judgments and estimates that were reasonable and prudent were made so as to give a true and fair view of the state of affairs as on March 31, 2014 and of the profit of the Company for the financial year ended March 31, 2014
- (iii) That proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (iv) That the annual accounts for the year ended March 31, 2014 were prepared on a going concern basis.

FIXED DEPOSITS

During the financial year, the Company did not accept any public deposits under Section 58A or 58AA of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules 1975.

AUDITORS

M/s RMA & Associates., Chartered Accountants, (Firm Registration No.000978N), Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company received a certificate from the Auditor to the effect that their reappointment, if made, would be in accordance with Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

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2014.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanations.

AUDIT COMMITTEE

In accordance with provisions of Companies Act, 1956, the Company has a Audit Committee comprising of Shri Chakresh Kumar Jain, Shri Yogesh Kumar Jain and Shri Anil Kumar Rao, being the members. During the year, there were not any recommendations of the Audit Committee that were not accepted by the Board. Hence there is no need for the disclosure of the same in this report.

HOLDING COMPANY

Your Company is a subsidiary of PNC Infra Holdings Limited having its registered office at Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V (Saket), New Delhi. PNC Infra Holdings Ltd, being subsidiary of PNC Infratech Limited, thereby making your Company a step down subsidiary of PNC Infratech Limited.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, there are no employees who are drawing remuneration more than the limits prescribed u/s 217 (2A) of the Companies Act, 1956.

INDUSTRIAL RELATIONS

The company enjoyed cordial relations during the year under review and the Management place on record their appreciation for the significant contribution made by all employees, who through their competence, hard work, cooperation and support have enabled the Company to prosper.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the company has not imported any technology, there is no foreign exchange earnings or outgo, and no energy saving devices are required, hence information required under section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are not required.

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to the NHAI, Oriental Bank of Commerce, Central Bank of India and employees of PNC Infratech Limited who are executing the project for their continued support extended to the company.

For and on behalf of the Board of Directors

Chakresh Kumar Jain
(Managing Director)

Yogesh Kumar Jain
(Director)

Place: New Delhi

Dated: June 12, 2014



INDEPENDENT AUDITOR'S REPORT

To
The Members of
PNC Kanpur Highways Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of PNC Kanpur Highways Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the Statement of Account of PNC Kanpur Highways Limited as at the end for the year ended 31st March 2014:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has conducted physical verification at a reasonable interval of its fixed assets during the period covered under our audit. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets.
- (ii) There is no inventory; hence this clause is not applicable to the company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, Therefore, the provisions of sub clause (a), (b), (c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (b) The Company has not taken loans secured or unsecured or deposits from the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year, Therefore, the provisions of sub clause (a),(b),(c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of fixed assets. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, There is no transaction made in pursuance of contracts or arrangements referred to in Section 301 of the Companies Act 1956, Hence this clause is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, there is not transaction during the year. Hence this clause is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of the section 58A and 58AA of the Companies Act, 1956 and rules framed there under apply.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues have generally been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding at 31.03.2014 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company has not accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year under audit and immediately preceding financial year.



- (xi) Based on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to their bankers. There were no debenture holders at any time during the year and at the year end.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, The Company is not a chit fund, nidhi / mutual benefit fund / society, Hence this clause is not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments, hence this clause is not applicable to the Company.
- (xv) As per the information and explanations given to us, the company has not given any guarantee for loans taken by other(s), from Banks/ Financial Institution, Hence this clause is not applicable to the Company.
- (xvi) According to the information and explanations given to us, terms loans taken by the company were applied by the company for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us on the basis of overall examination of the balance sheet of the company as at March 31, 2014, we report that no funds raised on short term basis were utilized for long term investment.
- (xviii) According to the certificates given to us by the company, we report that the company has not made any preferential allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued debentures during the year; Hence this clause is not applicable to the Company.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the company has not made an Initial Public Offer (IPO).
- (xxi) 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 and according to the information and explanations given to us, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194

BALANCE SHEET as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	6,750.00	6,750.00
(b) Reserves and surplus	B	7,090.00	-
(c) Money Received against share warrants		-	-
		13,840.00	6,750.00
2 Share Application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	C	15,450.00	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
		15,450.00	-
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	D	5,140.20	9,091.23
(c) Other current liabilities	E	569.34	692.26
(d) Short-term provisions		-	-
		5,709.54	9,783.49
TOTAL		34,999.54	16,533.49
ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital WIP		-	-
(iv) Intangible assets under development	F	26,881.29	10,091.92
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	G	4,978.24	6,289.74
(e) Other non-current assets	H	45.44	45.44
		31,904.97	16,427.10
2 Current assets			
(a) Current Investment		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash & Cash equivalents	I	373.95	49.79
(e) Short-term loans and advances	J	-	56.60
(f) Other current assets	K	2,720.62	-
		3,094.57	106.39
TOTAL		34,999.54	16,533.49

In terms of our report of even date
For RMA & Associates
Chartered Accountants

On behalf of the Board

(Vishal Gupta)
Partner
Membership No. 524194

Chakresh Kumar Jain
(Managing Director)

Yogesh Kumar Jain
(Director)

Place: New Delhi
Date: 12.06.2014

Atul Kumar Pandey
(Company Secretary)



STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
INCOME			
I. Revenue from Operations	L	144.20	929.00
II. Other Income		-	-
III. Total Revenue		144.20	929.00
IV. Expenses			
Cost of material consumed & Contract paid	M	144.20	929.00
Purchase of Stock- in- Trade		-	-
Change in inventories of finished goods, W.I.P. And Stock in Trade		-	-
Employee benefit expense		-	-
Financial Costs		-	-
Depreciation and amortization expenses		-	-
Other expenses		-	-
Total Expenses		144.20	929.00
V. Profit Before Exceptional And Extraordinary Items And Tax		-	-
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary And Tax (V-VI)		-	-
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		-	-
X. Tax Expenses			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		-	-
XII. Profit (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI+XIV)		-	-
XVI. Earning per equity shares:			
(1) Basic (In ₹)		-	-
(2) Diluted (In ₹)		-	-
Additional notes	N		

In terms of our report of even date
For RMA & Associates
Chartered Accountants

On behalf of the Board

(Vishal Gupta)
Partner
Membership No. 524194

Chakresh Kumar Jain
(Managing Director)

Yogesh Kumar Jain
(Director)

Place: New Delhi
Date: 12.06.2014

Atul Kumar Pandey
(Company Secretary)

CASH FLOW STATEMENT for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax		
Net Profit /(Loss) before Tax & extraordinary items	-	-
Adjustment for	-	-
Short Term/ Long Term Capital Gain/(Loss) on sale of Fixed Asset/Investment	-	-
Dividend Income	-	-
Interest Income	-	-
Operating Profit / (Loss) before working capital changes	-	-
Adjustment for Changes in Working Capital		
Increase in current Liabilities	(4,073.95)	7,903.78
Increase in Mob Advance	1,525.52	145.26
Increase in Short term loans & Advance	(2,878.05)	(56.04)
Cash Generated from/(used) from operating activities	(5,426.48)	7,993.00
Direct Taxes Paid	-	-
Cash (used in)/ from operating activities before extraordinary Items	(5,426.48)	7,993.00
Preliminary Exp.	-	-
Cash Generated from/(used) from operating activities (A)	(5,426.48)	7,993.00
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital WIP	(16,789.36)	(8,103.87)
Net Cash (used in) / from Investing Activities (B)	(16,789.36)	(8,103.87)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Capital Grant	7,090.00	-
Subscription of Equity Shares	-	-
Term Loans	15,450.00	-
Net Cash (used in) / from Financing Activities (C)	22,540.00	-
Net Cash Increase in cash & Cash equivalents (A+B+C)	324.16	(110.87)
Cash & Cash equivalents in beginning	49.79	160.66
Cash & Cash equivalents as at the end	373.95	49.79

In terms of our report of even date
For RMA & Associates
Chartered Accountants

On behalf of the Board

(Vishal Gupta)
Partner
Membership No. 524194

Chakresh Kumar Jain
(Managing Director)

Yogesh Kumar Jain
(Director)

Place: New Delhi
Date: 12.06.2014

Atul Kumar Pandey
(Company Secretary)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE A SHARE CAPITAL

i) Authorized Share Capital (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	68000000	6800.00	68000000	6800.00
Total			6800.00		6800.00

ii) Issued, Subscribed and Paid-up Capital (Fully Paid-up): (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	67500000	6750.00	67500000	6750.00
Total			6750.00		6750.00

iii) Reconciliation of Number of Shares Outstanding:

Class of Shares	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. of Equity Shares	
Opening outstanding	67500000		67500000	
Addition during the period	-		-	
Closing outstanding	67500000		67500000	

iv) Details of shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. of Equity Shares	
PNC Infra Holdings Ltd.*	67500000		67500000	

*Six equity shares are issued to the nominees of PNC Infra Holdings Ltd.

(₹ in Lacs)

Particulars	Securities Premium Reserve		Capital Reserve		Profit & Loss A/c		Total	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
NOTE B RESERVE & SURPLUS								
Balance as per last Balance Sheet	-	-	-	-	-	-	-	-
Addition during the year	-	-	7090.00	-	-	-	7090.00	-
Balance at the end of the year	-	-	7090.00	-	-	-	7090.00	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE C LONG-TERM BORROWINGS		
Term Loan		
From Bank	15450.00	-
From Other	-	-
Subtotal	15450.00	-
Loan from Related Parties	-	-
Total	15450.00	-

NOTE D TRADE PAYABLE

Micro, Small & Medium Enterprises	-	-
Others	5140.20	9091.23
Total	5140.20	9091.23

(a) There is no transaction with parties hence Micro, Small, Medium Enterprises Development Act, 2006 is not applicable on us.

(i) Due to companies under the same management / subsidiaries:

PNC Infratech Ltd.	5140.20	9091.23
Total	5140.20	9091.23

NOTE E OTHER CURRENT LIABILITIES

Duties & Taxes	351.66	488.80
Security Deducted from Contractors/ Suppliers	216.03	201.96
Other Payables	1.65	1.50
Total	569.34	692.26

NOTE F FIXED ASSETS

Tangible Assets	-	-
Intangible Assets:		
Capital WIP (EPC)	25752.38	9977.53
Capital WIP (Overheads)	1128.91	114.39
Total	26881.29	10091.92

NOTE G LONG TERM LOANS & ADVANCES

Loans & Advances to related parties	4717.76	6243.29
Security Deducted by NHAI	50.20	46.45
Advance tax, TDS & WCT	210.28	0.00
Total	4978.24	6289.74

(i) Due from companies under the same management / subsidiaries:

PNC Infratech Ltd.	4717.76	6243.29
Total	4717.76	6243.29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE H OTHER NON-CURRENT ASSETS		
Long-term Trade Receivable:		
Considered good:	-	-
Considered doubtful:	-	-
Others:		
Preliminary Expenses	45.44	45.44
Total	45.44	45.44

NOTE I CASH & CASH EQUIVALENTS		
Cash & Cash Equivalents		
Cash on hand	0.47	0.00
Cheques/ Drafts in Hand	-	-
Balances with Banks	-	-
On Current account	24.85	2.88
Other Bank Balances	-	-
Deposits with maturity less than 3 months	348.63	46.91
Deposits with maturity for more than 3 months but less than 12 months	-	-
Deposits with maturity for more than 12 months	-	-
Total	373.95	49.79

NOTE J SHORT-TERM LOANS & ADVANCES		
Unsecured, considered good:		
Advance Tax, WCT & TDS	-	56.60
Total	-	56.60
Unsecured, considered Good	-	56.60
Total	-	56.60

NOTE K OTHER CURRENT ASSETS		
Unsecured, considered good:		
NHAI	2720.48	-
Others	0.14	-
Total	2720.62	-
Unsecured, considered Good	-	-
Total	2720.62	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
NOTE L REVENUE FROM OPERATION		
Contract Receipt	144.20	-
Others	-	-
Total	144.20	-

NOTE M COST OF MATERIAL CONSUMED & CONTRACT PAID		
Contract Paid	144.20	-
Others	-	-
Total	144.20	-

NOTE N ADDITIONAL NOTES		
(I) Amount paid or payable to Auditor as Fees		
Audit Fees	0.56	0.56
Total	0.56	0.56

(II) 50000 equity shares of promoters have been pledged to Axis Trustee services Ltd. acting as security trustee on behalf of Oriental Bank of Commerce as security for the Loan to be taken by the Company

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	
NOTE RELATED PARTY DISCLOSURES		
1. (i) Payment on account of Contract		
Sub Contract to PNC Infratech Ltd		15774.84
2. Amount Outstanding at Reporting date		
(i) Amount Payable		
PNC Infratech Ltd		5140.21

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	
NOTE CONTINGENT LIABILITIES AND COMMITMENT		
Commitment : Estimated amount of contracts remaining to be executed on capital account and not provided		18968.71

NOTE SIGNIFICANT ACCOUNTING POLICIES

Nature of Operation

The Company has been awarded the work of "Two Laning with paved shoulders of Kanpur- Kabrai Section of NH-86 from (Km 7.430 to Km. 130.100) in the State of Uttar Pradesh on Design. Build, Finance, Operate and Transfer (DBFOT) basis" and the collected toll fees to be retain and appropriate receivables as per the concession agreement dated 11.03.2011 with NHA.

1. Basis of preparation of financial statements:

These financial statements are prepared in accordance with generally accepted accounting principles in India under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 1956 and comply in material aspect with the accounting standard notified under section 211(3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006. Accounting Policies have been consistently applied except where a newly issued accounting standard requires a change in the accounting policy hitherto in use.

2. Use of estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingents liabilities at the date of financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. Fixed assets

Intangible assets are recognized in accordance with the criteria specifies in Accounting Standard (AS) 26 "Intangible Assets" issued by Institute of Chartered Accountants of India.

Highways Projects representing toll collection rights are obtained in consideration for construction, operation and maintenance of the project on design, build, Finance, operate and Transfer basis. The cost of such Highways project companies' construction cost including finance cost incurred during the implementation phase. Such Highways project on completion are capitalized on intangible Assets and are amortized over the period of rights given under the concession agreement as they represent right to collect toll revenue during concession period.

Pre-operative expenses incurred upto the date of commencement of commercial operations are shown separately pending allocation.

4. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted of the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents in the Balance Sheet comprise cash and cash at bank.

5. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and revenue can be reliable measured.

6. Foreign Exchange Transaction

The Company has neither received/ earned nor paid any amount in foreign exchange.

7. Borrowing costs:

Borrowing costs that are attributed to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

8. Segment Reporting:

The Company's operations pre-dominantly consist of infrastructure development and construction, hence it operates in one business segment, Thus, the reporting requirement of Accounting Standard (AS-17) "Segment Reporting" are not applicable.

9. Events occurring After Balance Sheet Date

Events occurring after the balance sheet date have been considered in the preparation of financial statements.

10. Provisions, Contingent liabilities and contingent assets:

Provisions are recognized when the company has a present legal and constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liability are recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

DIRECTORS' REPORT

Dear members

Your Directors take pleasure in presenting the 3rd Annual Report and Audited Accounts for the financial year, ended March 31, 2014.

FINANCIAL PERFORMANCE

During the financial year, the Company was in initial phase of its commercial operation and it managed to achieve a turnover of ₹1572.06 lacs and its profit after tax comes to ₹51.93 lacs. Your Directors are optimistic of achieving more revenue in financial year 2014-15.

DIVIDEND

Since the company do not have adequate profit during the period under review, the Directors of your company do not recommend any dividend.

BOARD OF DIRECTORS

At the ensuing Annual General Meeting, Mr Devendra Kumar Maheshwari, Director will retire and being eligible, offers himself for reappointment. Your Directors recommends his re-appointment at the ensuing Annual General Meeting.

SHARE CAPITAL

During the year the Paid-up Capital of the Company has been increased from ₹30.50 Crores to ₹35.00 Crores.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 217 (2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts for the year ended March 31, 2014; the applicable accounting standards were followed.
- (ii) That appropriate accounting policies were selected and applied consistently and judgments and estimates that were reasonable and prudent were made so as to give a true and fair view of the state of affairs as on March 31, 2014 and of the profit of the Company for the financial year ended March 31, 2014.
- (iii) That proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts for the year ended March 31, 2014 were prepared on a going concern basis.

FIXED DEPOSITS

During 2013-14, the Company did not accept any public deposits under Section 58A or 58AA of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules 1975.

AUDITORS

M/s RMA & Associates., Chartered Accountants, (Firm Registration No.000978N), Statutory Auditors of the Company, retire at the 150 | PNC Infratech Limited

conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company received a certificate from the Auditor to the effect that their reappointment, if made, would be in accordance with Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanations.

HOLDING COMPANY

Your Company is a subsidiary of PNC Infra Holdings Limited having its registered office at Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V (Saket), New Delhi. PNC Infra Holdings Ltd, being subsidiary of PNC Infratech Limited, thereby making your Company a step down subsidiary of PNC Infratech Limited.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, there are no employees who are drawing remuneration more than the limits prescribed u/s 217 (2A) of the Companies Act, 1956.

INDUSTRIAL RELATIONS

The company enjoyed cordial relations during the year under review and the Management place on record their appreciation for the significant contribution made by all employees, who through their competence, hard work, cooperation and support have enabled the Company to prosper.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the company has not imported any technology, there is no foreign exchange earnings or outgo, and no energy saving devices are required, hence information required under section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are not required.

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to the DSIIDC, Oriental Bank of Commerce for their continued support extended to the company.

For and on behalf of the Board of Directors

Ashish Jain Devendra Kumar Maheshwari
(Managing Director) (Director)

Place: New Delhi
Dated: June 12, 2014



INDEPENDENT AUDITOR'S REPORT

To
The Members of
PNC Delhi Industrialinfra Private limited

Report on the Financial Statements

We have audited the accompanying financial statements of PNC Delhi Industrialinfra Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('The Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the Statement of Account of PNC Delhi Industrial Infra Private Limited as at the end for the year ended 31st March 2014:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has conducted physical verification at a reasonable interval of its fixed assets during the period covered under our audit. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets.
- (ii) There is no inventory; hence this clause is not applicable to the company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, Therefore, the provisions of sub clause (a), (b), (c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (b) The Company has not taken loans secured or unsecured or deposits from the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year, Therefore, the provisions of sub clause (a),(b),(c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of fixed assets. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, There is no transaction made in pursuance of contracts or arrangements referred to in Section 301 of the Companies Act 1956, Hence this clause is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, there is not transaction during the year. Hence this clause is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of the section 58A and 58AA of the Companies Act, 1956 and rules framed there under apply.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues have generally been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding at 31.03.2014 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company has not accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year under audit and immediately preceding financial year.



- (xi) Based on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to their bankers. There were no debenture holders at any time during the year and at the year end.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, The Company is not a chit fund, nidhi / mutual benefit fund / society, Hence this clause is not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments, hence this clause is not applicable to the Company.
- (xv) As per the information and explanations given to us, the company has not given any guarantee for loans taken by other(s), from Banks/ Financial Institution, Hence this clause is not applicable to the Company.
- (xvi) According to the information and explanations given to us, terms loans taken by the company were applied by the company for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us on the basis of overall examination of the balance sheet of the company as at March 31, 2014, we report that no funds raised on short term basis were utilized for long term investment.
- (xviii) According to the certificates given to us by the company, we report that the company has not made any preferential allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued debentures during the year; Hence this clause is not applicable to the Company.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the company has not made an Initial Public Offer (IPO).
- (xxi) 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 and according to the information and explanations given to us, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194

BALANCE SHEET as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	3500.00	3050.00
(b) Reserves and surplus	B	53.25	1.32
(c) Money Received against share warrants		-	-
		3553.25	3051.32
2 Share Application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings	C	12177.00	12199.94
(b) Deferred tax liabilities (Net)	D	11.98	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
		12188.98	12199.94
4 Current liabilities			
(a) Short-term borrowings	E	1412.00	-
(b) Trade payables	F	1207.95	-
(c) Other current liabilities	G	120.29	224.57
(d) Short-term provisions		-	-
		2740.24	224.57
TOTAL		18482.47	15475.84
ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital WIP		-	-
(iv) Intangible assets under development	H	17010.72	13349.01
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	I	7.16	-
(e) Other non-current assets	J	15.54	19.42
		17033.42	13368.43
2 Current assets			
(a) Current Investment		-	-
(b) Inventories		-	-
(c) Trade receivables	K	-	29.94
(d) Cash & Cash equivalents	L	127.86	2076.75
(e) Short-term loans and advances	M	2.61	0.71
(f) Other current assets	N	1318.58	-
		1449.05	2107.40
TOTAL		18482.47	15475.84

In terms of our report of even date
For RMA & Associates
Chartered Accountants

(Vishal Gupta)
Partner
Membership No. 524194

Place: New Delhi
Date: 12.06.2014

On behalf of the Board

Ashish Jain
(Managing Director)

Devendra Kumar Maheshwari
(Director)

Karunesh Srivastava
Company Secretary



STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
INCOME			
I. Revenue from Operations	O	1568.81	68.90
II. Other Income	P	3.26	
III. Total Revenue		1572.07	68.90
IV. Expenses			
Cost of material consumed & Contract paid	Q	138.88	-
Purchase of Stock- in- Trade		-	-
Change in inventories of finished goods, W.I.P. And Stock in Trade		-	-
Employee benefit expense	R	13.17	
Financial Costs	S	577.93	
Depreciation and amortization expenses	H	473.82	
Other expenses	T	289.31	66.99
Total Expenses		1493.11	66.99
V. Profit Before Exceptional And Extraordinary Items And Tax		78.96	1.91
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary items Tax (V-VI)		78.96	1.91
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		78.96	1.91
X. Tax Expenses			
(1) Current Tax		15.05	0.59
(2) Deferred Tax		11.98	
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		51.93	1.32
XII. Profit (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI+XIV)		51.93	1.32
XVI. Earning per equity shares:			
(1) Basic (In ₹)		0.15	-
(2) Diluted (In ₹)		0.15	-
Additional Note	U		

In terms of our report of even date.
For RMA & Associates
Chartered Accountants

(Vishal Gupta)
Partner
Membership No. 524194

Place: New Delhi
Date: 12.06.2014

On behalf of the Board

Ashish Jain
(Managing Director)

Karunesh Srivastava
Company Secretary

Devendra Kumar Maheshwari
(Director)

CASH FLOW STATEMENT for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit After Tax		
Net Profit /(Loss) after Tax & extraordinary items	51.93	1.32
Adjustment for		
Short Term/ Long Term Capital Gain/(Loss) on sale of Fixed Asset/Investment	-	-
Preliminary exp written off	3.89	-
Depreciation	473.82	-
Operating Profit / (Loss) before working capital changes	529.64	1.32
Adjustment for Changes in Working Capital		
Increase in current Liabilities	2527.64	(23.52)
Increase in Mob Advance	-	450.00
Increase in Short term loans & Advance	(1,297.70)	(30.57)
Cash Generated from/(used) from operating activities	1759.58	397.23
Direct Taxes Paid	-	-
Cash (used in)/ from operating activities before extraordinary Items	1759.58	397.23
Preliminary Exp.	-	(13.25)
Cash Generated from/(used) from operating activities (A)	1759.58	383.98
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital WIP	(4,135.53)	(11,350.83)
Net Cash (used in) / from Investing Activities (B)	(4,135.53)	(11,350.83)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Subscription of Equity Shares	450.00	2,350.00
Term Loans	(22.94)	10,539.95
Net Cash (used in) / from Financing Activities (C)	427.06	12,889.95
Net Cash Increase in cash & Cash equivalents (A+B+C)	1,948.89	1,923.10
Cash & Cash equivalents in beginning	2,076.75	153.65
Cash & Cash equivalents as at the end	127.86	2,076.75

In terms of our report of even date.

For RMA & Associates

Chartered Accountants

On behalf of the Board

(Vishal Gupta)

Partner

Membership No. 524194

Ashish Jain

(Managing Director)

Devendra Kumar Maheshwari

(Director)

Place: New Delhi

Date: 12.06.2014

Karunesh Srivastava

Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE A SHARE CAPITAL

i) Authorized Share Capital (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	35000000	3500.00	35000000	3500.00
Total			3500.00		3500.00

ii) Issued, Subscribed and Paid-up Capital (Fully Paid-up): (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	35000000	3500.00	30500000	3050.00
Total			3500.00		3050.00

iii) Reconciliation of Number of Shares Outstanding:

Class of Shares	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. Of Equity Shares	
Opening Outstanding	30500000		7000000	
Addition during the period	450000		23500000	
Closing Outstanding	35000000		30500000	

iv) Details of shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. of Equity Shares	
PNC Infra Holdings Ltd.*	35000000		30500000	

*Ten equity shares are held by nominee of PNC Infra Holdings Limited.

(₹ in Lacs)

Particulars	Securities Premium Reserve		Capital Reserve		Profit & Loss A/c		Total	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
NOTE B RESERVE & SURPLUS								
Balance as per last Balance Sheet	-	-	-	-	1.32	-	1.32	-
Addition during the year	-	-	-	-	51.93	1.32	51.93	1.32
Balance at the end of the year	-	-	-	-	53.25	1.32	53.25	1.32

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE C LONG-TERM BORROWINGS		
Term Loan		
From Bank	12177.00	12199.94
From Other	-	-
Subtotal	12177.00	12199.94
Secured	12177.00	12199.94
Loan from Related Parties	-	-
Total	12177.00	12199.94

Terms and Condition of Repayment of Loan

Sr.	Particulars of Lender	Nature of Loan	Sanctioned Amount	Interest Type	Mode of Repayment	Nature of Security
1	Oriental Bank of Commerce	Secured Term Loan	₹140.00 Crore	Floating	121 unequal monthly instalments commencing from December 2013	All movable & immovable assets of the company.

NOTE D DEFERRED TAX LIABILITIES (NET)

Deffered Tax Liabilities	11.98	
Gross Total	11.98	

NOTE E SHORT-TERM BORROWINGS

Secured:		
Term Loans:		
from Bank	912.00	-
from Others	-	-
Sub Total	912.00	-
Unsecured:		
Loan from related parties	500.00	-
Gross Total	500.00	-

(i) Due to companies under the same management / subsidiaries:

PNC Infratech Ltd.	500.00	-
Total	500.00	-

NOTE F TRADE PAYABLE

Micro, Small & Medium Enterprises	27.75	-
Others	1180.20	-
Total	1207.95	-

(i) Due to companies under the same management / subsidiaries:

PNC Infratech Ltd.	1157.46	-
Total	1157.46	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE G OTHER CURRENT LIABILITIES		
Duties & Taxes	0.91	123.95
Security Deducted from Contractors/ Suppliers	103.46	100.00
Other Payables	15.92	0.62
Total	120.29	224.57

NOTE H FIXED ASSETS

Particulars	Gross Block			Depreciation / Amortisation			Net Block		
	As at 01.04.2013	Addition	As at 31st Mar 2014	Opening Bal. as on 01.04.2013	Dep. For the year 13-14	Other Adjustment	As at 31st Mar 2014	As at 31st Mar 2014	As at 31st Mar 2013
Intangible Assets									
Website	0.93	-	0.93	-	0.23	-	0.23	0.70	0.93
Software	3.06	-	3.06	-	0.77	-	0.77	2.30	3.06
Concessionaire Rights	13,345.02	4,135.53	17,480.55	-	472.82	-	472.82	17,007.72	13,345.02
Total	13,349.01	4,135.53	17,484.54	-	473.82	-	473.82	17,010.72	13,349.01
Previous Year Figure	1,998.17	11,350.83	13,349.00	-	-	-	-	13,349.01	1,998.18

NOTE I LONG-TERM LOANS & ADVANCES

Loans & Advances to related parties	-	-
Others	7.16	-
Total	7.16	-

(i) Due to companies under the same management / subsidiaries:

PNC Infratech Ltd.	-	-
Total	-	-

NOTE J OTHER NON-CURRENT ASSETS-UNSECURED

Long-term Trade Receivable:		
Considered good:	-	-
Considered doubtful:	-	-
Others:		
Preliminary Expenses	15.54	19.42
Total	15.54	19.42

NOTE K TRADE RECEIVABLES

Secured		
Over Six Months - Good	-	-
Other Debt - Good	-	29.94
Unsecured		
Over Six Months - Good	-	-
Doubtful	-	-
Other Debt - Good	-	-
Total	-	29.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
NOTE L CASH & CASH EQUIVALENTS		
Cash & Cash Equivalents		
Cash on hand	0.49	0.10
Cheques/ Drafts in Hand	-	-
Balances with Banks		
On Current account	27.37	1466.37
Other Bank Balances	-	-
Deposits with maturity less than 3 months	100.00	610.28
Deposits with maturity for more than 3 months but less than 12 months	-	-
Deposits with maturity for more than 12 months	-	-
Total	127.86	2076.75

NOTE M SHORT-TERM LOANS & ADVANCES

Advance to Suppliers		
Advance Tax & TDS*	2.11	0.71
Other	0.50	
Total	2.61	0.71
Unsecured, considered Good	-	0.71
Total :	2.61	0.71

NOTE N OTHER CURRENT ASSETS

Unsecured, considered good:		
NHAI		
Others	1318.58	
Total	1318.58	
Unsecured, considered Good		
Total :	1318.58	

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
NOTE O REVENUE FROM OPERATION		
Annuity Revenue	895.83	-
CETP Revenue	403.20	68.90
Maintenance Revenue	269.78	-
Total	1568.81	68.90



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE P OTHER INCOME		
INTEREST ON FDR	3.26	-
Total	3.26	-

NOTE Q COST OF MATERIAL CONSUMED & CONTRACT PAID		
CONTRACT PAID - (CETP)	120.46	-
CONTRACT PAID- HORTICULTURE	18.42	-
Total	138.88	-

NOTE R EMPLOYEE BENEFIT EXPENSES		
Salary	13.17	0
Total	13.17	0

NOTE S FINANCIAL COST		
Interest on term Loan	577.93	0
Total	577.93	0

NOTE T OTHER EXPENSES		
Advertisement Exp.	0.20	-
Consumables Exp.	0.06	-
Courier / Postage Exp.	2.50	-
Electricity Exp.	62.39	-
Printing & Stationery Exp.	0.06	-
Rent Exp.	1.36	-
Bank Charge	0.01	-
Cetp Exp.	17.73	-
Horticulture Exp.	0.58	-
Electricity Exp (Cetp)	164.68	66.99
Security Exp.	16.73	-
Water Supply Exp.	0.77	-
Electric Fitting	0.04	-
Paint Exp	1.94	-
Stone Grit & Dust (M.T.)	0.26	-
R & M - Super Sucker	0.57	-
R & M- Cetp Plant	6.73	-
Sales Tax Expenses	3.09	-
Insurance Exp.	1.83	-
Legal & Professional Exp.	3.05	-
Audit Fees	0.84	-
Preliminary Exp.	3.84	-
Total	289.31	66.99

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
NOTE U ADDITIONAL NOTES		
(l) Amount paid or payable to Auditor as Fees		
Audit Fees	0.84	0.56
Total	0.84	0.56

NOTE RELATED PARTY DISCLOSURES

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	
1. (i) Payment on account of EPC Contract		
Sub Contract to PNC Infratech Ltd		3361.61
(ii) Share Application Money and Unsecured Loan from Related Party		
Unsecured Loan From PNC Infratech Ltd		500.00
Share Application Money From PNC Infra Holdings Ltd		450.00
2. Amount Outstanding at Reporting date		
(i) Amount Payable		
PNC Infratech Ltd		1157.46

NOTE SIGNIFICANT ACCOUNTING POLICIES**Nature of Operation**

The Company has been awarded the work of " Re-Development and Management of Narela Industrial Area in Delhi" and the collected fees to be retained and appropriate as per concession agreement dated 19.07.2011 with DSIIDC.

1. Basis of preparation of financial statements:

These financial statements are prepared in accordance with generally accepted accounting principles in India under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 1956 and comply in material aspect with the accounting standard notified under section 211(3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006. Accounting Policies have been consistently applied except where a newly issued accounting standard requires a change in the accounting policy hitherto in use.

2. Use of estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingents liabilities at the date of financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE SIGNIFICANT ACCOUNTING POLICIES (contd.)

3. Fixed assets

Intangible assets are recognized in accordance with the criteria specified in Accounting Standard (AS) 26 "Intangible Assets" issued by Institute of Chartered Accountants of India.

Highways Projects representing toll collection rights are obtained in consideration for construction, operation and maintenance of the project on design, build, Finance, operate and Transfer basis. The cost of such Highways project companies' construction cost including finance cost incurred during the implementation phase. Such Highways project on completion are capitalized on intangible Assets and are amortized over the period of rights given under the concession agreement as they represent right to collect toll revenue during concession period.

Pre-operative expenses incurred upto the date of commencement of commercial operations are shown separately pending allocation.

4. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted of the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents in the Balance Sheet comprise cash and cash at bank.

5. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

6. Foreign Exchange Transaction

The Company has neither received/ earned nor paid any amount in foreign exchange.

7. Borrowing costs:

Borrowing costs that are attributed to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

8. Segment Reporting:

The Company's operations pre-dominantly consist of infrastructure development and construction, hence it operates in one business segment, Thus, the reporting requirement of Accounting Standard (AS-17) "Segment Reporting" are not applicable.

9. Events occurring After Balance Sheet Date

Events occurring after the balance sheet date have been considered in the preparation of financial statements.

10. Provisions, Contingent liabilities and contingent assets:

Provisions are recognized when the company has a present legal and constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liability are recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

DIRECTORS' REPORT



Your Directors take pleasure in presenting the 3rd Annual Report and Audited Accounts for the financial year, ended March 31, 2014.

PROGRESS OF THE PROJECT

The Project is running smoothly and there is no hurdle in the physical progress. Your Directors do not foresee any difficulties in completion of the project on time.

DIVIDEND

Since the company does not have any profit during the period under review, the Directors of your company does not recommend any dividend.

BOARD OF DIRECTORS

At the ensuing Annual General Meeting, Shri. Devendra Kumar Maheshwari (DIN-03499179) Managing Director will retire and being eligible, offers himself for reappointment. Your Directors recommends his re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 217 (2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts for the year ended March 31, 2014; the applicable accounting standards were followed.
- (ii) That appropriate accounting policies were selected and applied consistently and judgments and estimates that were reasonable and prudent were made so as to give a true and fair view of the state of affairs as on March 31, 2014 and of the profit of the Company for the financial year ended March 31, 2014.
- (iii) That proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts for the year ended March 31, 2014 were prepared on a going concern basis.

FIXED DEPOSITS

During 2013-14, the Company did not accept any public deposits under Section 58A or 58AA of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules 1975.

SHARE CAPITAL

During the year the Authorised Share Capital of the Company has been increased from ₹25.00 Crore to ₹75.00 Crore and the Paid-up Capital of the Company has been increased from ₹1.95 Crore to ₹74.60 Crores.

AUDITORS

M/s RMA & Associates., Chartered Accountants, (Firm Registration

No.000978N), Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company received a certificate from the Auditor to the effect that their reappointment, if made, would be in accordance with Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanations.

HOLDING COMPANY

Your Company is a subsidiary of PNC Infra Holdings Limited having its registered office at Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V (Saket), New Delhi. PNC Infra Holdings Ltd, being subsidiary of PNC Infratech Limited, thereby making your Company a step down subsidiary of PNC Infratech Limited.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, there are no employees who are drawing remuneration more than the limits prescribed u/s 217 (2A) of the Companies Act, 1956.

INDUSTRIAL RELATIONS

The company enjoyed cordial relations during the year under review and the Management place on record their appreciation for the significant contribution made by all employees, who through their competence, hard work, cooperation and support have enabled the Company to prosper.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the company has not imported any technology, there is no foreign exchange earnings or outgo, and no energy saving devices are required, hence information required under section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are not required.

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to the UPSHA and Canara Bank, Bank of Baroda, Central Bank of India, Corporation Bank and Union Bank of India for their continued support extended to the company.

For and on behalf of the Board of Directors

Devendra Kumar Maheshwari
(Managing Director)

Ashish Jain
(Director)

Place: New Delhi

Dated: 12.06.2014



INDEPENDENT AUDITOR'S REPORT

To
The Members of
PNC Bareilly Nainital Highways Pvt. Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of PNC Bareilly Nainital Highways Pvt. Ltd. ("the Company"), which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the Statement of Account of PNC Bareilly Nainital Highways Private Limited as at the end for the year ended 31st March 2014:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has conducted physical verification at a reasonable interval of its fixed assets during the period covered under our audit. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets.
- (ii) There is no inventory; hence this clause is not applicable to the company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, Therefore, the provisions of sub clause (a), (b), (c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (b) The Company has not taken loans secured or unsecured or deposits from the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year, Therefore, the provisions of sub clause (a),(b),(c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of fixed assets. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, There is no transaction made in pursuance of contracts or arrangements referred to in Section 301 of the Companies Act 1956, Hence this clause is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, there is not transaction during the year. Hence this clause is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of the section 58A and 58AA of the Companies Act, 1956 and rules framed there under apply.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues have generally been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding at 31.03.2014 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company has not accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year under audit and immediately preceding financial year.



- (xi) Based on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to their bankers. There were no debenture holders at any time during the year and at the year end.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, The Company is not a chit fund, nidhi / mutual benefit fund / society, Hence this clause is not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments, hence this clause is not applicable to the Company.
- (xv) As per the information and explanations given to us, the company has not given any guarantee for loans taken by other(s), from Banks/ Financial Institution, Hence this clause is not applicable to the Company.
- (xvi) According to the information and explanations given to us, terms loans taken by the company were applied by the company for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us on the basis of overall examination of the balance sheet of the company as at March 31, 2014, we report that no funds raised on short term basis were utilized for long term investment.
- (xviii) According to the certificates given to us by the company, we report that the company has not made any preferential allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued debentures during the year; Hence this clause is not applicable to the Company.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the company has not made an Initial Public Offer (IPO).
- (xxi) 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 and according to the information and explanations given to us, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For RMA & ASSOCIATES
Chartered Accountants
FRN: 000978N

(Vishal Gupta)
Partner

Place: New Delhi
Date: 12.06.2014

Membership No.: 524194

BALANCE SHEET as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	7,460.00	195.00
(b) Reserves and surplus	B	-	-
(c) Money Received against share warrants		-	-
		7,460.00	195.00
2 Share Application money pending allotment		-	55.00
3 Non-current liabilities			
(a) Long-term borrowings	C	21,000.00	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
		21,000.00	-
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	D	-	3,940.19
(c) Other current liabilities	E	396.20	247.22
(d) Short-term provisions		-	-
		396.20	4,187.41
TOTAL		28,856.20	4,437.41
ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development	F	18,862.80	4,352.19
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	G	7,471.09	-
(e) Other non-current assets	H	38.67	13.67
		26,372.56	4,365.86
2 Current assets			
(a) Current Investment		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash & Cash equivalents	I	628.25	71.06
(e) Short-term loans and advances	J	1,855.39	0.50
(f) Other current assets		-	-
		2,483.64	71.56
TOTAL		28,856.20	4,437.41
Significant Accounting Policies and Notes to Financial Statements	N		

In terms of our report of even date.

For RMA & Associates

Chartered Accountants

(Vishal Gupta)

Partner

Membership No. 524194

Place: New Delhi

Date: 12.06.2014

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On behalf of the Board

Devendra Kumar Maheshwari

(Managing Director)

Ashish Jain

(Director)

Neha Jain

(Company Secretary)



STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
INCOME			
I. Revenue from Operations	K	291.86	-
II. Other Income		-	-
III. Total Revenue		291.86	-
IV. Expenses			
Cost of material consumed & Contract paid	L	291.86	-
Purchase of Stock- in- Trade		-	-
Change in inventories of finished goods, W.I.P. And Stock in Trade		-	-
Employee benefit expense		-	-
Financial Costs		-	-
Depreciation and amortization expenses		-	-
Other expenses		-	-
Total Expenses		291.86	-
V. Profit Before Exceptional And Extraordinary Items And Tax		-	-
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary And Tax (V-VI)		-	-
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		-	-
X. Tax Expenses		-	-
(1) Current Tax		-	-
(2) Deferred Tax		-	-
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		-	-
XII. Profit (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI+XIV)		-	-
XVI. Earning per equity shares:			
(1) Basic (In ₹)		-	-
(2) Diluted (In ₹)		-	-
Additional notes	M		

In terms of our report of even date.

For RMA & Associates

Chartered Accountants

(Vishal Gupta)

Partner

Membership No. 524194

Place: New Delhi

Date: 12.06.2014

On behalf of the Board

Devendra Kumar Maheshwari

(Managing Director)

Ashish Jain

(Director)

Neha Jain

(Company Secretary)

CASH FLOW STATEMENT for the year ended March 31, 2014

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax		
Net Profit /(Loss) before Tax & extraordinary items	-	-
Adjustment for	-	-
Short Term/ Long Term Capital Gain/(Loss) on sale of Fixed Asset/Investment	-	-
Dividend Income	-	-
Interst Income	-	-
Operating Profit / (Loss) before working capital changes	-	-
Adjustment for Changes in Working Capital		
Increase in current Liabilities	(3,791.21)	4,172.31
Increase in Short term loans & Advance	(9,325.98)	(0.50)
Cash Generated from/(used) from operating activities	(13,117.19)	4,171.81
Direct Taxes Paid		
Cash (used in)/ from operating activities before extraordinary Items	(13,117.19)	4,171.81
Preliminary Exp.	(25.00)	-
Cash Generated from/(used) from operating activities (A)	(13,142.19)	4,171.81
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Preoperative Exp	-	-
Capital WIP	(14,510.62)	(4,242.67)
Net Cash (used in) / from Investing Activities (B)	(14,510.62)	(4,242.67)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Subscription of Equity Shares	7,210.00	55.00
Loan From Banks	21,000.00	
Net Cash (used in) / from Financing Activities (C)	28,210.00	55.00
Net Cash Increase in cash & Cash equivalents (A+B+C)	557.19	(15.86)
Cash & Cash equivalents in beginning	71.06	86.92
Cash & Cash equivalents as at the end	628.25	71.06

In terms of our report of even date.

For RMA & Associates
Chartered Accountants

(Vishal Gupta)
Partner
Membership No. 524194

Place: New Delhi
Date: 12.06.2014

On behalf of the Board

Devendra Kumar Maheshwari
(Managing Director)

Ashish Jain
(Director)

Neha Jain
(Company Secretary)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE A SHARE CAPITAL

i) Authorized Share Capital (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	75000000	7500.00	25000000	2500.00
Total			7500.00		2500.00

ii) Issued, Subscribed and Paid-up Capital (Fully Paid-up): (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	74600000	7460.00	1950000	195.00
Total			7460.00		195.00

iii) Reconciliation of Number of Shares Outstanding:

Class of Shares	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. Of Equity Shares	
Outstanding as at 01 .04.13	1950000		1950000	
Addition during the period	72650000		-	
Outstanding as at 31.03.14	74600000		1950000	

iv) Details of shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. of Equity Shares	
PNC Infra Holdings Ltd	69600000		-	
PNC Infratech Ltd.	5000000		1950000	

(₹ in Lacs)

Particulars	Securities Premium Reserve		General reserve		Profit & Loss A/c		Total	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
NOTE B RESERVE & SURPLUS								
Balance as per last Balance Sheet	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE C LONG - TERM BORROWINGS		
Term Loan		
From Bank	21000.00	-
From Other	-	-
Subtotal	21000.00	-
Loan from Related Parties	-	-
Total	21000.00	-

NOTE D TRADE PAYABLE		
Micro, Small & Medium Enterprises	-	-
Others	-	3940.19
Total	-	3940.19

(a) There is no transaction with parties hence Micro, Small, Medium Enterprises Development Act, 2006 is not applicable on us.

(i) Due to companies under the same management / subsidiaries:

PNC Infratech Ltd.	-	3940.19
Total	-	3940.19

NOTE E OTHER CURRENT LIABILITIES		
Duties & Taxes	266.93	204.26
Security Deducted from Contractors/ Suppliers	117.51	42.37
Other Payables	11.76	0.59
Total	396.20	247.22

NOTE F FIXED ASSETS		
Tangible Assets	-	-
Intangible Assets:		
Capital WIP (EPC)	17315.06	4236.77
Capital WIP (Overheads)	1547.74	115.42
Total	18862.80	4352.19

NOTE G LONG - TERM LOAN & ADVANCE		
Loan & Advance to Related Parties	7448.49	-
TDS & WCT	22.60	-
Total	7471.09	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE H OTHER NON-CURRENT ASSETS-UNSECURED		
Long-term Trade Receivable:		
Considered good:	-	-
Considered doubtful:	-	-
Others:		
Preliminary Expenses	38.67	13.67
Total	38.67	13.67

NOTE I CASH & CASH EQUIVALANTS

Cash & Cash Equivalents		
Cash on hand	0.52	0.10
Cheques/ Draftes in Hand	-	-
Balances with Banks		
On Current account	20.96	12.27
Other Bank Balances	-	-
Deposits with maturity less than 3 months	606.77	58.69
Deposits with maturity for more than 3 months but less than 12 months	-	-
Deposits with maturity for more than 12 months	-	-
Total	628.25	71.06

NOTE J SHORT-TERM LOANS & ADVANCES

Advance to Suppliers	1855.39	-
Advance Tax & TDS	-	0.50
Total	1855.39	0.50
Unsecured, considered Good	1855.39	0.50
Total	1855.39	0.50

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE K REVENUE FROM OPERATION		
Contract Receipt	291.86	-
Others	-	-
Total	291.86	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
NOTE L COST OF MATERIAL CONSUMED & CONTRACT PAID		
Contract Paid	291.86	-
Others	-	-
Total	291.86	-

NOTE M ADDITIONAL NOTES

(I) Amount paid or payable to Auditor as Fees

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
Audit Fees	0.56	0.56
Total	0.56	0.56

(II) Related party Disclosure

1. Transaction with Related Parties

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	
(i) Payment on account of EPC Contract		
Mobilisation Advance to PNC Infratech Ltd		7448.49
(ii) Investment/ Loan and Shares Application Money in equity		
PNC Infratech Ltd		250.00

2. Amount Outstanding at Reporting date

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	
(i) Amount Recoverable		
PNC Infratech Ltd		1853.31

(III) Contingent Liabilities and Commitment

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	
Estimated amount of contracts remaining to be executed on capital account and not provided		41592.20

NOTE SIGNIFICANT ACCOUNTING POLICIES

Nature of Operation

The Company has been awarded the work of "Four Lanning (with paved shoulders) of Bareilly Almora Section of SH-37 in the state of Uttar Pradesh on Design, Build, Finance, Operate and Transfer (DBFOT) basis" and the collected toll fees to be retained and appropriate receivables as per the concession agreement dated 11.08.2011 with Uttar Pradesh State Highways Authority (UPSHA).

1. Basis of preparation of financial statements:

These financial statements are prepared in accordance with generally accepted accounting principles in India under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 1956 and comply in material aspect with the accounting standard notified under section 211(3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006. Accounting Policies have been consistently applied except where a newly issued accounting standard requires a change in the accounting policy hitherto in use.

2. Use of estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingents liabilities at the date of financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. Fixed assets

Intangible assets are recognized in accordance with the criteria specifies in Accounting Standard (AS) 26 "Intangible Assets" issued by Institute of Chartered Accountants of India.

Highways Projects representing toll collection rights are obtained in consideration for construction, operation and maintenance of the project on design, build, Finance, operate and Transfer basis. The cost of such Highways project companies' construction cost including finance cost incurred during the implementation phase. Such Highways project on completion are capitalized on intangible assets and are amortized over the period of rights given under the concession agreement as they represent right to collect toll

revenue during concession period.

Pre- operative expenses incurred upto the date of commencement of commercial operations are shown separately pending allocation.

4. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted of the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated. Cash and cash equivalents in the Balance Sheet comprise cash and cash at bank.

5. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and revenue can be reliable measured.

6. Foreign Exchange Transaction

The Company has neither received/ earned nor paid any amount in foreign exchange.

7. Borrowing costs:

Borrowing costs that are attributed to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

8. Segment Reporting:

The Company's operations pre-dominantly consist of infrastructure development and construction, hence it operates in one business segment, Thus, the reporting requirement of Accounting Standard (AS-17) "Segment Reporting" are not applicable.

9. Events occurring After Balance Sheet Date

Events occurring after the balance sheet date have been considered in the preparation of financial statements.

10. Provisions, Contingent liabilities and contingent assets:

Provisions are recognized when the company has a present legal and constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liability are recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

DIRECTORS' REPORT

Dear members

Your Directors take pleasure in presenting the 2nd Annual Report and Audited Accounts for the financial year, ended March 31, 2014.

PROGRESS OF THE PROJECT

The Company has been formed as a SPV for the purpose of executing the project to carry on the business of two Laning with Paved Shoulders of Raebareli to Jaunpur Section (Km 0.000 to Km 166.4000) of NH-231 in the State of Uttar Pradesh Under NHDP IV on BOT (Annuity) on DBFOT pattern by National Highways Authority of India.

The Company has received appointed date from the Authority. All the major activities in relation to the Raebareli-Jaunpur Project including earthwork, granular sub base (GSB) construction jobs, wet mix acadam (WMM) and dense bituminous macadam (DBM), and construction of culvert have commenced at the project site.

DIVIDEND

Since the company do not have any profit during the period under review, the Directors of your company do not recommend any dividend.

BOARD OF DIRECTORS

At the ensuing Annual General Meeting, Mr. Devendra Kumar Maheshwari, Director (DIN- 03499179) will retire and being eligible, offers himself for reappointment. Your Directors recommends his re-appointment at the ensuing Annual General Meeting.

SHARE CAPITAL

During the year the Authorised Share Capital of the Company has been increased from ₹10.00 Lac to ₹5.00 Crore and the Paid-up Capital of the Company has been increased from ₹5.00 Lac to ₹2.55 Crores.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 217 (2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts for the year ended March 31, 2014; the applicable accounting standards were followed.
- (ii) That appropriate accounting policies were selected and applied consistently and judgments and estimates that

were reasonable and prudent were made so as to give a true and fair view of the state of affairs as on March 31, 2014 and of the profit of the Company for the financial year ended March 31, 2014.

- (iii) That proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts for the year ended March 31, 2014 were prepared on a going concern basis.

FIXED DEPOSITS

During 2013-14, the Company did not accept any public deposits under Section 58A or 58AA of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules 1975.

AUDITORS

M/s RMA & Associates., Chartered Accountants, (Firm Registration No.000978N), Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company received a certificate from the Auditor to the effect that their reappointment, if made, would be in accordance with Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanations.

HOLDING COMPANY

Your Company is a subsidiary of PNC Infra Holdings Limited having its registered office at Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V (Saket), New Delhi. PNC Infra Holdings Ltd, being subsidiary of PNC Infratech Limited, thereby making your Company a step down subsidiary of PNC Infratech Limited.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, there are no employees who are drawing remuneration more than the limits prescribed u/s 217 (2A) of the Companies Act, 1956.



INDUSTRIAL RELATIONS

The company enjoyed cordial relations during the year under review and the Management place on record their appreciation for the significant contribution made by all employees, who through their competence, hard work, cooperation and support have enabled the Company to prosper.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company has not imported any technology, there is no foreign exchange earnings or outgo, and no energy saving devices are required, hence information required under section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are not required.

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to the NHAI, Canara Bank, Oriental Bank of Commerce, Bank of India, Allahabad Bank, Vijaya Bank, IIFCL and other Govt. Departments for their continued support extended to the Company.

For and on behalf of the Board of Directors

Sd/-	Sd/-
Ashish Jain	Devendra Kumar Maheshwari
(Director)	(Director)

Place: New Delhi

Dated: June 12, 2014

INDEPENDENT AUDITOR'S REPORT

To
The Members of
PNC Raebareli Highways Pvt. Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of PNC Raebareli Highways Pvt. Ltd., ("the Company) which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditors' Report) Order, 2003, read with the Companies (Auditor's Report) (Amendment) Order, 2004, both issued by the Central Government in terms of subsection (4A) of section 227 of the Act, We give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the Statement of Account of PNC Raebareli Highways Private Limited as at the end for the year ended 31st March 2014:

- | | |
|---|--|
| <p>(i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The company has conducted physical verification at a reasonable interval of its fixed assets during the period covered under our audit. We are informed that no material discrepancies were noticed on such verification.</p> <p>(c) During the year, the company has not disposed off substantial part of fixed assets.</p> <p>(ii) There is no inventory; hence this clause is not applicable to the company.</p> <p>(iii) (a) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, Therefore, the provisions of sub clause (a), (b), (c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.</p> <p>(b) The Company has not taken loans secured or unsecured or deposits from the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year, Therefore, the provisions of sub clause (a),(b),(c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of fixed assets. We have not observed any continuing failure to correct major weaknesses in internal control system.</p> <p>(v) (a) In our opinion and according to the information and explanations given to us, There is no transaction made in pursuance of contracts or arrangements referred to in Section 301 of the Companies Act 1956, Hence this clause is not applicable to the Company.</p> <p>(b) In our opinion and according to the information and explanations given to us, there is not transaction</p> | <p>during the year. Hence this clause is not applicable to the Company.</p> <p>(vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of the section 58A and 58AA of the Companies Act, 1956 and rules framed there under apply.</p> <p>(vii) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.</p> <p>(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.</p> <p>(x) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues have generally been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding at 31.03.2014 for a period of more than six months from the date they become payable.</p> <p>(b) According to the information and explanations given to us, there are no dues of Income Tax, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.</p> <p>(x) The company has not accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year under audit and immediately preceding financial year.</p> <p>(xi) Based on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to their bankers. There were no debenture holders at any time during the year and at the year end.</p> |
|---|--|

- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, The Company is not a chit fund, nidhi / mutual benefit fund / society, Hence this clause is not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments, hence this clause is not applicable to the Company.
- (xv) As per the information and explanations given to us, the company has not given any guarantee for loans taken by other(s), from Banks/ Financial Institution, Hence this clause is not applicable to the Company.
- (xvi) According to the information and explanations given to us, terms loans taken by the company were applied by the company for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us on the basis of overall examination of the balance sheet of the company as at March 31, 2014, we report that no funds raised on short term basis were utilized for long term investment.
- (xviii) According to the certificates given to us by the company, we report that the company has not made any preferential

allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956 during the year.

- (xix) The Company has not issued debentures during the year; Hence this clause is not applicable to the Company.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the company has not made an Initial Public Offer (IPO).
- (xxi) 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 and according to the information and explanations given to us, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194



BALANCE SHEET as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	255.00	5.00
(b) Reserves and surplus	B	-	-
(c) Money Received against share warrants		-	-
		255.00	5.00
2 Share Application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
		-	-
4 Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	C	11,976.62	-
(c) Other current liabilities	D	1,210.47	327.04
(d) Short-term provisions		-	-
		13,187.09	327.04
TOTAL		13,442.09	332.04
ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development	E	13,359.17	327.15
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	F	1.15	-
(e) Other non-current assets	G	3.65	0.35
		13,363.97	327.49
2 Current assets			
(a) Current Investment		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash & Cash equivalents	H	78.13	4.55
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
		78.13	4.55
TOTAL		13,442.09	332.04

In terms of our report of even date.
For RMA & Associates
Chartered Accountants

On behalf of the Board

(Vishal Gupta)
Partner
Membership No. 524194

Ashish Jain
(Director)

Devendra Kumar Maheshwari
(Director)

Place: New Delhi
Date: 12.06.2014

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
INCOME			
I. Revenue from Operations	I	13.04	-
II. Other Income		-	-
III. Total Revenue		13.04	-
IV. Expenses			
Cost of material consumed & Contract paid	J	13.04	-
Purchase of Stock- in- Trade			
Change in inventories of finished goods, W.I.P. And Stock in Trade			
Employee benefit expense			
Financial Costs			
Depreciation and amortization expenses			
Other expenses			
Total Expenses		13.04	-
V. Profit Before Exceptional And Extraordinary Items And Tax		-	-
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary And Tax (V-VI)		-	-
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		-	-
X. Tax Expenses			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		-	-
XII. Profit (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI+XIV)		-	-
XVI. Earning per equity shares:			
(1) Basic (In ₹)		-	-
(2) Diluted (In ₹)		-	-
ADDITIONAL NOTES	K		

In terms of our report of even date.

For RMA & Associates

Chartered Accountants

On behalf of the Board

(Vishal Gupta)

Partner

Membership No. 524194

Ashish Jain

(Director)

Devendra Kumar Maheshwari

(Director)

Place: New Delhi

Date: 12.06.2014



CASH FLOW STATEMENT for the year ended March 31, 2014

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax		
Net Profit /(Loss) before Tax & extraordinary items	-	-
Adjustment for	-	-
Short Term/ Long Term Capital Gain/(Loss) on sale of Fixed Asset/Investment	-	-
Dividend Income	-	-
Interst Income	-	-
Operating Profit / (Loss) before working capital changes	-	-
Adjustment for Changes in Working Capital		
Increase in current Liabilities	12,860.05	327.04
Increase in Short term loans & Advance	(1.15)	-
Cash Generated from/(used) from operating activities	12,858.90	327.04
Direct Taxes Paid	-	-
Cash (used in)/ from operating activities before extraordinary Items	12,858.90	327.04
Preliminary Exp.	(3.30)	(0.35)
Cash Generated from/(used) from operating activities (A)	12,855.60	326.70
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Preoperative Exp	(13,032.02)	(327.15)
Capital WIP	-	-
Net Cash (used in) / from Investing Activities (B)	(13,032.02)	(327.15)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Subscription of Equity Shares	250.00	5.00
Net Cash (used in) / from Financing Activities (C)	250.00	5.00
Net Cash Increase in cash & Cash equivalents (A+B+C)	73.58	4.55
Cash & Cash equivalents in beginning	4.55	-
Cash & Cash equivalents as at the end	78.13	4.55

In terms of our report of even date.

For RMA & Associates

Chartered Accountants

(Vishal Gupta)

Partner

Membership No. 524194

Place: New Delhi

Date: 12.06.2014

On behalf of the Board

Ashish Jain

(Director)

Devendra Kumar Maheshwari

(Director)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE A SHARE CAPITAL

i) Authorized Share Capital		(₹ in Lacs)			
Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	5000000	500.00	100000	10.00
Total			500.00		10.00

ii) Issued, Subscribed and Paid-up Capital (Fully Paid-up):		(₹ in Lacs)			
Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	2550000	255.00	50000	5.00
Total			255.00		5.00

iii) Reconciliation of Number of Shares Outstanding:				
Class of Shares	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. Of Equity Shares	
Outstanding as at 01 .04.13	50000		0	
Addition during the period	2500000		50000	
Outstanding as at 31.03.14	2550000		50000	

iv) Details of shares in the Company held by each shareholder holding more than 5% shares:				
Name of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. of Equity Shares	
PNC Infra Holdings Ltd	2549900		50000	

Particulars	(₹ in Lacs)							
	Securities Premium Reserve		General reserve		Profit & Loss A/c		Total	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
NOTE B RESERVE & SURPLUS								
Balance as per last Balance Sheet	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-	-	-	-

Particulars	(₹ in Lacs)	
	As at March 31, 2014	As at March 31, 2013
NOTE C TRADE PAYABLE		
Micro, Small & Medium Enterprises	-	-
Others	11976.62	-
Total	11976.62	-

(a) There is no transaction with parties hence Micro, Small, Medium Enterprises Development Act, 2006 is not applicable on us.

(i) Due to companies under the same management / subsidiaries:

PNC Infratech Ltd.	11976.62	-
Total	11976.62	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE D OTHER CURRENT LIABILITIES		
Duties & Taxes	768.83	0.01
Other Payables	441.64	327.03
Total	1210.47	327.04

NOTE E FIXED ASSETS

Tangible Assets	-	-
Intangible Assets:		
Capital WIP	12847.47	-
Capital WIP (Overhead)	511.70	327.15
Total	13359.17	327.15

NOTE F LONG-TERM LOANS & ADVANCES

Advance to Suppliers	-	-
Advance Tax & TDS	1.15	-
Total	1.15	-
Unsecured, considered Good	1.15	-
Total	1.15	-

NOTE G OTHER NON-CURRENT ASSETS-UNSECURED

Long-term Trade Receivable:		
Considered good:	-	-
Considered doubtful:	-	-
Others:		
Preliminary Expenses	3.65	0.35
Total	3.65	0.35

NOTE H CASH & CASH EQUIVALANTS

Cash & Cash Equivalents		
Cash on hand	0.50	-
Cheques/ Draftes in Hand	-	-
Balances with Banks		
On Current account	13.23	4.55
Other Bank Balances	-	-
Deposits with maturity less than 3 months	64.40	-
Deposits with maturity for more than 3 months but less than 12 months	-	-
Deposits with maturity for more than 12 months	-	-
Total	78.13	4.55

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
NOTE I REVENUE FROM OPERATION		
Unsecured, considered good:		
Contract Receipt	13.04	-
Others	-	-
Total	13.04	-

NOTE J COST OF MATERIAL CONSUMED & CONTRACT PAID		
Unsecured, considered good:		
Contract Paid	13.04	-
Others	-	-
Total	13.04	-

NOTE K ADDITIONAL NOTES		
(l) Amount paid or payable to Auditor as Fees		
Audit Fees	0.56	0.22
Total	0.56	0.22

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	
1. (i) Payment on account of EPC Contract		
Sub Contract to PNC Infratech Ltd		12860.51
(ii) Investment/ Loan and Shares Application Money in equity		
PNC Infraholding Ltd		250.00
2. Amount Outstanding at Reporting date		
(i) Amount Payable		
PNC Infratech Ltd		11976.62

NOTE CONTINGENT LIABILITIES & COMMITMENT	
Estimates amount of contract remaining to be executed on capital account and not provided	70380.83

NOTE SIGNIFICANT ACCOUNTING POLICIES

Nature of Operation

The Company has been awarded the work of “Two Lanning with paved shoulders of Raebareli to Jaunpur section (Km. 0.000 to Km. 166.440) of NH-231 in the State of Uttar Pradesh under NHDP Phase-IVA on Design, Build, Finance, Operate and Transfer on Annuity (DBFOT Annuity) basis” and the collected toll fees to be retain and appropriate receivables as per the concession agreement dated 09.11 .2012 with NHAI.

1. Basis of preparation of financial statements:

These financial statements are prepared in accordance with generally accepted accounting principles in India under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 1956 and comply in material aspect with the accounting standard notified under section 211(3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006. Accounting Policies have been consistently applied except where a newly issued accounting standard requires a change in the accounting policy hitherto in use.

2. Use of estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingents liabilities at the date of financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Change in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. Fixed assets

Intangible assets are recognized in accordance with the criteria specifies in Accounting Standard (AS) 26 “Intangible Assets” issued by Institute of Chartered Accountants of India.

Highways Projects representing toll collection rights are obtained in consideration for construction, operation and maintenance of the project on design, build, Finance, operate and Transfer basis. The cost of such Highways project companies’ construction cost including finance cost incurred during the implementation phase. Such Highways project on completion are capitalized on intangible Assets and are amortized over the period of rights given under the concession agreement as they represent right to collect toll revenue during concession period.

Pre- operative expenses incurred upto the date of commencement of commercial operations are shown separately pending allocation.

4. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted of the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents in the Balance Sheet comprise cash and cash at bank.

5. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and revenue can be reliable measured.

6. Foreign Exchange Transaction

The Company has neither received/ earned nor paid any amount in foreign exchange.

7. Borrowing costs:

Borrowing costs that are attributed to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

8. Segment Reporting:

The Company’s operations pre-dominantly consist of infrastructure development and construction, hence it operates in one business segment, Thus, the reporting requirement of Accounting Standard (AS-17) “Segment Reporting” are not applicable.

9. Events occurring After Balance Sheet Date

Events occurring after the balance sheet date have been considered in the preparation of financial statements.

10. Provisions, Contingent liabilities and contingent assets:

Provisions are recognized when the company has a present legal and constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liability are not recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

DIRECTORS' REPORT

Dear members

Your Directors take pleasure in presenting the 2nd Annual Report and Audited Accounts for the financial year, ended March 31, 2014.

FINANCIAL PERFORMANCE

During the year the Company has started toll collection and has managed to achieve a total receipt of ₹10947.18 lacs, against which it incurred expenses of ₹10952.82 lacs, thereby making a loss of ₹26.30 lacs. Your Directors are optimistic of increase in revenue in the next fiscal year.

DIVIDEND

Since the company do not have any profit during the period under review, the Directors of your company do not recommend any dividend.

BOARD OF DIRECTORS

At the ensuing Annual General Meeting, Mr Devendra Kumar Maheshwari, Director will retire and being eligible, offers himself for reappointment. Your Directors recommends his reappointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 217 (2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts for the year ended March 31, 2014; the applicable accounting standards were followed.
- (ii) That appropriate accounting policies were selected and applied consistently and judgments and estimates that were reasonable and prudent were made so as to give a true and fair view of the state of affairs as on March 31, 2014 and of the profit of the Company for the financial year ended March 31, 2014.
- (iii) That proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts for the year ended March 31, 2014 were prepared on a going concern basis.

FIXED DEPOSITS

During the financial year 2013-14, the Company did not accept any public deposits under Section 58A or 58AA of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules 1975.

AUDITORS

M/s RMA & Associates., Chartered Accountants, (Firm Registration No.000978N), Statutory Auditors of the Company, retire at the

conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company received a certificate from the Auditor to the effect that their reappointment, if made, would be in accordance with Chapter X of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further explanations.

HOLDING COMPANY

Your Company is a subsidiary of PNC Infra Holdings Limited having its registered office at Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V (Saket), New Delhi. PNC Infra Holdings Ltd, being subsidiary of PNC Infratech Limited, thereby making your Company a step down subsidiary of PNC Infratech Limited.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, there are no employees who are drawing remuneration more than the limits prescribed u/s 217 (2A) of the Companies Act, 1956.

INDUSTRIAL RELATIONS

The company enjoyed cordial relations during the year under review and the Management place on record their appreciation for the significant contribution made by all employees, who through their competence, hard work, cooperation and support have enabled the Company to prosper.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the company has not imported any technology, there is no foreign exchange earnings or outgo, and no energy saving devices are required, hence information required under section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are not required.

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to the NHAI and various Government Department for their continued support extended to the Company.

For and on behalf of the Board of Directors

Devendra Kumar Maheshwari
(Director)

Tilak Raj Kalra
(Director)

Place: New Delhi

Dated: June 12, 2014



INDEPENDENT AUDITOR'S REPORT

To
The Members of
PNC Kanpur Ayodhya Tollways Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PNC Kanpur Ayodhya Tollways Private Limited, ("the Company") which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of subsection 4A of section 227 of the Act, we give in the annexure a statement of the matter specified paragraph 4 & 5 of the order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 3 of our report of even date on the Statement of Account of PNC Kanpur Ayodhya Tollways Private limited as at the end for the year ended 31st March 2014:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has conducted physical verification at a reasonable interval of its fixed assets during the period covered under our audit. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets.
- (ii) There is no inventory; hence this clause is not applicable to the company.
- (iii) (a) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, Therefore, the provisions of sub clause (a), (b), (c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (b) The Company has not taken loans secured or unsecured or deposits from the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year, Therefore, the provisions of sub clause (a),(b),(c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of fixed assets. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, There is no transaction made in pursuance of contracts or arrangements referred to in Section 301 of the Companies Act 1956, Hence this clause is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, there is not transaction during the year. Hence this clause is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of the section 58A and 58AA of the Companies Act, 1956 and rules framed there under apply.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues have generally been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding at 31.03.2014 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company has ₹26.30 Lacs accumulated losses at the end of the financial year and it has incurred no cash losses during the financial year under audit and immediately preceding financial year.



- (xi) Based on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to their bankers. There were no debenture holders at any time during the year and at the year end.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, The Company is not a chit fund, nidhi / mutual benefit fund / society, Hence this clause is not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments, hence this clause is not applicable to the Company.
- (xv) As per the information and explanations given to us, the company has not given any guarantee for loans taken by other(s), from Banks/ Financial Institution, Hence this clause is not applicable to the Company.
- (xvi) According to the information and explanations given to us, terms loans taken by the company were applied by the company for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us on the basis of overall examination of the balance sheet of the company as at March 31, 2014, we report that no funds raised on short term basis were utilized for long term investment.
- (xviii) According to the certificates given to us by the company, we report that the company has not made any preferential allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued debentures during the year; Hence this clause is not applicable to the Company.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the company has not made an Initial Public Offer (IPO).
- (xxi) 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 and according to the information and explanations given to us, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194

BALANCE SHEET as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	5.00	5.00
(b) Reserves and surplus	B	(26.30)	-
(c) Money Received against share warrants			
		(21.30)	5.00
2 Share Application money pending allotment		-	-
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)	C	20.67	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
		20.67	-
4 Current liabilities			
(a) Short-term borrowings	D	700.00	-
(b) Trade payables	E	1,354.80	-
(c) Other current liabilities	F	77.87	18.18
(d) Short-term provisions		-	-
		2,132.67	18.18
TOTAL		2,132.04	23.18
ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	G	297.26	-
(ii) Intangible assets		-	-
(iii) Capital WIP		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	H	158.11	-
(e) Other non-current assets	I	15.58	18.18
		470.95	18.18
2 Current assets			
(a) Current Investment	J	1,150.00	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash & Cash equivalents	K	276.08	5.00
(e) Short-term loans and advances	L	235.01	-
(f) Other current assets		-	-
		1,661.09	5.00
TOTAL		2,132.04	23.18

In terms of our report of even date

For RMA & Associates

Chartered Accountants

On behalf of the Board

(Vishal Gupta)

Partner

Membership No. 524194

Devendra Kumar Maheshwari

(Director)

Tilak Raj Kalra

(Director)

Place: New Delhi

Date: 12.06.2014

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STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
INCOME			
I. Revenue from Operations	M	10,914.24	-
II. Other Income	N	32.95	-
III. Total Revenue		10,947.19	-
IV. Expenses			
Cost of material consumed & Contract paid	O	10,502.01	-
Purchase of Stock- in- Trade		-	-
Change in inventories of finished goods, W.I.P. And Stock in Trade		-	-
Employee benefit expense	P	250.91	-
Financial Costs		-	-
Depreciation and amortization expenses	G	73.20	-
Other expenses	Q	126.70	-
Total Expenses		10,952.82	-
V. Profit Before Exceptional And Extraordinary Items And Tax		(5.63)	-
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary And Tax (V-VI)		(5.63)	-
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		(5.63)	-
X. Tax Expenses			
(1) Current Tax		-	-
(2) Deferred Tax		20.67	-
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		(26.30)	-
XII. Profit (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI+XIV)		(26.30)	-
XVI. Earning per equity shares:			
(1) Basic (In ₹)		(0.00)	-
(2) Diluted (In ₹)		(0.00)	-
Additional Note	R		

In terms of our report of even date
For RMA & Associates
Chartered Accountants

On behalf of the Board

(Vishal Gupta)
Partner
Membership No. 524194

Devendra Kumar Maheshwar
(Director)

Tilak Raj Kalra
(Director)

Place: New Delhi
Date: 12.06.2014

CASH FLOW STATEMENT for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	(5.63)	
Net Profit /(Loss) before Tax & extraordinary items	-	-
Adjustment for	-	-
Short Term/ Long Term Capital Gain/(Loss) on sale of Fixed Asset/Investment	-	-
Depreciation	73.20	-
Preliminary Exp	3.89	-
Operating Profit / (Loss) before working capital changes	71.46	-
Adjustment for Changes in Working Capital		
Increase in current Liabilities	2114.49	18.18
Increase in Short term loans & Advance	(393.12)	-
Cash Generated from/(used) from operating activities	1792.83	18.18
Direct Taxes Paid	-	-
Cash (used in)/ from operating activities before extraordinary Items	1792.83	18.18
Preliminary and Pre operative Exp.	(1.30)	(18.18)
Cash Generated from/(used) from operating activities (A)	1791.53	-
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets	(370.45)	-
Current Investments	(1150.00)	-
Net Cash (used in) / from Investing Activities (B)	(1520.45)	-
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Subscription of Equity Shares	-	5.00
Net Cash (used in) / from Financing Activities (C)	-	5.00
Net Cash Increase in cash & Cash equivalents (A+B+C)	271.08	5.00
Cash & Cash equivalents in beginning	5.00	-
Cash & Cash equivalents as at the end	276.08	5.00

In terms of our report of even date

For RMA & Associates

Chartered Accountants

On behalf of the Board

(Vishal Gupta)

Partner

Membership No. 524194

Devendra Kumar Maheshwar

(Director)

Tilak Raj Kalra

(Director)

Place: New Delhi

Date: 12.06.2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE A SHARE CAPITAL

i) Authorized Share Capital (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	1000000	100.00	100000	10.00
Total			100.00		10.00

ii) Issued, Subscribed and Paid-up Capital (Fully Paid-up): (₹ in Lacs)

Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	50000	5.00	50000	5.00
Total			5.00		5.00

iii) Reconciliation of Number of Shares Outstanding:

Class of Shares	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. Of Equity Shares	
Outstanding as at 1.4.13		50000		-
Addition during the period		-		50000
Outstanding as at 31.3.14		50000		50000

iv) Details of shares in the Company held by each shareholder holding more than 5% shares:

Name of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. of Equity Shares	
PNC Infra Holdings Ltd		49990		49990

(₹ in Lacs)

Particulars	Securities Premium Reserve		Capital Reserve		Profit & Loss A/c		Total	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
NOTE B RESERVE & SURPLUS								
Balance as per last Balance Sheet	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	(26.30)	-	(26.30)	-
Balance at the end of the year	-	-	-	-	(26.30)	-	(26.30)	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE C DEFERRED TAX LIABILITIES		
Deferred Tax Liabilities (Net)	20.67	
Gross Total	20.67	

NOTE D SHORT-TERM BORROWINGS

Secured:		
Term Loans:		
from Bank	-	-
from Others		-
Sub Total	-	-
UnSecured:		
Loan from related parties	700.00	-
Gross Total	700.00	-

(i) Due to companies under the same management / subsidiaries:

PNC Infratech Ltd.	700.00	-
Total	700.00	-

NOTE E TRADE PAYABLE

Micro, Small & Medium Enterprises	-	-
Others	1354.80	-
Total	1354.80	-

(a) Suppliers/Service providers covered under Micro, Small Medium Enterprises information regarding filing of necessary memorandum with the appropriate authority. In view of this, information required to be disclosed Development Act, 2006 have not furnished u/s 22 of the said Act is not given.

NOTE F OTHER CURRENT LIABILITIES

Duties & Taxes	9.82	-
Security Deducted from Contractors/ Suppliers	10.62	-
Other Payables	57.43	18.18
Total	77.87	18.18

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE G SHORT-TERM BORROWINGS

S.No	Particular	Gross Block		Op Bal 01.04.13	Depreciation			Net Block as at 31.03.14	Net Block as at 31.03.14
		As at 31.03.13	Addition in 13-14		As at 31.03.14	Dep Addition during 13-14	Other Adjustments		
1	Air conditioner	-	3.13	-	0.09	-	0.09	3.04	-
2	Computers	-	8.51	-	0.62	-	0.62	7.89	-
3	Fire Extinguisher	-	3.48	-	0.13	-	0.13	3.36	-
3	Godrej Safe	-	3.87	-	0.15	-	0.15	3.72	-
3	R.O. System	-	2.25	-	0.04	-	0.04	2.20	-
4	Motor Cycle	-	2.03	-	0.10	-	0.10	1.93	-
5	Bolero	-	47.80	-	3.17	-	3.17	44.62	-
6	Generator	-	9.84	-	0.14	-	0.14	9.70	-
6	Ambulance	-	29.80	-	1.74	-	1.74	28.05	-
7	Camera	-	0.90	-	0.01	-	0.01	0.89	-
7	Fans	-	1.54	-	0.13	-	0.13	1.41	-
7	Grass Cutter	-	0.13	-	0.01	-	0.01	0.12	-
8	Mobile Phone Instrument	-	0.56	-	0.02	-	0.02	0.55	-
9	Refrigerator	-	0.42	-	0.01	-	0.01	0.40	-
9	Television	-	0.10	-	0.00	-	0.00	0.10	-
9	Survey Instrument	-	0.18	-	0.00	-	0.00	0.18	-
9	Submersible Pump	-	0.06	-	0.00	-	0.00	0.05	-
10	Office Equipment	-	0.82	-	0.00	-	0.00	0.82	-
10	Toll Equipment	-	2.73	-	0.22	-	0.22	2.51	-
12	Camp Constuction	-	245.15	-	66.42	-	66.42	178.72	-
12	Electric Equipment	-	1.71	-	0.02	-	0.02	1.69	-
13	Furniture & Fixture	-	5.46	-	0.16	-	0.16	5.31	-
	Grand Total	-	370.45	-	73.20	-	73.20	297.26	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE H LONG-TERM LOANS & ADVANCES		
Advance Tax & TDS	157.22	
Others	0.89	
Total	158.11	

NOTE I OTHER NON-CURRENT ASSETS-UNSECURED

Long-term Trade Receivable:		
Considered good:	-	-
Considered doubtful:	-	-
Others:		
Preliminary & Preoperative Expenses	15.58	18.18
Total	15.58	18.18

NOTE J CURRENT INVESTMENT

BP LIQUID FUND INVESTMENT	1150.00	-
Total	1150.00	-

NOTE K CASH & CASH EQUIVALENTS

Cash & Cash Equivalents		
Cash on hand	81.45	-
Cheques/ Drafts in Hand	-	-
Balances with Banks		
On Current account	194.63	5.00
Deposits with maturity less than 3 months	-	-
Deposits with maturity for more than 3 months but less than 12 months	-	-
Total	276.08	5.00

NOTE L SHORT-TERM LOANS & ADVANCES

Advance to Suppliers / Staff	233.90	-
VAT Recoverable	1.11	
Total	235.01	-
Unsecured, considered Good	-	-
Total :	235.01	-

(i) Due from companies under the same management

PNC Infratech Ltd.	192.31	-
Total	192.31	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE M REVENUE FROM OPERATION		
TOLL COLLECTION		
TOLL Collection A/C - NAWABGANJ	3979.84	
TOLL Collection A/C - RAUNAH	3798.45	
TOLL Collection A/C - AHMADPUR	3135.95	
Total	10914.24	

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE N OTHER INCOME		
Interest Income	-	-
Profit / Loss on Sale of Mutual Fund	32.95	-
Total	32.95	-

NOTE O COST OF MATERIAL CONSUMED & CONTRACT PAID

Bricks	0.07	-
Thermal Paper Roll	5.22	-
Cement (Becs)	0.12	-
Royalty Paid	0.14	-
Grit Exp.	0.44	-
Stone Grit & Dust (M.T.)	0.80	-
Soil	1.50	-
Bitumen (Emulsion)	6.37	-
Oil Grease & Lubricants Exp (Diesel/Lub)	85.07	-
Labour Exp.	98.70	-
Concession Fee to NHAI	10303.58	-
Total	10502.01	-

NOTE P EMPLOYEE BENEFIT EXPENSES

Salary	235.42	-
Staff Accommodation Exp.	14.51	-
Contribution to Provident Fund	0.98	-
Total	250.91	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

Particulars	(₹ in Lacs)	
	Year ended March 31, 2014	Year ended March 31, 2013
NOTE Q OTHER EXPENSES		
Preliminary Exp W/Off	3.90	-
Hotel Exp.	0.01	-
Hire Charges	21.65	-
Diwali Exp.	0.06	-
Weigh Bridge Charges Paid	0.02	-
Sand Exp	0.05	-
Books & Periodical	0.06	-
Car & Scooter Exp.	0.07	-
Courier / Postage Exp.	0.07	-
Legal Exp.	1.15	-
Toll Tax Exp.	0.11	-
Brokerage Charges	0.15	-
Advertisement Exp.	0.21	-
Tools & Safety Equipments	1.40	-
Charity And Donations	0.25	-
Travelling Exp.	1.98	-
Loading / Unloading Exp.	0.38	-
Site Compensation	0.52	-
Computer Exp.	0.54	-
Licence Fees	0.60	-
Motor Cycle Exp.	0.65	-
Electric Accessories	0.72	-
Survey Exp.	0.81	-
Consumables Exp.	0.84	-
Guest House Exp.	0.88	-
Miscellaneous Exp.	1.04	-
Electric Exp.	3.22	-
Testing Charges	2.19	-
Insurance Premium	2.65	-
Freight Exp.	2.48	-
Mess Utensils	2.60	-
Repair & Maintenance-Generator	9.01	-
Service Tax	2.62	-
Bank Charges	4.33	-
Wages Exp.	3.12	-
Office Exp.	3.82	-
Site Exp.	4.54	-
Mess Expenses	5.25	-
Safety & Security Equipment	6.48	-
Mobile Phone Exp.	5.86	-
Printing & Stationery Exp.	7.19	-
Toll Plaza Exp.	10.97	-
Rent Exp.	11.71	-
Interest On Others	0.04	-
Discount & Rebate	10.00	-
Audit Fee	0.56	-
Total	126.70	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
NOTE R ADDITIONAL NOTES		
(l) Amount paid or payable to Auditor as Fees		
Audit Fees	0.56	0.22
Total	0.56	0.22

NOTE RELATED PARTY DISCLOSURES

(₹ in Lacs)

Particulars	Year ended March 31, 2014
1. (ii) Share Application Money and Unsecured Loan from Related Party	
Unsecured Loan From PNC Infratech Ltd	700.00
Share Application Money From PNC Infra Holdings Ltd	295.00
2. Amount Outstanding at Reporting date	
(i) Amount Recoverable	
PNC Infratech Ltd	192.31

NOTE SIGNIFICANT ACCOUNTING POLICIES

Nature of Operation

The Company has been awarded the work of "Operation and Maintenance of Kanpur-Lucknow Section (Km 11.005 to Km 75.500) stretch of NH-25 and Lucknow Bypass (Km. 0.000 to Km.22.850) stretch of NH-56A and 568 and Lucknow-Ayodhya Section (Km. 8.000 to Km.137.970) stretch of NH-28 (Total Length 217.315 Km.) in the State of Uttar Pradesh on Operate, Maintenance and Transfer ('OMT) Basis" and the collected toll fees to be retain and appropriate receivables as per the concession agreement dated 08.04.2013 with NHAI.

1. Basis of preparation of financial statements:

These financial statements are prepared in accordance with generally accepted accounting principles in India under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 1956 and comply in material aspect with the accounting standard notified under section 211(3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules,

2006. Accounting Policies have been consistently applied except where a newly issued accounting standard requires a change in the accounting policy hitherto in use.

2. Use of estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingents liabilities at the date of financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Change in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE SIGNIFICANT ACCOUNTING POLICIES (Contd.)

3. Fixed assets

Intangible assets are recognized in accordance with the criteria specifies in Accounting Standard (AS) 26 "Intangible Assets" issued by Institute of Chartered Accountants of India.

Highways Projects representing toll collection rights are obtained in consideration for construction, operation and maintenance of the project on design, build, Finance, operate and Transfer basis. The cost of such Highways project companies' construction cost including finance cost incurred during the implementation phase. Such Highways project on completion are capitalized on intangible Assets and are amortized over the period of rights given under the concession agreement as they represent right to collect toll revenue during concession period.

Pre-operative expenses incurred upto the date of commencement of commercial operations are shown separately pending allocation.

4. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted of the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents in the Balance Sheet comprise cash and cash at bank.

5. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

6. Foreign Exchange Transaction

The Company has neither received/ earned nor paid any amount in foreign exchange.

7. Borrowing costs:

Borrowing costs that are attributed to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

8. Segment Reporting:

The Company's operations pre-dominantly consist of infrastructure development and construction, hence it operates in one business segment, Thus, the reporting requirement of Accounting Standard (AS-17) Segment Reporting are not applicable.

9. Events occurring After Balance Sheet Date

Events occurring after the balance sheet date have been considered in the preparation of financial statements.

10. Provisions, Contingent liabilities and contingent assets:

Provisions are recognized when the company has a present legal and constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liability are recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.



DIRECTORS' REPORT

Dear members

Your Directors take pleasure in presenting the 3rd Annual Report and Audited Accounts for the financial year, ended March 31, 2014.

PROGRESS OF THE PROJECT

Due to non-availability of project stretch and other difficulties the project could not be commenced and was terminated after an amicable settlement with NHAI. The Company has entered into a Settlement & Close Out Agreement with NHAI, after payment of amount equivalent to earnest money.

DIVIDEND

In view of non-commencement of business and un-availability of profits, during the period under review, your Directors do not recommend any dividend.

BOARD OF DIRECTORS

Mr. Ram Mohan Verma resigned as the Director of the Company and in his place Mr. Sunil Kumar Nayyar was appointed as Additional Director of the Company w.e.f. February 10, 2014.

At the ensuing Annual General Meeting, Mr Sunil Kumar Nayyar and Mr Pankaj Kumar Agarwal, Director(s) will retire and being eligible, offers themselves for reappointment. Your Directors recommends their re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of the Section 217 (2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts for the year ended March 31, 2014; the applicable accounting standards were followed.
- (ii) That appropriate accounting policies were selected and applied consistently and judgments and estimates that were reasonable and prudent were made so as to give a true and fair view of the state of affairs as on March 31, 2014 and of the profit of the Company for the financial year ended March 31, 2014.
- (iii) That proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts for the year ended March 31, 2014 were prepared on a going concern basis.

FIXED DEPOSITS

During 2013-14, the Company did not accept any public deposits under Section 58A or 58AA of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules 1975.

AUDITORS

M/s RMA & Associates., Chartered Accountants, statutory

auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company received a certificate from the Auditor to the effect that their reappointment, if made, would be in accordance with chapter X of the Companies Act, 2013 read with Companies (Auditor and Auditors) Rules, 2014 and they are not disqualified for such re-appointment within the meaning of Companies Act, 2013.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further explanations.

HOLDING COMPANY

Your Company is a subsidiary of PNC Infra Holdings Limited having its registered office at Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V (Saket), New Delhi., your Company also becomes step-down Subsidiary of PNC Infratech Ltd, as PNC Infra Holdings Limited is subsidiary of PNC Infratech Limited.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, there are no employees who are drawing remuneration more than the limits prescribed u/s 217 (2A) of the Companies Act, 1956.

INDUSTRIAL RELATIONS

The company enjoyed cordial relations during the year under review and the Management place on record their appreciation for the significant contribution made by all employees, who through their competence, hard work, cooperation and support have enabled the Company to prosper.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As the company has not imported any technology, there is no foreign exchange earnings or outgo, and no energy saving devices have been installed, hence information required under section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are not required.

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to the NHAI for their continued support extended to the company.

For and on behalf of the Board of Directors

Devendra Kumar Maheshwari Sunil Kumar Nayyar
(Director) (Director)

Place: New Delhi

Dated: June 12, 2014

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Hospet Bellary Highways Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Hospet Bellary Highways Pvt. Ltd. , which comprise the Balance Sheet as at 31st March 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and Notes to Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according

to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash inflows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of section 227 of the Act, is not applicable to the company.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For RMA & Associates
Chartered Accountants
Firm Reg. no. 000978N

Vishal Gupta
Partner

Place : New Delhi
Dated : 12.06.2014

Membership No. : 524194



BALANCE SHEET as at March 31, 2014

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	1.00	1.00
(b) Reserves and surplus	B	(1,298.81)	-
(c) Money Received against share warrants		-	-
		(1,297.81)	1.00
2 Share Application money pending allotment	C	5.00	5.00
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other long term liabilities		-	-
(d) Long-term provisions		-	-
		-	-
4 Current liabilities			
(a) Short-term borrowings	D	910.00	-
(b) Trade payables		-	-
(c) Other current liabilities	E	839.40	242.22
(d) Short-term provisions		-	-
		1,749.40	242.22
TOTAL		456.59	248.22
ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital WIP	F	-	245.76
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances		-	-
(e) Other non-current assets	G	-	0.41
		-	246.17
2 Current assets			
(a) Current Investment		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash & Cash equivalents	H	2.00	2.06
(e) Short-term loans and advances		-	-
(f) Other current assets	I	454.59	-
		456.59	2.06
TOTAL		456.59	248.22

In terms of our report of even date.

For RMA & Associates
Chartered Accountants

On behalf of the Board

(Vishal Gupta)
Partner
Membership No. 524194

Sunil Kumar Nayyar
(Director)

Devendra Kumar Maheshwari
(Director)

Place: New Delhi
Date: 12.06.2014

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
INCOME			
I. Revenue from Operations		-	-
II. Other Income		-	-
III. Total Revenue		-	-
IV. Expenses			
Cost of material consumed & Contract paid		-	-
Purchase of Stock- in- Trade		-	-
Change in inventories of finished goods, W.I.P. And Stock in Trade		-	-
Employee benefit expense		-	-
Financial Costs		-	-
Depreciation and amortization expenses		-	-
Other expenses	J	1,298.81	-
Total Expenses		1,298.81	-
V. Profit Before Exceptional And Extraordinary Items And Tax		1,298.81	-
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary And Tax (V-VI)		1,298.81	-
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		1,298.81	-
X. Tax Expenses			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		1,298.81	-
XII. Profit (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI+XIV)		1,298.81	-
XVI. Earning per equity shares:			
(1) Basic (In ₹)		326,269.51	-
(2) Diluted (In ₹)		326,269.51	-
Additional Note			

In terms of our report of even date.

For RMA & Associates
Chartered Accountants

On behalf of the Board

(Vishal Gupta)
Partner
Membership No. 524194Sunil Kumar Nayyar
(Director)Devendra Kumar Maheshwari
(Director)Place: New Delhi
Date: 12.06.2014



CASH FLOW STATEMENT for the year ended March 31, 2014

(₹ in Lacs)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax		
Net Profit /(Loss) before Tax & extraordinary items	(1,298.81)	-
Adjustment for	-	-
Short Term/ Long Term Capital Gain/(Loss) on sale of Fixed Asset/Investment	-	-
Dividend Income	-	-
Interest Income	-	-
Operating Profit / (Loss) before working capital changes	(1,298.81)	-
Adjustment for Changes in Working Capital		
Increase in current Liabilities	597.17	242.00
Increase in Short term loans & Advance	(454.58)	-
Cash Generated from/(used) from operating activities	(1,156.22)	242.00
Direct Taxes Paid	-	-
Cash (used in)/ from operating activities before extraordinary Items	(1,156.22)	242.00
Preliminary Exp.	0.41	-
Cash Generated from/(used) from operating activities (A)	(1,155.82)	242.00
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Preoperative Exp	245.76	(244.97)
Net Cash (used in) / from Investing Activities (B)	245.76	(244.97)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Subscription of Equity Shares	-	5.00
Unsecured Loan	910.00	
Net Cash (used in) / from Financing Activities (C)	910.00	5.00
Net Cash Increase in cash & Cash equivalents (A+B+C)	(0.06)	2.03
Cash & Cash equivalents in beginning	2.06	0.02
Cash & Cash equivalents as at the end	2.00	2.06

In terms of our report of even date.

For RMA & Associates
Chartered Accountants

On behalf of the Board

(Vishal Gupta)
Partner
Membership No. 524194

Sunil Kumar Nayyar
(Director)

Devendra Kumar Maheshwari
(Director)

Place: New Delhi
Date: 12.06.2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE A SHARE CAPITAL

i) Authorized Share Capital (₹ in Lacs)					
Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	100,000	10.00	100,000	10.00
Total			10.00		10.00

ii) Issued, Subscribed and Paid-up Capital (Fully Paid-up): (₹ in Lacs)					
Class of Shares	Par Value (₹)	As at March 31, 2014		As at March 31, 2013	
		No. of Shares	Amount	No. of Shares	Amount
Equity Shares	10	10,000	1.00	10,000	1.00
Total			1.00		1.00

iii) Reconciliation of Number of Shares Outstanding:				
Class of Shares	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. Of Equity Shares	
Opening Outstanding	10,000		10,000	
Addition during the period	-		-	
Closing Outstanding	10,000		10,000	

iv) Details of shares in the Company held by each shareholder holding more than 5% shares:				
Name of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Equity Shares		No. of Equity Shares	
PNC Infratech Ltd.	6,500		6,500	
BF Utilities Ltd.	3,500		3,500	

Particulars	Securities Premium Reserve		Capital Reserve		Profit & Loss A/c		Total	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
	NOTE B RESERVE & SURPLUS							
Balance as per last Balance Sheet	-	-	-	-	-	-	-	-
Addition during the year	-	-	-	-	(1,298.81)	-	(1,298.81)	-
Balance at the end of the year	-	-	-	-	(1,298.81)	-	(1,298.81)	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE C SHARE APPLICATION MONEY PENDING ALLOTMENT		
PNC Infra Holdings Ltd	5.00	5.00
Total	5.00	5.00

NOTE D SHORT-TERM BORROWINGS

Secured:		
Term Loans:		
From Bank	-	-
From Others	-	-
Sub Total	-	-
Unsecured:	-	-
Loan from related parties	910.00	-
Total	910.00	-

(i) Due from companies under the same management / subsidiaries:

PNC Infratech Ltd.	910.00	-
Total	910.00	-

NOTE E OTHER CURRENT LIABILITIES

Duties & Taxes	0.05	0.06
Other Payables	839.35	242.17
Total	839.40	242.22

(i) Due to companies under the same management / subsidiaries:

PNC Infratech Ltd.	383.74	-
Total	383.74	-

NOTE F FIXED ASSETS

Tangible Assets	-	-
Intangible Assets:		
Capital WIP	-	-
Pre - Operative Expenses	-	245.76
Total :	-	245.76

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE G OTHER NON-CURRENT ASSETS-UNSECURED		
Long-term Trade Receivable:		
Considered good:	-	-
Considered doubtful:	-	-
Others:		
Preliminary Expenses	-	0.41
Total	-	0.41

NOTE H CASH & CASH EQUIVALENTS

Cash & Cash Equivalents		
Cash on hand	-	-
Cheques/ Draftes in Hand	-	-
Balances with Banks		
On Current account	2.00	2.06
Other Bank Balances	-	-
Total	2.00	2.06

NOTE I OTHER CURRENT ASSETS

Unsecured, considered good:		
BF Utilities Ltd.	454.58	-
Others	-	-
Total	454.58	-
Unsecured, considered Good	-	-
Total :	454.58	-

(i) Due to companies under the same management / subsidiaries:

BF Utilities Ltd.	454.58	-
Total	454.58	-

NOTE J OTHER EXPENSES

Capital WIP W/off	388.81	-
Payment to NHAI Agt B.G	910.00	-
Total :	1,298.81	-



NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

(₹ in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
NOTE ADDITIONAL NOTES		
(I) Amount paid or payable to Auditor as Fees		
Audit Fees	1.02	0.51
Total	1.02	0.51

During the year, the Company and NHAI have mutually agreed vide agreement dated 04.03.2014 to close the project due to non availability of project stretch and other difficulties. As compensation, the company has paid ₹9,10,00,000/- to NHAI. The management is of the view that since the project has been closed and no future benefits will arise, the compensation and intangible assets under development has been charged to Profit & Loss account during the year.

NOTE **SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operation

The Company was incorporated as Hospet Bellary Highways Pvt. Ltd. on 17.01.2012. The Company has been awarded the work of " 4-Lanning of Hospet- Bellary Karnataka/ AP border section of NH-63, (from Km 280.300 to Km 375.740) in the state of Karnataka on Design, Build, Finance, Operate and Transfer (DBFOT) basis" and the collected fees to be retained and appropriate receivables as per concession agreement dated 28.03.2012 with NHAI.

1. Basis of preparation of financial statements:

These financial statements are prepared in accordance with generally accepted accounting principles in India under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 1956 and comply in material aspect with the accounting standard notified under section 211(3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006. Accounting Policies have been consistently applied except where a newly issued accounting standard requires a change in the accounting policy hitherto in use.

2. Use of estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures relating to contingents liabilities at the date of financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period.

Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. Fixed assets

Intangible assets are recognized in accordance with the criteria specifies in Accounting Standard (AS) 26 " Intangible Assets" issued by Institute of Chartered Accountants of India.

Highways Projects representing toll collection rights are obtained in consideration for construction, operation and maintenance of the project on design, build, Finance, operate and Transfer basis. The cost of such Highways project companies' construction cost including finance cost incurred during the implementation phase. Such Highways project on completion is capitalized on intangible Assets.

4. Depreciation

Intangible assets are amortized over the period of rights given under the concession agreement as they represent right to collect toll revenue during concession period.

Pre-operative expenses incurred upto the date of commencement of commercial operations are shown separately pending allocation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended March 31, 2014

NOTE SIGNIFICANT ACCOUNTING POLICIES (Contd.)

5. Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted of the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. Cash and cash equivalents in the Balance Sheet comprise cash and cash at bank.

6. Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

7. Foreign Exchange Transaction

The Company has neither received/ earned nor paid any amount in foreign exchange.

8. Borrowing costs:

Borrowing costs that are attributed to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

9. Segment Reporting:

The Company's operations pre-dominantly consist of infrastructure development and construction, hence it operates in one business segment, Thus, the reporting requirement of Accounting Standard (AS-17) "Segment Reporting" are not applicable.

10. Events occurring After Balance Sheet Date

Events occurring after the balance sheet date have been considered in the preparation of financial statements.

11. Provisions, Contingent liabilities and contingent assets:

Provisions are recognized when the company has a present legal and constructive obligation , as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. Contingent liability are recognized but are disclosed in the notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

Corporate information

Board of Directors

Chairman and Managing Director

Pradeep Kumar Jain

Managing Director(s)

Chakresh Kumar Jain

Yogesh Kumar Jain

Whole Time Director(s)

Naveen Kumar Jain

Anil Kumar Rao

Independent Director(s)

C R Sharma

Subhash Chander Kalia

Ashok Kumar Gupta

Dharam Veer Sharma

Nominee Director

Sunil Chawla

Company Secretary

Binaya Kumar Dash

Auditors

M/s. Purushottam Agrawal & Co.

Chartered Accountants

401, 4th Floor, 118/8 Maruti Plaza

Sanjay Place, Agra-282002 (UP), India

M/s. S.S. Kothari Mehta & Co.

Chartered Accountants

146-149 Tribhuvan Complex

Ishwar Nagar, Mathura Road,

New Delhi- 110065 (India)

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

Registered office

NBCC Plaza, Tower-II, 4th Floor,

Pushp Vihar, Sector-V (Saket),

New Delhi-110017, India

Website: www.pncinfratech.com

Corporate/Head office

PNC House,

3/22-D, Civil Lines, NH-2,

Agra-Delhi Bypass Road,

Agra-282005 (U.P.)



PNC Infratech Limited

www.pncinfratech.com

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