

DIRECTORS' REPORT

TO THE MEMBERS,

On behalf of the Board of Directors, it is our pleasure to present the 20th Annual Report on the business and operations of your Company together with the Audited Financial Statement of **PNC Infratech Limited** ("the Company" or "PNCIL") for the financial year ended March 31, 2019.

1. Results Of Our Operations

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

₹ in Lakhs (except EPS)

Particulars	Standalone Results For the year ended as at		Consolidated Results For the year ended as at	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Revenue from Operations	309687.31	185658.09	377435.82	241139.29
Total Expenses	279586.84	164567.52	346199.90	221341.65
Add/(Less): Share in profit/(loss) of Associates	-	-	69.93	(596.95)
Profit/(Loss) before tax & prior period expenses	34404.26	23392.68	35967.42	21635.71
Prior period expense (Net)/Exceptional Item	-	-	-	-
Profit/(Loss) Before Tax	34404.26	23392.68	35967.42	21635.71
Tax Expense (Net)	1913.04	(1711.42)	830.99	(2665.02)
Profit /(Loss) After Tax	32491.22	25104.1	35136.43	24300.73
Earnings Per Share (Basic & Diluted)	12.67	9.79	13.70	9.47

2. Financial Performance

On a standalone basis, revenue of the Company for FY19 is ₹ 309687.31 Lakhs as compared to ₹ 185658.09 Lakhs in FY18. The Operating Profit (i.e. Earnings before Interest, Tax, Depreciation and Amortization) for FY19 is ₹ 45734.21 Lakhs as compared to ₹ 31883.04 Lakhs in FY18. The Profit before Tax for FY19 is ₹ 34404.26 Lakhs as compared to ₹ 23392.68 Lakhs in FY18. The Profit after Tax for FY19 is ₹ 32491.22 Lakhs as compared to ₹ 25104.10 Lakhs in FY18.

The Consolidated Revenue of the Company for FY19 is ₹ 377435.82 Lakhs as compared to ₹ 241139.29 Lakhs in FY18. The Consolidated Operating Profit (i.e. Earnings before Interest, Tax, Depreciation and Amortization) for FY19 is ₹ 100680.51 Lakhs as compared to ₹ 76909.70 Lakhs in FY18. The Consolidated Profit before Tax for FY19 is ₹ 35967.42 Lakhs as compared to ₹ 21635.71 Lakhs in FY18. The Consolidated Profit after Tax, Minority Interest and Share in Profit / Loss of Associate for FY19 is ₹ 35136.43 Lakhs as compared to ₹ 24300.73 Lakhs in FY18.

3. State of Affairs & Future Outlook

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

- 55.7 km long Four Laning of Challakere to Hariyur section of NH 150 A, from km 358.50 to 414.205 in the state of Karnataka under Bharatmala Pariyojna to be executed on Hybrid Annuity Mode.
- Construction of access controlled Nagpur – Mumbai super communication expressway (Maharashtra Sammrudhi Mahamarg) in the state of Maharashtra on EPC mode for package 4 from km. 162.667 to km 217.023 in District Washim.
- Development of Purvanchal Expressway (Package VI) from Gobindpur to Mozrapur from Km 218+300 to km 246+500 in the state of Uttar Pradesh on EPC Basis
- Development of Purvanchal Expressway (Package V) from Sansarpur to Gobindpur from Km 164+300 to km 218+300 in the state of Uttar Pradesh on EPC Basis.
- Widening and strengthening of Lakhimpur to Dudhawa National Park Road (SH) two lane (Length 63.650 km.) in the district Lakhimpur-Kheri.

In financial year 2018-19, Company has been awarded with projects over ₹ 5900 crore and expect to receive more contracts in the current financial year.

The total outstanding contract value pending execution was ₹ 12210 Crore as on March 31, 2019.

1. The Company is presently executing the following major projects:

HIGHWAYS		
Sr.	Category	Name of the Project
1	Highways	Four laning of Koilwar to Bhojpur Section, design Chainage from 33.250 to 77.100 (NH-30 & 84) in the state of Bihar under NHDP Phase-III on EPC mode.
2	Highways	Four laning of Bhojpur to Buxar Section, design Chainage from 77.100 to 125.00 (NH-84) in the state of Bihar under NHDP Phase-III on EPC mode.
3	Highways	Up-gradation of Aligarh Moradabad section of NH-93 to 2-Lane with paved shoulders from km.85.650 (existing 85.650) to km.232.020 (existing km.232.000) in the State of Uttar Pradesh under NHDP Phase-IV on EPC mode.
4	Highways	4-Laning of Varanasi Gorakhpur Section of NH-29 from km.12.000 (Design chainage km.12.010) to km.88.000 (Design chainage km.84.160) [Package-II from Sandah to Birnon] in the State of Uttar Pradesh under NHDP Phase-IV on EPC Mode.
5	Highways	4-Laning of Nagina-Kashipur section of NH-74 from km.71.614 (existing km.73.000) to km.170.407 (existing km.175.000) in the States of Uttarakhand and Uttar Pradesh under NHDP Phase-IV on EPC Mode.
6	State Highways	Construction of 3 Lane Road on both side of Sharda Sahayak Feeder Canal from Lucknow-Faizabad Road to Lucknow-Sultapur Road.
7	State Highways	Widening & Strengthening of Etah-Kasganj Road , O.D.R. Chainage 0.00 to 24.30 Km. and Bareilly-Mathura Road , SH-33 Chainage 161.50 to 145.00 Km.) Total length 40.800 Km. (Distt. Etah: 20.00 Km. & Distt. Kasganj: 20.80 Km.)
8	State Highways	Upgradation of MDR No. 82W Nanau Dadon (Section from Km 0.000 to Km. 30.000) in District Aligarh.
9	Highways	Four laning/Two laning with paved shoulder from Km.0.000 to Km.83.453 of Dausa-Lalsot-Kauthun Section of NH-11A Extn. in the State of Rajasthan under NHDP Phase-IV on Hybrid Annuity Mode.
10	Highways	Six laning of Chitradurga-Davangere including Chitradurga Bypass (km. 189.00 to km. 260.00) of NH-48 (Old NH-4) in the state of Karnataka on Hybrid Annuity Mode under NHDP Phase-V.
11	Highways	Four Laning of Jhansi-Khajuraho Section (Package-I) from km. 0.00 to km. 76.3 of NH-75/76 in the State of Uttar Pradesh & Madhya Pradesh under NHDP Phase-III on Hybrid Annuity Mode.
12	Highways	Four Laning of Jhansi-Khajuraho Section (Package-II) of NH-75/76 from Design Chainage Km. 76.3 near Village Chhatipahari to Design Chainage Km. 161.7 near Bamitha town in the State of Uttar Pradesh & Madhya Pradesh under NHDP Phase-III on Hybrid Annuity Mode.
13	State Highways	Development of Purvanchal Expressway Project (Package-V): From Sansarpur (Dist. Sultanpur) to Gobindpur (Dist. Azamgarh) (Km. 164+300 to Km. 218+300) in the State of Uttar Pradesh on EPC Basis.
14	State Highways	Development of Purvanchal Expressway Project (Package-VI): From Gobindpur (Dist. Azamgarh) to Mojrapur (Dist. Azamgarh) (Km. 218+300 to Km. 246+500) in the State of Uttar Pradesh on EPC Basis.
15	State Highways	Construction of Access Controlled Nagpur-Mumbai Super Communication Expressway (Maharashtra Samruddhi Mahamarg) in the State of Maharashtra on EPC Mode for Package 4, From Km.162.667 to Km.217.023 In Section-Village Donad Bk. to Village Januna kh. in District Washim.
16	Highways	6-laning of Chakeri to Allahabad Section of NH-2 from km.483.687 to km.628.753 (Design Length-145.066 km) in the State of Uttar Pradesh under NHDP Phase-V on Hybrid Annuity Mode.
17	Highways	Four laning of Aligarh-Kanpur Section from km.186.000 (Design Chainage km.195.733) to km.229.000 (Design Chainage km.240.897) [Package-II from Bhadwas-Kalyanpur] of NH-91 in the State of Uttar Pradesh on Hybrid Annuity mode under Bharatmala Pariyojana.
18	Highways	Four laning from Km.358.500 to Km.414.205, Challakere to Hariyur section of NH-150A, on Hybrid Annuity Mode under Bharatmala Pariyojana in the State of Karnataka.
AIRPORT RUNWAYS		
19	Airport Runways	Resurfacing/strengthening of Runway at AF station Kanpur.

4. Dividend

Keeping in view the continued good performance, future funds requirements of the Company and Dividend policy of the Company for rewarding shareholders, your Directors are pleased to recommend a dividend of 25% i.e. ₹ 0.50 per equity shares of ₹ 2/- each, on 25,65,39,165 no. of equity shares, amounting to ₹ 1282.70 Lakhs for the financial year 2018-19.

The dividend, if approved by the members, shall be subject to tax on dividend to be paid by the Company. The payout is expected to be ₹1546.42 Lakh (Inclusive of Corporate Dividend Tax of ₹263.72 Lakhs).

5. Transfer To Reserves

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

6. Subsidiaries, Joint Ventures And Associate Companies

The Company has two direct subsidiary, Fourteen step-down subsidiaries and one associate company as on March 31, 2019. There are no joint ventures of the Company. In accordance with Sec 129(3) of the Companies Act, 2013 (Act), the consolidated financial statements ('CFS') of the Company forms part of this Annual Report. Also, a statement containing the salient features of the financial statement of the subsidiaries and associates in prescribed format AOC-1 is provided as an Annexure to the CFS.

During the financial year under review, two company have been incorporated as step down subsidiaries as detailed below:-

1. The Company was declared L1 (lowest) bidder for the project of Four Laning of Aligarh-Kanpur section from km 186.00 to km 229.00 of NH 91, in the state of Uttar Pradesh under Bharatmala Pariyojna on Hybrid Annuity Mode. To implement the said Project, 'PNC Aligarh Highways Private Limited, a Special Purpose Vehicle was incorporated on April 12, 2018 by the Company. 'PNC Aligarh Highways Private Limited' is the newly incorporated step – down subsidiary of PNCIL.
2. The Company was declared L1 (lowest) bidder for the project of Four Laning from km 358.500 to km 414.205, Challakere to Hariyur section of NH-150A, On Hybrid Annuity Mode under Bharatmala Pariyojna in the state of Karnataka. To implement the said Project, 'PNC Challakere (Karnataka) Highways Private Limited, a Special Purpose Vehicle was incorporated on July 06, 2018 by the Company. 'PNC Challakere (Karnataka) Highways Private Limited' is the newly incorporated step – down subsidiary of PNCIL.

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

As per Listing Regualtions, Four Subsidiaries namely PNC Infra Holdings Limited, PNC Raebareli Highways Private Limited, PNC Kanpur Ayodhya Tollways Private Limited and PNC Rajasthan Highways Private limited are the Unlisted Material Subsidiaries of the Company for financial year ended on March 31, 2019. Company's Policy on Material Subsidiaries is placed on the website of the Company at <https://www.pncinftratech.com/pdfs/policy-for-determining-material-subsidiaries-pnc-infratech-limited.pdf>.

7. Directors' Responsibility Statement

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

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

8. Corporate Governance

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

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

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

9. Risk Management

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

10. Contracts And Arrangements With Related Parties

During the financial year 2018-19, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, rules issued there under and in compliance of the Related Party Policy of the Company and in accordance with Regulation 23 of the SEBI Listing Regulations. During the financial year 2018-19, the Company did not enter into materially significant transactions with Promoters, Key Managerial Personnel or other related parties. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable. The details of the related party transactions as required under IND AS- 24 are set out in Notes to the standalone financial statements forming part of this Annual Report.

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

11. Corporate Social Responsibility (CSR)

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

under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as "Annexure I" to this report.

12. Internal Financial Control

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

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

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

13. Directors And Key Managerial Personnel

Mr. Yogesh Kumar Jain (DIN-00086811) Managing Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, and being eligible has offered himself for re-appointment. Your Directors recommend his re-appointment.

During the year under review, Mr. Subhash Chander Kalia and Mr. Rakesh Kumar Gupta have resigned from the post of Independent director w.e.f. May 24, 2018 and Jan 10, 2019 respectively. The Board places on record its appreciation for the contributions made by them in the deliberations of the Board and its committees thereof.

On May 23, 2018, Mr. Gauri Shankar (DIN-06764026) on the recommendation of Nomination and Remuneration Committee, was appointed by the Board as an Additional Non – Executive Independent Director on the Board of the Company and regularized in AGM held on September 29, 2018. Mr. Shankar is a seasoned banker and in past served with PSU banks like Bank of India and Punjab National Bank

at a senior board level. He has overall 4 decades of experience in the field of Finance and Banking.

On February 13, 2019, Mr. Krishan Kumar Jalan (DIN-01767702) on the recommendation of Nomination and Remuneration Committee, was also appointed by the Board as an Additional Non – Executive Independent Director on the Board of the Company. Mr. Jalan is former Secretary Govt. of India. He is in receipt of various awards and accolades for outstanding work during his career stints at various organizations which includes the National E- Governance award-Gold Category for implementation of UAN in EPFO, Director Special Award for outstanding contributions during stay at IIPA and BHIM Award for promotion of sports in Haryana.

The resolution pertaining to his appointment as Independent Director of the Company is being placed before the members for their approval in the ensuing Annual General Meeting of the Company. The Board recommends his appointment as Independent Director of the Company.

Mr. Ashok Kumar Gupta, Mr. C R Sharma and Mrs. Deepika Mittal, Independent Directors of the Company shall complete their present term as an Independent Directors in the ensuing Annual General Meeting of the Company. The Board at their meeting held on May 24, 2019, on the recommendation of the Nomination and Remuneration Committee of the Board and on the basis of the report of performance evaluation, recommended for the approval of the Members of the Company, their re-appointment as an Independent Directors of the Company for a further period of five consecutive years. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as an Independent Director of the Company.

The required details of directors seeking appointment and re-appointments under Regulation 36 of SEBI Listing Regulations read with Secretarial Standard 2 has been provided in the Notice convening 20th Annual General Meeting of the Company.

As on March 31, 2019 Mr. Pradeep Kumar Jain, Mr. Yogesh Kumar Jain, Managing Directors, Mr. Chakresh Kumar Jain, Managing Director & Chief Financial Officer, Mr. Anil Kumar Rao, Whole time Directors, and Mr. Tapan Jain, Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

14. Declaration By Independent Directors

In accordance with the Section 149(7) of the Act, each Independent Director has given a written declaration to the

Company at the time of their appointment and at the first meeting of the Board of Directors in every financial year confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an independent director during the year. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 along with code of conduct for all members of board in terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. Board Evaluation And Remuneration Policy

Pursuant to the provisions of the Act and SEBI Listing Regulations, the annual performance evaluation of the Board of Directors, the Committees of the Board and every Director individually for the Financial Year 2018-19 is carried out by the Nomination and Remuneration Committee and Board of Directors. A structured questionnaire was prepared after taking into consideration inputs received from the Directors. A separate exercise was carried out to evaluate the performance of the individual Directors, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The Independent Director in their meeting has reviewed the performance of non independent directors and the Board as a whole, and also reviewed the performance of the Chairman after considering the views of Executive and Non executive directors. The Board of Directors has expressed its satisfaction with the evaluation process.

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

16. Familiarization Programme For Independent Directors

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

17. Human Resources

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

18. Share Capital

During the year under review, the Company has not issued or allotted any equity shares with or without differential voting rights. The Paid – up Equity Share Capital of the Company as at March 31, 2019 stood at ₹ 51,30,78,330/-

19. Auditors And Auditors' Report**Statutory Auditors**

M/s. S.S Kothari Mehta & Co., Chartered Accountants (Firm Reg. no. 000756N), are the Statutory Auditors of the Company, who were appointed at the 18th Annual General Meeting of the Company held on 29th September, 2017 till the conclusion of the 22nd Annual General Meeting of the Company.

Auditor's Report

The Auditors' have issued an unmodified Report for the year ended 31st March 2019 which is self explanatory hence, do not call for any comments from the Management under Section 134 of the Companies Act, 2013.

Cost Auditors

The Board had appointed M/s. R K G & Associates, Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for the financial year 2018-19 and necessary application for their appointment was filed by the Company with the Ministry of Corporate Affairs. The said Auditors have conducted the audit of Cost records for the year ended 31st March 2019 and have submitted their report, which is self explanatory and do not call for any further comments.

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

The Board has also appointed M/s. R K G & Associates, Cost Accountants, as Cost Auditors to conduct Cost Audit for the financial year 2019-20 and their remuneration has also been recommended for the ratification and approval of the Shareholders.

Secretarial Auditors

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. DR Associates, Company Secretaries were appointed as Secretarial Auditors for the financial year 2018-19. The Secretarial Audit Report for the financial year ended on March 31, 2019 is annexed herewith marked as "Annexure-III" to this Report. There are no qualifications or adverse remark in their Report.

The Board has also appointed M/s. DR Associates, Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for the financial year 2019-20.

The Secretarial Audit Report of Material Unlisted Subsidiaries have been reviewed and there are no qualifications or adverse remark in their Report.

20. Management Discussion & Analysis

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

21. Disclosures**Audit Committee**

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

Vigil Mechanism

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

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

Meetings of the Board

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

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

The Company is exempted from the applicability of the provisions of Section 186 of the Companies Act, 2013 (Act) read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Companies (Meetings of Board

and its Powers) Amendment Rules, 2015 as the Company is engaged in the business of providing infrastructural facilities.

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

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

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

Extract of Annual Return

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

Particulars of Employees and Related Disclosures

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

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

Business Responsibility Report (BRR)

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

Dividend Distribution Policy

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

Investor Education and Protection Fund (IEPF)

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

Cost Records

In terms of Rule 8(5) of Companies (Accounts) Rules, 2014, the Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 read with rule 3 of Companies (cost records and audit) Rules, 2014 and accordingly such accounts and records are made and maintained by the Company.

Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace

The Company has framed the policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matter connected therewith or incidental thereto covering all the aspects as contained under 'The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act [the Act]'. The Company has constituted Internal Complaints Committee under the Act. During the period under review, no complaint was received.

22. General

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

- a) Details relating to deposits covered under Chapter V of the Act;
- b) Change in the nature of business;
- c) Voluntary revision of Financial Statements or Board's Report;
- d) Material change affecting the financial position of the Company;
- e) Issue of equity shares with differential rights as to dividend, voting or otherwise;
- f) No director is in receipt of commission from the Company and Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries Companies;
- g) No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the

going concern status and Company's operations in future;

- h) There was no instance of reporting of fraud to the Audit Committee and of Directors;
- i) There was no instance of any Employee Stock Options, Equity Share with differential voting rights as to dividend, voting or otherwise.
- j) The Company has complied with Secretarial Standards issued by the institute of Company Secretaries of India on meeting of Board of Directors and General Meetings.

23. Acknowledgement

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, banks and financial institutions, clients, vendors, Intermediaries associated with IPO of the Company, for their co-operation and continued support for the growth of the Company. The Directors also wish to acknowledge the assistance received

from various regulatory bodies, NHAI, MPRDC, UPSHA, HSRDC, MES, DSIIDC, UPEIDA, Ministry of Corporate Affairs, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and other Central and State Government agencies and thank them for the same and look forward to their continued support.

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

For and on behalf of the Board of Directors

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

Place: Agra
Date: May 24, 2019